

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2415

### Title: Enhanced Setting the Standard programme

#### Executive Summary:

This Assistant Director Decision (ADD) seeks approval for expenditure of £50,000 to part-fund the development of enhancements to Setting the Standard (STS). STS is a scheme that assesses and reviews the standard of nightly-paid bed and breakfast and studio temporary accommodation used by the London boroughs for homeless households. Its aim is to ensure that this type of accommodation is of a decent standard, both in terms of property conditions and management practices. The enhanced scheme, being developed by London Councils, will provide a pan-London rather than borough by borough approach to property inspections, which should lead to much-improved coverage. Grant funding would be provided to LB Ealing, which will lead the procurement for this programme on behalf of London boroughs and provide all legal and financial advice.

#### Decision:

That the Assistant Director of Housing approves:

expenditure of £50,000 to be paid to LB Ealing to part-fund the development of the enhanced Setting the Standard programme, to improve standards in temporary accommodation.

#### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Rickardo Hyatt

**Position:** Assistant Director - Housing

**Signature:**



**Date:**

16 January 2020

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. Setting the Standard (STS) is a pan-London scheme for assessing and reviewing the standard of nightly-paid bed and breakfast (B&B) and studios used as temporary accommodation (TA) by the London boroughs. To date, STS has involved each borough's environmental health team being responsible for inspecting properties located within their boundaries. It is a voluntary agreement between boroughs, with five objectives:
  - ensuring that all properties secured for vulnerable people in nightly-paid B&B and studio TA meet a suitable and safe property standard;
  - enabling boroughs to place households in nightly-paid TA with confidence in the standard of the accommodation, particularly when placing across borough boundaries;
  - ensuring a higher quality of inspection and tackling poor practice in this section of the private rented sector;
  - creating efficiencies in inspections and enforcement action by avoiding multiple inspections by different boroughs; and
  - delivering a common minimum inspection standard across London by using agreed STS guidelines.
- 1.2. Originally established by the GLA, the operation of STS was transferred to the boroughs in 2012. In summer 2018, the London boroughs' Housing Directors' Group launched a review of the scheme. This found that, in January 2019, only 405 B&Bs/studios were listed as being in use and having an inspection record. Of these, just 111 had an inspection report dated within the previous twelve months. By contrast, around 1,280 different B&Bs and studios across London were used by boroughs as temporary accommodation in 2018. Some of these would have been inspected by borough environmental health officers as part of local licensing regimes and many will be visited by a TA officer to check relevant certificates and for deficiencies. However, many would not have received a regular and full Housing Health and Safety Rating System (HHSRS) level inspection by a suitably qualified officer.
- 1.3. The review highlighted the risks that currently exist for both placing and host boroughs when procuring accommodation for households. These include the potential failure by placing boroughs to secure accommodation for households that is safe, as defined in the Homelessness Code of Guidance and Housing Act 1996. The Housing Act 2004 also places a responsibility of councils to keep local housing conditions under review.
- 1.4. In July 2019, a business case for enhancing STS was presented to London Housing Directors by the West London Alliance. The key focus of the enhanced scheme is the creation of a centralised inspection team, to inspect, and make available the inspection records for around 1,500 nightly paid B&B and studio establishments. To date, 28 boroughs have indicated their intention to participate in the enhanced scheme and London Councils are currently seeking to enter into memorandums of understanding with each of these.
- 1.5. As set out in his London Housing Strategy, the Mayor believes greater collaboration can help improve the accommodation options that councils are able to offer homeless households. By contributing funding to the enhancement of the STS scheme, the Mayor will be supporting boroughs' efforts to collaborate to adopt stricter standards for this type of accommodation.
- 1.6. The cost of delivering the enhanced scheme is £131,000 for set-up and £787,000 a year for its ongoing operation. While most of this funding will be met by the London boroughs, there is a shortfall of £50,000 which, if not met, would threaten the feasibility of the project. It is therefore proposed

that the GLA meets this shortfall. This would be provided as grant funding to LB Ealing, which will lead the procurement for this programme on behalf of London boroughs and provide all legal and financial advice.

## **2. Objectives and expected outcomes**

- 2.1. The enhanced STS scheme will provide a more rigorous, collaborative approach to ensuring that every homeless household is placed in accommodation that is safe and operated to high management standards. It will ensure boroughs have relevant information available to them when making placements into such accommodation. Boroughs will also have the option to enter into long-term contracts with providers in exchange for lower costs and improved service quality. Better utilising the boroughs' collective buying power within the market and adopting stricter standards will contribute to improving conditions in this sector.
- 2.2. Specifically, the effectiveness of STS will be improved through:
- establishing an approved provider system, through which boroughs agree to only use B&B providers that are registered on STS with a satisfactory rating. The standard would include conditions around both property conditions and management;
  - developing a centralised pan-London inspection service to guarantee that inspections of this particular type of accommodation are carried out annually and that the records are uploaded to the web-based referencing system. Satisfactory properties would maintain their status on the STS list, and properties requiring works withdrawn and referred to the host borough for enforcement action; and
  - improving the efficiency of the STS IT system by incorporating inspection records into the inter-borough accommodation agreement (IBAA) system, which is used by boroughs to monitor temporary accommodation placements. This would provide the basis for enforcing compliance with the new arrangements, while providing a valuable data source for boroughs to measure their performance in this area.
- 2.3. The GLA's funding will contribute to the upfront costs of developing the enhanced programme. The overall programme milestones are set out in section 7.

## **3. Equality comments**

- 3.1. In improving standards and conditions in temporary accommodation, this programme will be of benefit to people with several of the protected characteristics under the Equalities Act 2010 such as:
- race and ethnicity: 40 per cent of Londoners identify themselves as coming from BAME groups<sup>1</sup>, whereas 68 per cent of homeless households whom London authorities assisted during 2016/17 did so<sup>2</sup>;
  - women: lone parent households in which the parent was female accounted for 37 per cent of homeless households accommodated in temporary accommodation by London boroughs at the end of 2016/17<sup>3</sup>, compared to eight per cent of all London's households<sup>4</sup>. Five per cent of the homeless households London authorities assisted during 2016/17 became homeless as the result of violence from a partner<sup>5</sup>, something more likely to be experienced by women; and
  - those who identify as LGBT+: there is some evidence, mainly concerning young people, that this group may be at greater risk of homelessness<sup>6</sup>. There is also evidence that this group experiences

<sup>1</sup> GLA London Plan Integrated Impact Assessment Scoping Report, 5.3.3, 2017

<sup>2</sup> MHCLG, PIE data on statutory homelessness

<sup>3</sup> Ibid

<sup>4</sup> ONS Labour Force Survey Q2 2016

<sup>5</sup> MHCLG, PIE data on statutory homelessness

<sup>6</sup> Stonewall, LGBT in Britain – Hate Crime and Discrimination, 2017

discrimination when seeking to rent or buy homes. This may compound the risk of them being unable to access accommodation.

- 3.2. As set out in the London Housing Strategy Impact Assessment, improving accommodation options for households who become homeless (Policy 7.1B) may particularly help counter some of the detrimental impacts on health and wellbeing experienced by those placed in temporary accommodation. The policy will also reduce inequalities in health and wellbeing between Londoners who face or experience homelessness, and those who do not.

#### 4. Other considerations

##### a) Key risks and issues

- 4.1. The table below outlines the risks posed by this programme and the action that will be taken to mitigate these.

Risk description	Mitigating action
Insufficient borough participation	<p>Boroughs have been involved in the design of the programme enhancements and will be represented on the programme steering group. At present, 28 boroughs are committed to participating in the project in principle.</p> <p>GLA funding will help make the project even more cost effective for councils. The first tranche of payment by the GLA will only be made upon memorandums of understanding being entered into by boroughs accounting for at least half of placements into nightly paid B&amp;Bs and studio TA in London, and the second tranche when at least 22 boroughs are signed up.</p>
Increased workload for borough enforcement teams	The central inspection team's role will include inspection of properties, development of schedule of works for remediation and re-inspection for all but the most critical HHSRS Category 1 hazards <sup>7</sup> , limiting the number of referrals to borough enforcement teams.
Existing borough enforcement teams lose staff to the new centralised inspection team	Staff will be suitably qualified rather than full Environmental Health Officers (EHO). The preferred model for inspections staff is to use a small team of permanent staff, managed by an experienced EHO, and to supplement this with additional, suitably qualified contractors (who may be working in the same or a related field) as and when they are needed.
Loss of supply of accommodation for vulnerable tenants	This will be mitigated by working with landlords to develop a schedule of works to bring properties up to standard. By improving standards for this type of accommodation, the programme will help counter some of the detrimental impacts on health and wellbeing experienced by those placed in temporary accommodation.
Implementation is delayed by unforeseen technical or operational issues	Early and frequent engagement and co-design with service teams within boroughs. The IT system is already used by some London councils for similar activity.

<sup>7</sup> Under HHSRS, a hazard which is a serious and immediate risk to a person's health and safety is known as a Category 1 hazard.

Lack of communication between central inspection team and borough enforcement teams	The project team will focus on ways to maximise communication between the central team and borough enforcement teams.
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- 4.2. No one involved in the drafting or approval of this report has any conflicts of interest to declare.

*b) Links to Mayoral strategies and priorities*

- 4.3. The objectives of the proposals are in line with the Mayor's London Housing Strategy policy 7.1 – Preventing and Addressing Homelessness.

*c) Impact assessments and consultations*

- 4.4. The London Housing Strategy was subject to a full public consultation equalities impact assessment.

## 5. Financial comments

- 5.1. This decision seeks approval for grant funding of £50,000 to London Borough of Ealing to fund the shortfall of development for the enhanced Setting the Standard programme as detailed in section 1.6
- 5.2. The expenditure will be funded from the GLA's management and consultancy budget. As set out below, £25,000 would be paid in 2019/20 and £25,000 in 2020/21.

## 6. Planned delivery approach and next steps

- 6.1. A timetable of project milestones is set out below, alongside details of GLA payment tranches.

Timeline	Activity	GLA payments
Q4 2019/20	<ul style="list-style-type: none"> <li>Identify resource – capacity and capability to deliver the implementation planning and delivery outlined.</li> <li>Commitment of at least 18 boroughs to the project.</li> <li>Identification of single points of contact for each participating borough.</li> </ul>	<ul style="list-style-type: none"> <li>50% of funding on receipt of completed memorandums of understanding from boroughs, accounting for at least half of placements into nightly paid B&amp;Bs and studio TA in London boroughs.</li> </ul>
Q1-Q3 2020/21	<ul style="list-style-type: none"> <li>Set up of Steering Board to provide governance to project through implementation and first year of operation.</li> <li>Completion of detailed design workshops with all participating boroughs to inform the target operating model and service delivery.</li> <li>Target operating model developed and approved by the Steering Board.</li> <li>Implementation plan in place for transition.</li> </ul>	<ul style="list-style-type: none"> <li>25% of funding upon target operating model being approved by steering group, and receipt of completed memorandums of understanding from at least 22 boroughs.</li> <li>25% of funding upon confirmation by 22 boroughs entering into contract for the operational phase of the service.</li> </ul>
Q4 2020/21	<ul style="list-style-type: none"> <li>Operation of enhanced scheme is introduced in phases.</li> </ul>	

- 6.2. The GLA will be represented on the Setting the Standard steering group, whose responsibility it will be to oversee the implementation and delivery of the Setting the Standard programme.

**Appendices and supporting papers:**  
None.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

**Part 1 - Deferral**

**Is the publication of Part 1 of this approval to be deferred? NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

**Part 2 – Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Lydia Volans has drafted this report in accordance with GLA procedures.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 13 January 2020.

**ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

*M. D. Elce*

Date

18.1.20

