



The Inter Borough Temporary Accommodation Agreement

The Inter Borough Temporary Accommodation Agreement (IBTAA) is a pan-London agreement to monitor and manage aspects of borough placements of homeless families in temporary accommodation, outside of the 'host' authority. This briefing explains how the agreement works, outlines the ongoing challenges boroughs are facing and updates members on the recent developments London Councils is implementing to ensure the agreement continues to be effective.

Background

The IBTAA, agreed by London Councils Leaders' Committee in March 2011, outlines the process boroughs should follow when placing a household in temporary accommodation (TA) in another borough. It was developed in response to growing concerns that the increase in homelessness, a decline in affordable homes, and welfare reforms could result in an increasing number of boroughs being forced to make placements outside of their own borough boundaries. The agreement includes a commitment for boroughs not to 'outbid' each other by paying a higher rent than the 'host' borough would pay. The current agreement has four core principles:

- all boroughs agree not to offer a landlord or supplier more than the host borough can offer within any area
- all boroughs placing a household in another borough will inform the host borough of the placement
- boroughs should avoid placing the most vulnerable households in other boroughs
- RSLs procuring HALS (housing association schemes) should offer these properties to the host borough in the first instance.

Since July 2011, the monitoring and recording of the IBTAA has been undertaken with the support of the sub regional co-ordinators and borough officers. All boroughs have complied with the data collection requirements and this has recently included data around families placed outside of London. There is a requirement for the information to be reported to London Councils on a quarterly basis.

The current data shows there has been a steady increase in the number of households placed out of borough. Results from quarter 2, 2011/12 to quarter 3, 2012/13 indicate that, during 2012/2013, there were 3,214 such placements, compared to 2,449 in the previous year. However, these figures are cumulative and have not been reduced to take account of households that may have moved back to their home borough during that period.

In the majority of cases, placements are made within a sub-regional context and these placements appear to be driven by supply factors and distorted broad market rental areas, which impact on rent levels, as well as supply and affordability factors in the 'destination' boroughs. There is evidence of a close relationship between placing and receiving authorities, who are located adjacent to each other. However, straightforward assumptions that there is an inner to outer London movement of households are not that clear, as again there is a close alignment to local housing market factors and the lack of affordable supply.

Current challenges

Since March 2011 a number of external market driven factors has increased homelessness, and, during the 2011/2012 financial year, the number of households accepted as homeless by local authorities increased by 30 per cent in London. This has resulted in the increased potential for disagreements to arise between boroughs in respect of the placement of families in temporary accommodation. Landlords are exploiting the opportunity as boroughs compete for fewer properties. In parts of London, these challenges are causing some boroughs to find themselves in a position where they are struggling to meet their statutory homelessness commitments. These factors include:

- Out of a national total of 55,300 statutory homeless households living in temporary accommodation, 40,230 (70 per cent) are in London.
- Nationally there are 4,500 homeless households living in B&Bs, of which just over half are in London, where the number has increased by 22 per cent over the past year.
- London Councils estimates that the impact of welfare reform could see up to 27,000 households in London being impacted by the benefit cap, leading to some families having to move to cheaper properties.
- As access to home ownership becomes more difficult for a growing number of households, more people are staying longer in the private rented sector for longer, resulting in less 'churn'.
- Landlords are increasingly renting their properties to housing benefits claimants on a nightly rent regime basis rather than longer term as this is more lucrative.
- Landlords are withdrawing from supplying private rented accommodation to boroughs.
- Uncertainties around welfare reform means landlords are increasingly reluctant to house tenants generally on LHA rates or below.

The IBTAA has been evolving over time and this year a number of improvements were proposed and agreed by London Councils Leaders' Committee in May 2013. These were:

- The appointment of a dedicated officer, who will identify financial pressures boroughs are facing, examine the rents paid to landlords and highlight any trends emerging.
- The role will also involve taking an active approach to streamlining the data collection process.
- The data presentation and accuracy will be improved to include 'snapshot' information and highlight the type of temporary accommodation used, such as nightly paid accommodation.
- An escalation process will be developed to resolve disputes between boroughs.
- The new improved IBTAA will be re-launched during 2013.

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Commentary

The IBTAA has been recognised as a good practice model that provides an excellent example of how London boroughs can work effectively together, in a climate where the shortage of housing in the private rented sector is unprecedented. The improved IBTAA will ensure that boroughs remain well placed to tackle the difficult decisions ahead and illustrates that London is committed to taking a proactive approach to mitigate the impact of homelessness.

Author: Valarie Solomon, Policy Manager, Housing and Planning (T: 020 7934 9507)

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Links:

[Strengthening the Inter Borough Temporary Accommodation Agreement \(London Councils Leaders' paper\)](#)

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Portfolio holders and those members who requested policy briefings in the following categories: **Housing and Planning**