

**TONBRIDGE & MALLING BOROUGH COUNCIL**

**STRATEGIC HOUSING ADVISORY BOARD**

**22 February 2010**

**Joint Report of Director of Health and Housing and Cabinet Member for Housing**

**Part 1- Public**

**Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)**

**1 QUALIFYING OFFERS – DISCHARGE OF HOMELESSNESS DUTY**

**Summary**

**Assisting homeless households into private sector accommodation increases choice for customers and enables the Council to avoid the long-term use of bed and breakfast and other temporary accommodation. In May 2009 Members approved proposed changes to the Council's Rent Deposit Bond scheme which is based primarily on the use of deposit bonds, with repayable rent deposits and rent in advance offered only in exceptional circumstance. However, for certain homeless households, a further option of a 'qualifying offer' is an effective method of discharging the Council's duty. This report proposes an extension to the current Rent Deposit Bond scheme to incorporate the use of qualifying offers in defined circumstances.**

**1.1 Background**

- 1.1.1 Qualifying offers were introduced in the Housing Act 1996 as means of discharging a local authority's duty to house a homeless household. Essentially, a qualifying offer occurs when a homeless household is voluntarily assisted into a private sector assured shorthold tenancy by a local authority, and where they have agreed that the duty to house them into social rented accommodation as a result of their homelessness will end. A key factor is that the applicant must sign a statement confirming that she/he understands that there is no obligation to accept the tenancy, and that the housing duty owed will end if the offer is accepted.
- 1.1.2 It is implicit within the definition that a qualifying offer will have no financial detriment on the homeless household, and therefore the local authority will bear the cost of any deposit and/or rent in advance required in order to secure the tenancy.

## **1.2 Use of qualifying offers**

- 1.2.1 The Housing Options Team continues to successfully prevent homelessness by assisting households into privately rented accommodation before a statutory duty to rehouse arises. Usually these tenancies are supported by a rent deposit bond issued by the Council, although occasionally we are required to advance a cash deposit which is repayable by the tenant.
- 1.2.2 If a household presents at the point of homelessness, or we have otherwise been unsuccessful in preventing homelessness, an assessment is made as to whether a rehousing duty is owed. The household may need to be placed into emergency bed and breakfast or other temporary accommodation pending the outcome of this assessment. If a full housing duty is accepted, the homeless household will be placed into a high priority band and will need to bid for suitable accommodation through the choice based lettings system.
- 1.2.3 Historically, most local authorities rarely use qualifying offers as a discharge of duty, as homeless households are generally unwilling to relinquish their right to receive an offer of social rented housing. Within the past three years, we have made five qualifying offers: one in 2007/08 for £1,550; three in 2008/09 for £2,125, £1,537 and £1,190; and one in 2009/10 for £1,350. The average cost to the Council of a qualifying offer is £1,550.

## **1.3 When a qualifying offer will be considered**

- 1.3.1 Some homeless households may face a protracted period in emergency or temporary accommodation due to their particular circumstances, and the lack of suitable social rented accommodation to meet their needs. Where a full housing duty has been accepted by the Council, I propose to offer such households a qualifying offer of private sector accommodation, subject to them meeting one or more of the following criteria:
- the household requires a large property (four or more bedrooms) which rarely become available to homeseekers via choice based lettings;
  - Russet Homes (or another registered social landlord) have stated they will not offer accommodation to the household due to a previous eviction, history of rent arrears or anti-social behaviour; or
  - one or more members of the household have been victims of domestic abuse, violence or harassment and would prefer to be housed outside of the borough for their safety
- 1.3.2 Once such a household has been identified, they will be encouraged to consider a qualifying offer in discharge of the Council's rehousing duty. The housing options team will assist in finding a suitable property, which will be subject to the usual health and safety checks.

## **1.4 Legal Implications**

- 1.4.1 The Council has a legal duty to provide accommodation for households that are homeless, eligible for assistance and in priority need. In the absence of suitable permanent accommodation, bed and breakfast and other forms of temporary accommodation must be made available instead.
- 1.4.2 This rehousing duty can only be discharged in one of the ways prescribed in the Housing Act 1996, including the use of a qualifying offer of suitable private sector accommodation.

## **1.5 Financial and Value for Money Considerations**

- 1.5.1 Although payments made in respect of qualifying offers could be recovered from the landlord at the end of the tenancy, in practice most tenants leave the property owing arrears of rent or having caused damage to the property. Of the five qualifying offers made during the past three years, only one tenancy is still running. Unfortunately, we have not recovered any of the payments made when the remaining four tenants left their properties, due to arrears and damage.
- 1.5.2 It is anticipated that approximately three to four qualifying offers could be made each financial year, at an approximate cost of £4,650 to £6,200 during 20010/11. It is also anticipated that the numbers of qualifying offers, and hence the annual budget required is unlikely to increase significantly in future years. This amount will be included within the existing budget for the Rent Deposit Bond Scheme.

## **1.6 Risk Assessment**

- 1.6.1 There is a significant risk that levels of homelessness (and the consequent use of temporary accommodation) will increase as a result of the economic downturn. The extension of the Rent Deposit Bond Scheme to include qualifying offers will reduce the need to rely on bed and breakfast and other forms of temporary accommodation, and ensure that certain households who could otherwise face lengthy periods of unsettled housing can access suitable housing more promptly.

## **1.7 Recommendations**

- 1.7.1 **CABINET** is **RECOMMENDED** to:
- 1.7.2 **ENDORSE** the extension of the Rent Deposit Bond Scheme to include qualifying offers in the defined circumstances described.
- 1.7.3 **APPROVE** expenditure to the value outlined at paragraph 1.5.2 from within the existing budget for the Rent Deposit Bond Scheme.

The Director of health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

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Nil

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