

# Executive Decision Report

<b>Decision maker and date of Leadership Team meeting, and the earliest date the decision will be taken</b>	Leadership Team – 6 February 2018 (Cllr Kim Taylor-Smith, Deputy Leader and Lead Member for Grenfell Recovery, Housing and Property)  Forward Plan reference: 05162/17/K/A	 THE ROYAL BOROUGH OF <b>KENSINGTON          AND CHELSEA</b>
<b>Report title (decision subject)</b>	Temporary Accommodation Charging Policy for Wider Grenfell Households	
<b>Reporting officer</b>	Maxine Holdsworth	
<b>Key decision</b>	Yes	
<b>Access to information classification</b>	Public	

## 1. EXECUTIVE SUMMARY

- 1.1 The Grenfell Tower tragedy that occurred on 14 June 2017 was a humanitarian disaster on an unprecedented scale within the borough. The loss of life and harrowing events as well as its aftermath have devastated an entire community especially residents who live in close proximity to the Tower.
- 1.2 By November 2017, over 140 households at Barandon, Hurstway and Testerton Walk (the Walkways), and Treadgold and Bramley House remained in emergency accommodation. The process to offer and move households in alternative accommodation started in November 2017. To date 42 household have been moved out of hotel and service apartment accommodation compared to the 140+ that were original placed between June and September 2017. 18 households have returned home.
- 1.3 The cost of the emergency accommodation, temporary and associated costs is being met by the Grenfell Recovery Budget. This report sets out the proposed charging policy for tenants of Walkways, Treadgold and Bramley House who do not feel able to return to their homes, and who are in emergency and temporary accommodation. This policy will apply from the date these residents become liable

for rent on their homes, until 30<sup>th</sup> June 2018. It will be subject to review well in advance of its expiry.

## **2. RECOMMENDATIONS**

- 2.1 To agree that tenants of the Walkways, Treadgold House and Bramley House residing in temporary accommodation elsewhere, continue to be liable for the Council Tax, rent and service charges at their home on Lancaster West Estate as other estate residents. However, until 30<sup>th</sup> June 2018, no rent, or service charge will be charged for their temporary accommodation or Council Tax, as set in paragraph 5.4, with the full cost being met by the Council.
- 2.2 Those residents in temporary accommodation will not be liable for heat or hot water charges and water rates at their Lancaster West home, as they will be liable for these costs in their temporary accommodation along with other utilities. Tenants residing in temporary accommodation will be responsible for paying other service charges associated with their home on Lancaster West estate.
- 2.3 Leaseholders in temporary accommodation are offered a package of support as set in paragraph 5.9.

## **3. REASONS FOR DECISION**

- 3.1 The council has made commitments concerning charges for temporary accommodation during the consultation on the proposed Walkways Rehousing Policy, but the rent policy needs a decision to be formalised and approved in line with the governance of the council.

## **4. BACKGROUND**

- 4.1 Households from the Walkways, Treadgold House and Bramley House were placed in emergency accommodation following the Grenfell Tower tragedy. At the end of January 2018 there were 42 in alternative accommodation, 18 have since returned home, and around 80 remain in hotels or service apartments. All other households from the Walkways, Treadgold House and Bramley House are living at home on the Lancaster West Estate. Secure tenants and leaseholders have not been charged rent (where applicable) or service charges for either their council tenancy or for emergency accommodation up to the 4<sup>th</sup> February 2018. This report formalises the rental charging arrangements for households that have a tenancy in the Walkways, but do not feel able to return home, and are therefore living in temporary accommodation.
- 4.2 The charging policy only applies to secure tenants of the Council and leaseholders who are placed in alternative properties, and not to members of their families who have separately been placed in temporary accommodation. The charging policy also does not apply to homeless households towards whom the Council accepted a full housing duty before the tragedy and who were residing in temporary accommodation in the Walkways, Treadgold House or Bramley House. Rent and

other charges paid by these households are governed by the Council's existing Temporary Accommodation Charging Policy.

## **5. PROPOSAL AND ISSUES**

### ***Secure tenants of the Walkways, Treadgold House and Bramley House***

- 5.1 The Council made no charge for hotel and service apartment accommodation and waived rent and service charges until 4<sup>th</sup> February 2018.
- 5.2 Officers have worked closely to ensure that Housing Benefit and Council Tax Reduction entitlements are reinstated and accounts are up to date with all the relevant information. Tenants will receive a new rent statement which show their account information prior to 14<sup>th</sup> June 2017.
- 5.3 Tenants will receive a transitional payment for 4 months once they move out of hotels. The Council has committed that until 1<sup>st</sup> July 2018, council tenants of the Walkways, plus Bramley and Treadgold house residing in temporary accommodation will pay no council tax and rent and service charge for their temporary housing but will pay those for their council tenancy. For residents this gives stability to their financial commitments.
- 5.4 The most effective administrative process to deal with this arrangement is to treat each secure council tenant as being temporarily accommodated as a temporary arrangement, during which the tenant will remain liable for their rent, service charges and council tax as if they were living there. They will occupy their temporary property on a licence. In effect, there will be no charge for the temporary accommodation.
- 5.5 Residents residing in hotels also retain their secure tenancy on the estate, and rent, service charge and council tax liability.
- 5.6 The Council has procured private sector rented accommodation for the 140 residents that were in hotels and service apartments. The cost of this accommodation is £111,300 per week – a total of £2.337m over a 21-week period. The additional cost to the Council for Council Tax payable on this temporary accommodation is approximately £35,000 over the same period, giving a total cost of £2.372m.
- 5.7 This should be compared with the cost of 140 households remaining in hotel accommodation or service apartments. For a 21-week period, these costs are estimated at £4.535m. This proposal could therefore reduce the level of unbudgeted and unavoidable costs by £2.163m.

### ***Resident leaseholders of the Walkways, Treadgold House and Bramley House***

- 5.8 The Council made no charge for hotel and service apartment accommodation provided to resident leaseholders.

- 5.9 Leaseholders will also receive a transitional payment for 4 months once they move out of hotels.
- 5.10 If leaseholders need more time to make a decision whether or not to return home, the Council will arrange and cover the cost of alternative private rented accommodation for a period up to 1<sup>st</sup> July 2018. Leaseholders will be required to confirm their decision by 31<sup>st</sup> March 2018. The cost of the temporary accommodation is included in the assumptions made in paragraph 5.6. Each case will be considered individually with a view to reach an agreement with the leaseholder by the end of March 2018. Each decision will need a separate approval process and approved by the Director of Finance.

## **OPTIONS AND ANALYSIS**

- 5.11 In theory, residents could be charged for rent on both properties. However, such an approach has not been considered given the commitment already made.
- 5.12 When the Council commenced offering alternative temporary accommodation to hotels, it did so on the basis that tenants would not pay more than they had for their secure council tenancy. Secure tenants residing in temporary accommodation will also remain liable for the rent and service charges (minus the costs for water rates and communal heating and hot water).

## **CONSULTATION**

- 5.13 A detailed consultation has taken place on the Walkways Rehousing Policy. This charging policy supports that policy in that it enables residents to pursue alternative housing options to returning home.

## **6. EQUALITY IMPLICATIONS**

- 6.1 This charging policy does not change the tenancy or rental terms as it covers the cost of the temporary accommodation until 30<sup>th</sup> June 2018.

## **7. LEGAL IMPLICATIONS**

- 7.1 Secure tenancies and temporary moves for secure tenants are governed by the Housing Act 1985.
- 7.2 The policy is justifiable and lawful. The Council's tenants retain their secure tenancy and will remain liable to pay their rent and service charges, the Council will however cover the cost of temporary accommodation until 30<sup>th</sup> June 2018.
- 7.3 The Council will determine the type of licence to facilitate the temporary move. There are no other legal implications.

## **8. FINANCIAL AND RESOURCES IMPLICATIONS**

- 8.1 It is hard to do precise costings for this policy, as it is difficult to predict how many people will move. However, if 140 temporary homes enable 140 hotel rooms to be vacated, the hotel costs avoided would be of the order of up to £2.163mm. The Council does not have a budget in its HRA for the expenditure on this temporary accommodation. The policy therefore may be best viewed as causing a forecast unbudgeted liability of around £4.5m, to reduce instead to £2.4m.
- 8.2 Provided that this is the only realistic option open to the Council and this is proposal does result in the vast majority of residents in hotels accepting alternative accommodation, the Council can avoid costs that it would otherwise incur. This will need to be monitored carefully to ensure that the Council achieves its financial objectives and avoids paying for more accommodation that is strictly necessary.

*Maxine Holdsworth*  
**Director of Housing Needs and Supply**

**Local Government Act 1972 (as amended) – Background papers used in the preparation of this report**

*[Note: Please list only those that are not already in the public domain, i.e. you do not need to include Government publications, previous public reports etc.]*

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