

**LONDON BOROUGH OF SUTTON
TEMPOARY ACCOMMODATION STRATEGY**

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1. Overarching Aims

- Reduce reliance on shared bed and breakfast and nightly paid annexes
- Provide emergency accommodation within the borough
- Provide good quality temporary accommodation which meets the needs of homeless households
- Reduce the use of temporary accommodation units within our own stock which would otherwise be available to let as permanent homes
- Use private rented sector lettings to prevent homelessness and to discharge the Council’s statutory housing duty to households ineligible to be placed on the Housing Register
- Maintain the number of social housing properties allocated to eligible homeless households to keep pace with numbers of households accepted as homeless on the Housing Register
- Make the best use of resources available to meet the needs of homeless households

2. Profile of Homelessness in Sutton

Since 2012/13 there has been a year on year increase in the number of households presenting to the authority as homeless. In 2014/15 there was a 13% (439) increase in presentations compared with those in 2013/14. Consequently, there has been an increase in the number of households to whom the authority has accepted a statutory housing duty.

In 2014/15, the authority accepted a housing duty to 277 households, a 41% increase in the number of households accepted as homeless in the previous year. There was also an increase in the percentage of households accepted as homeless as a percentage of all households presenting, consequently in 2014/15 acceptances increased to 63%. However, this authority’s growth in homelessness has been at a slower pace than other authorities within our sub region.

Number of Homelessness Applications & Acceptances

	Number of applications	Numbers Accepted	% of all households to whom the authority owes a housing duty
2012/13	289	160	55%
2013/14	387	197	51%
2014/15	439	277	63%

The main reasons for homelessness remain similar to previous years with very little increase in the percentage split associated for each of these reasons (see table below). The benefit cap appears to have had little impact on the loss of Assured Shorthold tenancies and the increase appears to be associated with the landlord's own circumstances.

Reasons for Homelessness

	Termination of Assured Shorthold Tenancy (TOAST)	%*	Homeless through Parental Eviction	%*	Homeless through Other Relative Not Willing to Accommodate	%*	Homeless through Relationship Breakdown Violent Partner	
2012/13	59	37%	34	21%	13	8%	12	8%
2013/14	50	25%	42	21%	13	7%	21	11%
2014/15	75	27%	65	23%	28	10 %	34	12%

* as a percentage of all acceptances

During 2014/15, only five households that became homeless through the ending of an Assured Shorthold tenancy had had their benefit capped. Of those five households, only two households lost the property because the cap made the property unaffordable. With regard to the remaining three households, two landlords required possession of the property for their own occupation and one landlord sold the property.

However, once lost, if the household is dependent on housing benefit to meet monthly rental payments, further private sector accommodation is difficult to secure.

96% of homeless households claim housing benefit but 50% are employed.

The Housing Centre works hard to prevent homelessness arising and to reduce dependency on bed and breakfast by having robust prevention strategies in place.

During 2014/15, 1180 households approached the Housing Advice service threatened with homelessness. Homelessness was prevented in 332 (28%) cases which, in turn, eases the pressure on housing resources.

However, it remains the case that there is a severe shortage of decent temporary accommodation for those households where homelessness cannot be prevented.

3. Meeting Housing Need in Sutton

The housing need of homeless households is met by the provision of i) social housing ii) accommodation in the private rented sector. However, supply in both the private sector and the social housing sector during 2014/15 has not been sufficient to meet the needs of homeless households. Consequently, the number of households in temporary accommodation continues to rise.

i) Private sector rented accommodation.

The increase in homelessness applications appears to reflect the current difficulties in securing accommodation in the private sector and almost certainly relate to high market rents and the disparity between market rents and the Local Housing Allowance. Local Housing Allowance is less than the 30th percentile of market rents in the borough of Sutton.

LHA Rates 1st April 2015

Sutton	1 Bed	Gap	2 Bed	Gap	3 Bed	Gap	4 Bed	Gap
LHA	£724.62		£912.47		£1,209.61		£1,492.31	
Market Rents								
Sutton - SM1	£950.25	31%	£1,232.75	35%	£1,417.50	17%	£2,075.00	39%
Sutton - SM2	£851.50	18%	£1,185.00	30%	£1,549.00	28%	£2,207.25	48%
Cheam - SM3	£824.75	14%	£1,204.25	24%	£1,476.50	22%	£1,797.25	20%
Carshalton SM5	£822.50	14%	£1,096.00	20%	£1,454.75	20%	£2,016.00	35%
Wallington SM6	£840.67	16%	£1,172.33	28%	£1,401.33	16%	£1,724.50	16%
Worcester Park	1 Bed	Gap	2 Bed	Gap	3 Bed	Gap	4 Bed	Gap
LHA	£909.00		£1,215.93		£1,460.16		£1,807.09	
Market Rents	£819.00	nil	£1,261.00	3.7%	£1,689.25	16%	£2,221.00	23%

https://docs.google.com/a/sutton.gov.uk/spreadsheets/d/1Q9iBTZKoSk9ysjL_WafWrT08NDJzI7u4BcO3--10qoA/edit#gid=757442187

As set out above, reforms to Housing Benefit and the Local Housing Allowance have had a greater impact on the levels of homelessness than the benefit cap.

ii) Social Housing

The number of households in temporary accommodation and eligible to be placed on to the Council’s Housing Register during 2014/15 was very low. In August 2014, of the 208 households placed in temporary accommodation only 40 (19%) were eligible to be placed on to the Housing Register. However, changes to the Council’s Allocations Policy, implemented on 2nd February 2015, increased the income threshold applied to households applying to the Housing Register.

Consequently, there has been an increase in the number of homeless households eligible to join the Housing Register and a snapshot at the end of March 2015 shows that 48% of households in temporary accommodation are now placed on the Housing Register. This percentage is expected to increase as applications are re-assessed.

4. Demand for Temporary Accommodation

Temporary accommodation is housing such as bed and breakfast, self-contained annexes, Housing Association Leasing Schemes (HALS), or another form of short term housing. It is used to accommodate homeless households who are awaiting a decision regarding their homelessness application or are awaiting a discharge of the Council’s statutory homelessness duty into private rented or social housing.

The severe shortage of self contained temporary accommodation units has been, in part, exacerbated by the temporary accommodation funding model introduced in 2009. Councils are able to recoup some of the costs of temporary accommodation by recharging residents to live in the accommodation based on a government prescribed formula, which is 90% of January 2011 Local Housing Allowance plus a management fee of £40 per week, and up to a £350 per week cap for singles and £500 for families.

Larger units in Sutton are well within the cap but the gap between 90% of the Local Housing Allowance rent and market rents has had a significant impact on the viability of leasing schemes.

The cost of providing shared bed and breakfast or self contained nightly paid temporary accommodation arises from the gap between the rent charged and the recoverable costs. Under the current temporary accommodation formula costs can be recovered based at 90% of the Local Housing Allowance plus £40 per week. Table 4 below shows the gap between costs and recoverable charges. The table also details the total cost per household, based on the current (2015/16) average lengths of stay in shared bed and breakfast/self-contained annexes.

Table 4 - Gap between costs and recoverable charges

Size of Household	Ave. cost p.w.	Ave. cost to client p.w.	Ave. Net Cost to Authority p.w.	Current Ave. Length of Stay in weeks	Current cost to Authority per household	Annual cost to the Authority per household
2 person	£273	£218	£55	11	£605	£2,860
3 person	£287	£222	£65	12	£780	£3,380
4 person	£343	£254	£89	10	£890	£4,628
5 person	£427	£276	£151	12	£1,812	£7,852
7 person	£532	£374	£158	4	£632	£8,216

In 2014/15, net expenditure on bed and breakfast was £327,787. If there were a 23% increase in homelessness acceptances in 2015/16 and assuming growth replicates the same pattern of household size, expenditure could increase to £403,178 in 2015/16. Should homelessness acceptances increase by 41%, expenditure on bed and breakfast/self-contained annexes could increase to £462,179.

In contrast, the provision of a unit of temporary accommodation within our own stock or through the current leasing scheme is cost neutral to the authority.

However, it should be noted that the current supply of temporary accommodation would not be able to support the increases forecasted and without any new provision, the length of stay in bed and breakfast/self-contained annexes could potentially far exceed the average stay in bed and breakfast/self contained annexes during 2014/15 which, was 10 weeks.

There are a number of factors that may affect the future demand for temporary accommodation:

- 1) number of homeless applications
- 2) private sector supply
- 3) welfare reform
- 4) social housing supply

Between April 2014 and March 2015, 412 households were placed in bed and breakfast, of which 302 (73%) were families and of these, 99% were in the first instance, placed out of the borough.

Numbers in temporary accommodation have fluctuated. On 1st April 2014, there were 230 households in temporary accommodation. In July 2014, a low of 197 households in temporary accommodation was achieved but in the last six months of 2014/15 the numbers of households fluctuated between 260 and 287. On 31st March 2015 there were 280 households in temporary accommodation of which, 17 single households and 34 families were in shared bed and breakfast accommodation and 41 families in self-contained annexes. (these are self-contained properties charged at a nightly rate, commonly used across London as an alternative to shared bed and breakfast).

The average time for all households spent in shared bed and breakfast was 10 weeks but when single and family households are separated the average length of stay for family households is only 3 weeks.

Of the 154 households in temporary accommodation (whose application to the Housing Register has been assessed) 10% (16) need a 1 bedroom property, 51% (78) need a 2 bedroom property, 23% (35) need a 3 bedroom property and 16% (25) need a 4 bedroom property.

5. Current Supply of Temporary Accommodation

The number of households in temporary accommodation at 31st March 2015, by type of housing, over recent years are shown in the table below.

Profile of Temporary Accommodation

Type of temporary housing at 31 st March	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Emergency Accommodation (bed & breakfast and self-contained annexes) 90% Out of borough	24	55	53	68	60	97
Direct with a Private Landlord - In borough	0	1	2	2	0	0
Emergency accommodation (Andrewes House) In borough	14	19	18	21	23	22
Housing Association Leased (HALs) In borough	97	95	85	71	60	45
Council In borough	65	66	86	84	80	115
Supported housing In borough	15	15	10	7	2	1
Total	215	251	254	253	225	280

i) Own Stock

The use of properties within our own stock provides a valuable resource of good quality temporary accommodation however, the use of our own stock as temporary accommodation is increasing. On 1st April 2014, 79 units of social housing were used to provide temporary accommodation but on the 26th January 2015 that figure had increased to 115.

Although a valuable resource, if we were able to develop alternative sources of temporary accommodation, these properties would be available to let as permanent homes. The continued use of family sized properties as temporary accommodation effectively withdraws that unit from the supply available to meet housing need on a permanent basis.

A review of households currently in temporary accommodation and in a unit within our own stock identified that potentially 49 households were in a property that meets their needs, of which 25 were family sized households.

ii) HALs

On 2nd April 2012, Genesis (the Registered Provider contracted to procure and manage leased accommodation in Sutton) supplied 85 units of accommodation. Only 8 new units of accommodation have been procured since April 2011. In contrast to this low acquisition rate, the number of leases that have ended and not renewed since April 2012, is 45.

Therefore, the total number of leased units available on 31st March 2015 was 48. However, a further 6 leases will end during 2015/16, 30 in 2016/17 and the remaining 12 in 2017/18. Therefore, without any new leasing provision the Council will have no units of leased temporary accommodation by 2017/18.

The current leasing scheme managed by Genesis offers landlords 90% of the LHA rents and given the growing disparity between market rents and the Local Housing Allowance, without financial support to offer landlords competitive rents, the scheme is no longer viable.

iii) Private Sector

The Housing Centre's Private Rented Accommodation Scheme remains a significant aid in preventing homelessness. In 2014/15, despite pressures on rent levels, 161 households threatened with homelessness were assisted into the private sector by the Housing Centre's Private Rented Accommodation Scheme. Of those 161, homelessness was prevented in 115 cases and the authority discharged its statutory housing duty to 46 homeless households.

Of the 161 households, 65 found their own accommodation and were assisted into accommodation by the Housing Centre by negotiating affordable rent levels with the landlord and the provision of rent in advance and a deposit guarantee.

The Housing Centre procured 38 new landlords and of the 60 tenancies that came up for renewal and had originally been let through the Housing Centre Social Letting Scheme, 97% (58) decided to relet through the Housing Centre.

However, given the growing disparity between market rents and the Local Housing Allowance securing accommodation in the private sector remain challenging.

Furthermore, our approach to the provision of temporary accommodation should not conflict with, or undermine our approach to preventing homelessness. Our temporary accommodation strategy should avoid creating a tension between initiatives and careful

planning of resources should avoid pulling from the limited resources we have available in the private rented sector to prevent homelessness.

6. Future Temporary Accommodation Need and Our Approach to Temporary Accommodation Procurement

In 2015, the conversion of a former care home (Oakleigh) to provide 43 units of emergency accommodation in place of bed and breakfast will enable the Council to develop a housing pathway that improves the experience of homelessness for Sutton residents. The intended pathway for homeless families will be directly into self contained units of emergency accommodation at Oakleigh or Andrewes House with a projected stay of up to 16 weeks.

Following this stay, households will move into good quality, affordable temporary accommodation until permanent housing is secured in the private sector or through the Housing Register. Therefore, a sufficient supply of good quality temporary accommodation, at affordable rents, must be secured.

The suitability of temporary accommodation is defined by legislation in terms of location, cost, size and condition. Councils are required to offer temporary accommodation in their district 'so far as reasonably practicable'.

The principles of our procurement approach are to:

- i) Increase supply
- ii) Provide a range of temporary accommodation to meet different needs
- iii) Provide temporary accommodation at a cost that is affordable to residents and cost neutral to the Council

Our approach will complement existing work to prevent and manage homeless demand effectively and increase social housing supply.

i) Increase supply

Numbers

The number of homeless applications is at its highest since 2008 and, as set out above, homeless acceptances increased by 41% in 2014/15. This is a marked increase, particularly when compared with the percentage increase in homeless acceptances in 2013/14 which was a 23%.

Arguably, the initial impact of welfare reform on homelessness has almost been fully felt however, further reforms yet to be fully defined, are pending and should the benefit cap be lowered to £23k per annum, then further increases in homeless acceptances may arise.

Additionally, the continued disparity between market rents and the Local Housing Allowance will continue to have an impact on homelessness and our ability to prevent it. Due to the number of variables, it is difficult to determine the level of continued growth in homelessness and therefore a reliable trend has yet to emerge. In determining future need the variables are greater than they have been in previous years.

We must assume that for each household accepted as homeless, a unit of temporary accommodation will be required. Therefore, taking into consideration the pattern of growth in homelessness, an assumed growth between 23% and 41% per annum is not unreasonable. This percentage growth will have a significant impact on demand for temporary accommodation units.

However, these figures should be moderated by the number of social housing lets to homeless families. In 2014/15, 51% (143) of households in temporary accommodation were rehoused from the Housing Register. Furthermore, our statutory housing duty to a further 46 households was met by the provision of accommodation in the private rented sector.

The number of social housing lets to family sized households on the Housing Register in 2014/15, as a proportion of all lets, was 30%. However, during 2014/15, compared with the previous year, we had an increase in the number of new builds available as first time lets but this level of provision is not forecasted to continue in 2015/16.

The annual lettings plan for 2015/16, after making provision for Band A households, has allocated 60% of family sized properties to Band B (homeless households) yet in numbers that is anticipated to be 109 properties, significantly less than 2014/15.

The forecasted number of new build properties increases again in 2016/17 and 2017/18. Should the current programme deliver the number of planned new builds it will be possible in those years to increase the number of letting to Band B.

Given the fluctuating provision of new build properties, in forecasting the number of social housing lets available to rehouse homeless households, it is more effective to talk in numbers and not percentages. An assumption is made that lettings can be maintained at levels indicated below.

	Number of projected homelessness acceptances assuming a 23% growth p.a.	Number of social housing lets to Band B	Private Sector Provision – Discharge of Duty	Number of Additional Temporary accommodation units required	Total provision required
31/03/15					280
2015/16	341	119	50	172	452
2016/17	419	409	50	-40	412
2017/18	515	269	50	196	608

	Number of projected homelessness acceptances assuming a 41% growth p.a.	Number of social housing lets	Private Sector Provision	Temporary accommodation units required	Total Provision
31/03/15					280
2015/16	390	119	50	221	501
2016/17	550	409	50	91	592
2017/18	775	269	50	456	1048

New provision of temporary accommodation, located in the borough, is essential to meet the needs of homeless households if the use of expensive nightly paid temporary accommodation is to be avoided.

Size

Using the current profile of households where a housing duty has been accepted and a unit of temporary accommodation is required, future provision can be based on the following percentage split.

Temporary Accommodation meets family need.

1 Beds	2 Beds	3 Beds	4 Beds
6%	83%%	10%	1%

Temporary Accommodation over occupied.

1 Beds	2 Beds	3 Beds	4 Beds
63%	33%	4%	0%

Applying this percentage split to the forecasted demand the following numbers of units by bedroom size are set out below.

Provision to meet growth at 23% by bed size

To meet need	1 Bed	2 Bed	3 Bed	4 Bed	Total
2015/16	27	375	45	5	452
2016/17	25	342	41	4	412
2017/18	36	505	61	6	608
Over Occupying Accommodation	1 Bed	2 Bed	3 Bed	4 Bed	Total
2015/16	285	149	18	0	452
2016/17	280	136	16	0	412
2017/18	383	201	24	0	608

Provision to meet growth at 41% by bed size

To meet need	1 Bed	2 Bed	3 Bed	4 Bed	Total
2015/16	30	416	50	5	501
2016/17	36	491	59	6	592
2017/18	63	870	105	10	1048
Over Occupying Accommodation	1 Bed	2 Bed	3 Bed	4 Bed	Total
2015/16	316	165	20	0	501
2016/17	373	195	24	0	592
2017/18	660	346	42	0	1048

However, the profile of homeless households is directly affected by welfare reform and the supply of housing both in the private and social housing sectors. Therefore, the profile of household composition should be updated at least every six months to ensure the data reflects any changes and remains current.

ii) Provide a range of temporary accommodation to meet different needs

A range of different temporary accommodation is needed in terms of tenure, lease, size of accommodation and location.

New units will be procured in Sutton by:

- i) Using the Council’s own stock
- ii) Entering into new private sector leasing contracts
- iii) Developing sites using modular construction (for example YCube provision or similar)

iv) Direct purchasing of units by the Council

We need to achieve a mixed source of accommodation building in flexibility in order that individual properties can be used as temporary accommodation, to discharge our statutory housing duty or to prevent homelessness.

I recommend that in order to develop a sufficient supply of temporary accommodation we:

- i) develop an in house Private Sector Leasing scheme (PSL) to meet the needs of larger sized family households
- ii) develop off-site modular construction schemes (YCube or similar) within the borough as a longer, more sustainable, response to the need for 2 bedroom temporary accommodation
- iii) use 1 bedroom properties within our own stock to provide accommodation to single households or those requiring a 2 bedroom and where there is insufficient units of alternative temporary accommodation available
- iv) discharge our statutory housing duty into the private sector where appropriate

Year 1 – Temporary Accommodation Units Required

Opportunity	Range of Estimated units	Size
Modular Construction	48 (based on 2 schemes of 24 units)	2 bedrooms
Private Sector Leasing	50	2 and 3 bedrooms
Use of own stock	74 and 123	1 and some 2 bedrooms
Direct purchase of units by the Council	To be determined	
Total	172 - 221	

iii) To provide temporary accommodation at a cost that is affordable to residents and where possible cost neutral to the Council

i) In house Private Sector Letting Scheme

Develop a private sector leasing scheme to accommodate larger sized households. Larger size households are more likely to need temporary accommodation since securing accommodation in the private sector at LHA rents is almost impossible and unlikely to secure accommodation through the Council's Private Rented Sector Scheme. The cost of self contained annexes are high and a PSL scheme will be more cost effective.

A Private Sector Leasing Scheme can potentially, be developed quickly, does not rely on any capital investment or the acquisition of land and can work in an integrated way with the Social Lettings Scheme.

The current Housing Association Leased (HALs) scheme is managed by Genesis and we

currently have 48 properties in this scheme, it is anticipated that during this year 2015/16 that number will reduce to 42 and 12 the following year. Genesis currently pay landlords a maximum 90% of the LHA or below and they have only procured 8 new properties since April 2011. The scheme is unattractive to landlords as the rents paid to them fall substantially short of market rents.

Genesis is paid £40 per week per property to manage the properties within their portfolio providing an annual income of £2080.00 per property. Compared with the current arrangements for managing Andrewes House which costs £28 per unit per week or £1448.00 per annum, the case for developing an in-house service begins to become persuasive.

In addition to possible financial advantages to the authority, an in-house service could offer a more attractive 'deal' to landlords'. We could offer at least rents at LHA levels with a fully managed service at no cost to the landlord with such a service being funded by a lower unit cost for the management of properties and the usual month's rent in advance and a three month deposit guarantee. Landlords would remain responsible for repairs and any rent losses over the deposit guarantee limit.

The financial benefits can be demonstrated if we consider such how such a scheme would operate using a two bedroom property as an example. If we were able to maintain management costs at £28 per unit per week a surplus of £632 would be available to offer landlords rents at Local Housing Allowance level, this would generate a £1092.00 annual gross cost to the authority. However, offsetting this sum by the surplus above, the net cost reduces to £460.00 per annum.

In comparison, the net cost of accommodating a household in nightly paid emergency accommodation is far in excess of the above figures. The net cost of providing a 4 person unit of self contained nightly paid temporary accommodation is £3521.44. Therefore, in this example, the use of a leased property instead would generate a potential saving to the authority of £3061.44 (void costs at 5% to 10% will need to be factored into the potential savings figure).

Shortfall Between LHA Rents and Market Rents

LHA	1 Bed	2 Bed	3 Bed	4 Bed
Outer South London	£724.64	£912.47	£1209.61	£1492.31
Monthly Shortfall	£72	£91	£121	£149
Annual Shortfall	£864	£1092	£1452	£1788
Worcester Park	£909.00	£1215.93	£1466.16	£1807.09
Monthly Shortfall	£91	£122	£147	£181
Annual Shortfall	£1092	£1464	£1764	£2172

Net cost of self contained annexes

Self-contained annexes	Average net cost per annum
Studio (up to 3 person h/hold)	£2,792.40

1-bed (up to 4 person h/hold)	£3,521.44
2-bed (up to 6 person h/hold)	£4,801.68
3-bed (up to 8 person h/hold)	£8,513.96

ii) Off site modular construction (for example, YCube)

Off site modular construction (for example, YCube) can potentially provide cost effective temporary accommodation within the borough. Capital costs are limited to the cost of the units and any land acquisition or leasing.

Such units attract New Homes Bonus and the GLA is very keen to support development to meet housing need and have included this type of scheme within their revised Housing Strategy.

An options appraisal carried out in July 2014 identified this option as the most cost effective alternative way of providing a quick new source of good quality temporary accommodation. Rents will need to be within 5% of Local Housing Allowance rent levels to provide affordable units for homeless households.

Using the example of a scheme developed in a neighbouring borough, the projected rent scheme is £145 p/w for a one bed unit based on covering the cost of purchasing the site and repayment over 15 years, , developing 36 units with a management fee of 30%.

These variables will be site specific. Where land can be leased on a peppercorn rent, the cost will be reduced.

However, it should be noted that there are risks associated with this option, particularly around identifying suitable sites and obtaining planning permission. Investigation into using Housing Revenue Account garage sites has revealed complications relating to a number of them, where individual garages have been sold. If we were to take forward the use of such a site, this would therefore involve negotiation with individual owners to purchase back and/or replace their garage elsewhere.

Alternatively, privately owned vacant sites might be leased in the short to medium term while the owners decide on a longer term plan.

Full consultation with residents in the locality about the proposed development would be undertaken. The procurement of a supplier of the modular units also needs to be factored in to the delivery timetable. Once on site the speed at which such schemes can be constructed will compensate for the lead-in time.

iii) Use of Own Stock

The use of our own stock to provide temporary accommodation becomes necessary when supply from other sources cannot meet demand. The data above shows that as leased accommodation has reduced the use of council stock has increased. We now need to be ready to over occupy one bedroom properties more frequently.

Although not ideal, the use of one bedroom properties as temporary accommodation for two-bed need households is a better option than use of self-contained nightly paid accommodation or shared bed and breakfast out of borough.

iv) Social Lettings Scheme

The current Private Rented Accommodation Scheme offers landlords a financial incentive in return for a fixed 2 year tenancy, rent in advance and a deposit guarantee.

Staff are Association of Residential Lettings Agents (ARLA) trained and are currently developing a fully managed service to offer to landlords. This scheme should be distinguished from the Private Sector Leasing Scheme and properties acquired through this scheme are used to prevent homelessness or discharge our statutory housing duty to those homeless households not eligible to be placed on the Housing Register.

However, the advantage of establishing an inhouse Private Sector Leasing Scheme is that it can sit by and run alongside the Private Rented Accommodation.

7. Summary.

In the longer term, the level of homeless acceptances is difficult to predict as it is influenced by macroeconomic factors. However estimates are that they will remain high throughout London.

Homelessness in Sutton is likely to continue to increase by around 23% to 41% per annum largely due to the continuing disparity between market rents and Local Housing Allowance. Should benefits be capped at £23,000 we are more likely to see growth in homelessness nearer 41% than 23%.

Changes to the Council's allocations policy should enable us to keep current allocations to homeless households at a similar pace to acceptances but the private rented sector is unlikely to have a major impact in meeting housing need if the gap between market rents and Local Housing Allowance cannot be minimised. However, whilst the Council is able to provide financial support to residents by the provision of rent in advance and deposit and landlord incentives to attract landlord, its role in preventing homelessness is more significant.

To meet the needs of homeless households and to make best use of our stock, alternatives to bed and breakfast must be developed. That accommodation should, preferably, be an alternative resource to private sector accommodation and our own stock. We need greater diversity in the resources available and we need to increase supply if we are to avoid an escalation in the number of households in temporary accommodation. The development of offsite modular constructions would increase supply and it is therefore the recommended option to boost the number temporary accommodation units, alongside developing the PSL scheme and use of our own stock.

The development of new temporary accommodation should be managed through a procurement plan that delivers a range of accommodation in both size, tenure and type and which is cost neutral to the authority.