

**London Borough of Barnet
Temporary Accommodation Procurement Policy**

Version Control

Item	Reason for Change	Version	Author	Date
1.				
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1. Introduction

- 1.1 This document sets out the Council's policy for the acquisition of suitable privately owned properties for use as temporary accommodation for households towards whom a duty to secure accommodation has been accepted or have been accepted as requiring assistance under the Housing Act 1996.
- 1.2 This document should be read in conjunction with the London Borough of Barnet's Temporary Accommodation Placements Policy.
- 1.3 The Council does not have sufficient units of temporary accommodation (TA) within its own owned and managed stock, and as a result we depend on the supply of privately owned properties to meet our obligations to provide TA to homeless households. Changes to the local housing market and other factors largely outside the Council's control have made it increasingly difficult to obtain properties for use as TA in the borough and in surrounding areas that meet the standards that are required. This policy is intended to ensure that sufficient numbers of suitable properties are obtained for the anticipated demand for TA in the ensuing twelve months. The policy, and associated demand projections, will be reviewed every year.

2. Key principles

- 2.1 The approach of Barnet Homes to the acquisition of suitable properties is informed by the following key principles:
 - The objective of Barnet Homes is to procure sufficient units of TA to meet the anticipated demand for properties in each financial year.
 - Where possible these units will be in the borough of Barnet, however Barnet Homes may acquire properties in a range of other locations where it appears the supply of units in the borough will not be sufficient for the anticipated demand.
 - Where there is a shortfall in the number of 'in-borough' units, the TA Placements policy will be applied to determine which households are offered those units, and which households will be offered properties in other locations
 - In addressing the shortfall, Barnet Homes will endeavour to acquire units in boroughs and which are close to the borough in order to minimise as far as possible the distance between the borough itself and the location of TA being offered to households who cannot be accommodated within the borough. These 'nearby boroughs' are; Brent, Camden, Enfield, Haringey, Harrow and Hertsmere.
 - Where the demand for accommodation is such that it is unlikely to be possible to acquire sufficient properties for all homeless households in Barnet and in nearby boroughs, Barnet Homes may acquire properties in other locations, which can be offered to homeless households applying the approach set out in the TA Placements Policy
 - In making decisions on the acquisition of properties for TA, Barnet Homes may take into account the resources available for the provision of TA, the difficulties of procuring sufficient units of TA at affordable prices in the borough, and the practicalities of acquiring accommodation in nearby areas.

3. Temporary accommodation provision

- 3.1 Barnet Homes currently provides as much TA as possible using properties which are already owned by the Council. These include a number of self-contained hostels and vacant general needs units on regeneration estates. There are currently approximately 1,000 of both of these types of properties available. This number is likely to reduce gradually as the regeneration scheme progresses and properties are required to be decanted for demolition.
- 3.2 In January 2016 the number of households in TA stood at over 2,900. It is therefore essential that privately owned properties are used as part of the TA 'portfolio' in order to fulfil the Council's duties.
- 3.3 Barnet Homes currently acquires privately owned properties in the context of a Framework Agreement which appoints 'preferred suppliers' to negotiate with property owners and make properties available to Barnet Homes under the Framework.
- 3.4 Barnet Homes also sources from private landlords and secured under lease for use as long-term TA.

4. Anticipated demand for temporary accommodation

- 4.1 The number of households requiring TA is unlikely to reduce significantly in the coming year for a range of reasons, including the limited supply of secure accommodation and the continuing high level of homeless presentations by households with a local connection to the borough. At least 2,900 properties are likely to be required at any given point, with some seasonal variations but a general requirement of around that figure or higher. Some properties currently in use are also likely to be handed back to their owners during the year, creating an additional requirement of as many as 150 properties in addition to the numbers needed for newly homeless households. Between April 2015 and January 2016 there were 750 units of TA sourced to meet demand an average of 17 new properties each week.
- 4.2 Barnet, being the most populous London Borough, is expecting to see a population increase of 83,000 over the next 30 years, adding further inflationary pressures to the PRS housing market in Barnet. Further, the availability of affordable supply in Barnet is restricted, partially owing to the borough being situated in a Broad Rental Market Area (BRMA) that includes a number of more affordable places to live, including Enfield and Haringey. This has led to increasing numbers of households approaching Barnet Homes for assistance due to their inability to access the private sector market.
- 4.2 Given this level of demand it is certain that Barnet Homes will not be able to meet the need for TA using only properties within the borough. There are also 3 very severe challenges in acquiring properties in nearby boroughs, most of which are experiencing steeply rising property prices, increasing private sector rents, fierce competition for supply and other trends, the effect of which is to reduce the number of properties in the borough or in nearby boroughs which may become available for use as TA.
- 4.3 The procurement policy for 2016/17 assumes that it will be necessary to procure properties in a range of locations beyond the borough itself and the surrounding area. All properties procured under the policy will be as close to the borough as is reasonably practicable, given the financial constraints within Barnet Homes operates and the practical difficulties which can prevent units being procured in Barnet or nearby boroughs.

5. Instructions to suppliers

- 5.1 Much of the procurement of individual properties is vested in the managing agents working on Barnet Homes behalf. Barnet Homes must ensure that the suppliers meet the quality of TA required as well as the regulatory standards. Barnet Homes must ensure that suppliers are compliant with the Temporary Accommodation Procurement policy and Barnet Homes Managing Agents Guidelines.
- 5.2 The decision whether to use a particular property which is being offered by a supplier is made by Barnet Homes, and must be informed by applying the key principles of the Temporary Accommodation Procurement policy.
- 5.3 The managing agents who procure TA on Barnet Homes' behalf are aware of the standard of accommodation required by the Council and of the Temporary Accommodation Procurement policy.
- 5.4 All managing agents are under a standing instruction to procure as many properties as possible in the borough; to procure properties in nearby boroughs wherever possible; and to procure properties as close to the borough as possible when considering other areas.
- 5.5 Where it may be possible for suppliers to deliver cost-effective arrangements for TA in other areas, managers in Barnet Homes are authorised to approve these arrangements where it appears clear that
- On the basis of trends in supply and demand Barnet Homes cannot be confident of comprehensively meeting its obligations to homeless households using only the properties likely to be acquired in the borough and in nearby areas, and
 - It is likely there will also be a shortfall in the number of available units located in areas between the borough and nearby areas and the location of the potential acquisition and
 - The properties in question meet the physical standards set out in Barnet Homes Managing Agents Guidelines, and
 - The properties being offered represent good value for money when considered in the context of the Council's overall expenditure on TA.
- 5.6 Where units are acquired in other areas by applying the above criteria, the Temporary Accommodation Placements Policy will be applied in the process of matching each individual property to a homeless household. Each property will only be offered to an applicant when Barnet Homes has satisfied itself that it is suitable for the homeless household, taking into account the household's individual circumstances and the characteristics of the property.

6. Process for acquisitions

- 6.1 The process by which individual properties are offered to Barnet Homes by suppliers, and the property standards required, are set out in Barnet Homes Managing Agents Guidelines for TA procured under the Framework Agreement.

- 6.2 Before agreeing to the use of a specific unit, officers in Barnet Homes are responsible for ensuring that the acquisitions process in Barnet Homes Managing Agents Guidelines has been followed, and that the acquisition of the unit is consistent with the principles of the Temporary Accommodation Procurement Policy as set out above.
- 6.3 Where there are not likely to be sufficient units in the borough and nearby boroughs to meet demand, officers in Barnet Homes can authorise the acquisition of properties elsewhere in order that it will be possible to meet the Council's obligations.
- 6.4 When properties have been acquired Barnet Homes will go on to consider which households should be offered them, applying the Temporary Accommodation Placements Policy.

7. Financial considerations

- 7.1 The difficulties experienced by Barnet Homes in procuring TA in the borough and in nearby boroughs are largely related to the wider housing market and the availability to owners and landlords of other options which are more financially attractive (including letting properties to households not dependent on Housing Benefit). In light of this Barnet Homes keeps under review the rates paid and other financial incentives it offers to managing agents and property owners, and will implement increases in these incentives where there is a business case for doing so.
- 7.2 Barnet Homes is obliged to provide services within the budgetary limits set by the Council, and to seek value for money in all its dealings with third parties. For these reasons it is not possible for the Council to pay 'market rents' for properties in the borough, or in any area, where to do so would create a severe financial imbalance between the maximum obtainable rent (based on the Housing Benefit subsidy arrangements for TA) and the amount payable to the agent or owner. In seeking to provide suitable accommodation in the borough or as close to it as possible, Barnet Homes cannot set aside its obligations to the Council Tax payer and other sources of funding. These considerations represent a significant impediment to obtaining as many units of TA in the borough or nearby as would be desirable to fulfil the principles of the Temporary Accommodation Placements Policy and the Temporary Accommodation Procurement Policy.
- 7.3 Barnet Homes and the suppliers with whom it works in partnership are committed to maximising the supply of properties in or near the borough for use as TA. The Temporary Accommodation Procurement Policy reflects this objective while taking account of the difficulties in procuring sufficient units of TA in the borough, and the practical and financial constraints in obtaining properties of a sufficiently high standard in nearby areas.
- 7.4 Barnet Homes also has regard to the right of homeless applicants to request a review of the suitability of any temporary accommodation provided to them under section 193 of the Housing Act 1996, and of the requirements of the Homelessness (Suitability of Accommodation) (England) Order 2012.

8. Standards in temporary accommodation

- 8.1 Barnet Homes is committed to ensuring that all properties acquired for use as TA, meet the Temporary Accommodation Management Guidelines and the Private Sector Leasing Property Standards.