

London Borough of Lewisham  
Accommodation Procurement Strategy for  
homeless households  
2023-2025

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## Introduction and Context

- 1.1 Lewisham, along with the rest of London, is facing an unprecedented housing crisis. Homelessness has increased during the last ten years and remains high, the private rented sector (PRS) has become increasingly unaffordable and there are not enough social homes to meet the demand for them.
- 1.2 The growing housing affordability crisis comes at a time when the financial pressures on low-income households in Lewisham have never been greater and are expected to get significantly worse due to the intensifying cost of living crisis. The last decade has seen an accelerating and wide-ranging shift in the economic circumstances of Lewisham residents and a rapid and substantial increase in housing costs has not been matched by a similar increase in incomes, meaning accommodation in or close to Lewisham has become increasingly unaffordable. Rising housing costs in inner South East London, which covers most of Lewisham, would leave households who are impacted by benefit restrictions with very little available money after rent payments.
- 1.3 Given Lewisham's lack of availability of social and council housing, and record waiting lists for accommodation, the Private Rented Sector (PRS) is the only realistic route out of Temporary Accommodation for the vast majority of homeless households. The council's Housing Strategy and Homelessness Strategy make this clear. However, at the time of writing the council and London more generally are experiencing a sharp reduction in the supply of accommodation. Across Greater London the number of homes in the private rented sector is shrinking, with the number of listings in Q1 2022 being -35% lower across Lewisham compared with the pre-Covid average. Therefore, whilst we rely heavily on the private rented sector, these demand and supply factors combine to severely restrict our ability to prevent and relieve homelessness and reliance on the PRS as a strategy will be kept under review.
- 1.4 Although not specific to Lewisham, it is possible that these challenges will have a disproportionate effect on the borough. Lewisham is currently the most affordable London borough based on the proportion of 2 and 3 bed listings at or below LHA rate within the last 2 years. Whilst it is debatable whether these would be made available to homeless households, this is likely to attract procurement activity from other boroughs.
- 1.5 These changes will significantly impact on our services; without an increase in genuinely affordable and decent housing across the private rented and social housing sectors in Lewisham, the reliance on temporary accommodation will continue to rise to unsustainable levels. The Council has a large house building programme; nevertheless it is clear that this alone cannot "fix" the issue. The scope of the problem, and the drivers behind it, mean that a new strategy is required to meet these challenges. This document will focus on:
- The challenges facing the council in delivering a sufficient and sustainable supply of good quality accommodation for homeless households, including both temporary accommodation and private rented sector offers;
  - How the council, through its housing procurement team and partners, will procure a sufficient supply through the private rented sector to meet demand for homeless households;
  - How the council with working with partners locally and nationally to maximise our assets and impact; and
  - How the council will carry out an ongoing review of policy and practice.

1.6 This strategy is aligned to the Lewisham Housing Strategy 2020-26 and reflects the vision of the service that everyone has a safe, secure and genuinely affordable home where they can live an independent and prosperous life. The Housing Strategy sets out how the council will increase the supply of high-quality private rented accommodation, maintain a sufficient supply of cost-effective temporary accommodation and reduce the overall number of households in temporary accommodation.

1.7 This strategy will also assist the Council to achieve its objectives set out in the Homelessness and Rough Sleeping Strategy 2020-22, including strengthening our support for households to find a home in the private sector and reviewing our policies and practices around temporary accommodation and housing allocation.

1.8 This strategy considers the impact of the council's proposed Allocations scheme on accommodation placements, including Band 2 status for homeless households with additional need. Additional need in such circumstances are identified in accordance with the council's Location Priority Policy and Private Rented Sector Offer Policy (see below for further detail). Homeless households who are not identified as having additional need as per the above will be placed into Band 3 on the housing register.

1.9 This strategy also complements the council's Location Priority Policy, which sets out when it will support those in housing need to stay in the borough.

## **2. Procurement challenges in Lewisham - Supply and Demand**

2.1.1 The council continues to face severe constraints in procuring a sufficient amount of temporary accommodation as a result of the following:

### **2.2 Homelessness**

2.2.1 Homelessness has increased during the last ten years and remains high, with 3,649 households approaching the council for homelessness assistance in 2021/22. The demand for temporary accommodation has accelerated rapidly in the last 10 years. Between April 2011 and April 2022 there has been a 297% increase in the number of households in temporary accommodation arranged by Lewisham, with 2,740 households in temporary accommodation as of October 2022. The monthly average number of clients accommodated for financial year 2021/22 was 866. The current monthly average for 2022/23 is 1,003.

2.2.2 The below table shows the total number of homelessness approaches, decisions and acceptances made in the past 4 financial years.

**Table 1 – Households approaching the homelessness service by financial year**

	<b>Approaches</b>	<b>Main Duty Acceptances</b>	<b>Homelessness relieved</b>	<b>Homelessness prevented</b>
2018/19	2977	554	252	206
2019/20	2830	908	491	568
2020/21	3080	552	496	788
2021/22	3649	285	439	541

\*Main duty acceptances, homelessness relieved and homelessness prevented do not total approaches as there are many cases where the council does not accept a duty and provides advice only.

2.2.3 Of those approaching for assistance, between 2018/19 and 2019/20 the number of homelessness acceptances increased significantly. Since then, we have succeeded in preventing more households from becoming homeless and as a result seen a considerable reduction in the number of main duty acceptances being made. It is likely that this is also partially the result the moratorium on evictions introduced during the Covid-19 pandemic.

2.2.4 However, market and welfare changes have significantly impacted the council's ability to move people on to long term accommodation. This has meant that the number of cases where homelessness has been relieved has remained relatively stable since 2019/20, with a further decrease in 2021/22. The result is more households staying longer in TA to await move on to an increasingly limited supply of settled accommodation; this is helping to drive up the cost of temporary accommodation.

### 2.3 Social Housing

2.4 In 2012, the council started building its own council homes again for the first time in a generation and it continues to push forward with an ambitious programme to provide new homes for our residents. However, huge funding cuts and a lack of the right powers and resources have meant that the number of social homes available is far below the need.

2.5 There are currently 10,000 households which have priority for social housing in Lewisham. Of these, 2,700 are homeless households living in temporary accommodation. The number of social lets made by the council has decreased by 46% since 2011, including the number of social lets made to homeless households which was 196 in 2022.

2.5.1 The below table sets out the housing need of those on the housing register and in temporary accommodation, and compares it with the number of social lets in 2020/21.

**Table 2 – Households on the housing register and in TA by bedroom need 2021/22**

Bedroom need	Housing Register (Apr 2022)	Of those, no. in TA (Apr 2022)	Social lets in 21/22
1 bed need	1863	182	526
2 bed need	3532	1261	316
3 bed need	3321	632	142
4 bed need	1033	163	30
5 bed+ need	532	49	3
<b>Total</b>	<b>10,281</b>	<b>2,287</b>	<b>1,1017</b>

2.5.2 A nomination for social housing has historically been one of the most common routes out of temporary accommodation for homeless households. However, the number of social lets made to homeless households each year has also steadily declined in recent years. From October 2022 the council will implement a new Housing Allocations Policy, including a new priority banding scheme that provides some homeless households with a higher priority for social housing. This is expected to increase the number of social lets going to homeless households.

**Table 3 – Social lets made to homeless households by year**

<b>Year</b>	<b>Social lets to homeless households</b>
<b>2015</b>	408
<b>2016</b>	594
<b>2017</b>	387
<b>2018</b>	404
<b>2019</b>	528
<b>2020</b>	426
<b>2021</b>	204
<b>2022</b>	196

2.5.3 Recent policy changes and the impact of COVID have caused a sharp recent increase in demand for 1 bed properties, but table 2 shows that the council mainly needs to procure 2 and 3 bed properties for homeless households, demand for which has increased by 1,159 compared to April 2016. This presents a particular challenge for the council as the number of 2 and 3 bed properties becoming available for social lets in Lewisham each year is usually small. For example, in April 2022 there were 1,261 households in temporary accommodation with a 2 bed need compared to 316 social lets for 2 bed properties in the same year.

2.5.4 Households in temporary accommodation will also be bidding against many other households on the register who are not in TA but may have a higher banding or list date. To mitigate this, work is being done to implement changes to the Housing Allocations Scheme, which has been updated to provide higher priority to homeless households with additional needs effective from October 2022. This reflects the need to ensure that applicants with most acute need are prioritised. It is likely that this will increase the supply of social housing being awarded to homeless households in temporary accommodation.

2.5.5 The council is also facing a reduction in turnover within its social housing stock, with fewer families moving on from social housing and consequently fewer voids available for those on the housing register.

## **2.6 Location**

2.6.1 The Council strives to make all placements in borough or as close to borough as possible. This procurement strategy supports the implementation of the councils Location Priority Policy, which sets out how the council will prioritise the allocation of the temporary accommodation that is available. The policy is also used to determine the area in which a household might receive a private rented sector offer to bring the main housing duty to an end.

2.6.2 The policy currently prioritises people for accommodation based on an assessment of their circumstances and then awards them one of the following:

- 'In-borough priority' - priority for a placement in Lewisham;
- 'Close to borough priority' – priority for a placement within the Greater London area<sup>1</sup>;

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<sup>1</sup> In July 2022 Mayor and Cabinet approved updating the definition of a 'close to borough' placement from one that is within 90 minutes travelling distance by public transport to one that is within the Greater London area.

- 'No locational priority' – no priority for a placement in or near to Lewisham.

2.6.3 In recent years the policy has operated so as to assess a high number of applicant's as requiring a placement close to the borough of Lewisham. Table 4 below sets out the current proportion of assessments awarded for each location priority. Table 5 sets out the actual location of all current temporary accommodation placements made by Lewisham.

**Table 4 – Location priority awarded to current applicants**

In Borough	Close to borough <sup>2</sup>	No location priority
28%	49%	23%

**Table 5 – Temporary accommodation placements for current applicants (as at November 22/23)**

In Borough	Close to borough	No location priority
59%	38%	3%

2.7 The council is currently procuring enough units in or close to Lewisham to meet demand based on the proportion of households requiring a placement in borough or close to Lewisham. However, London is experiencing an affordability crisis driven by wider changes to the PRS, including a sharp reduction in the supply of accommodation while rents are climbing to higher than pre-pandemic levels.

2.8 For low-income households the impact has been compounded by limits on the level of Local Housing Allowance (LHA) and in the one year to Q1 2022 only 8.8% of all properties listed for rent across London were affordable on LHA. At the same time, LBL currently has 97% of households in TA placed in Lewisham or Greater London. Median house prices and median monthly rents are almost twice (100%) higher in London than England overall, and market rents are more affordable outside of London as they are closer in line with LHA rates. Changes to the cost of living are expected to amplify these challenges.

2.9 Therefore, whilst the councils Location Priority Policy strives to make as many placements in borough or as close to borough as possible, there is an urgent need to increase the procurement of properties outside of London.

## 2.10 Adapted and Accessible Properties

2.10.1 In general adapted accommodation is scarce and the council faces significant challenges in procuring properties that are suitable for people with disabilities.

2.10.2 There are currently 77 people on the housing register who require a home that is wheelchair accessible, 67 people who require an adapted property and 119 people who are currently in housing that cannot be adapted to meet their needs.

2.10.3 The council faces significant challenges in finding accessible properties that can be used as temporary accommodation, as where a household requires adaptations to meet health and disability related needs it is often not reasonably practicable to achieve in private rented sector accommodation. The impact is that the council places a large

<sup>2</sup> Prior to the definition of close to borough changing, this referred to Bexley, Bromley, Croydon, Greenwich, Lambeth and Southwark

number of disabled households in costly hotel accommodation whilst it sources alternative suitable accommodation.

2.10.4 There is a need to identify opportunities for purchasing properties that the council can adapt for homeless households with accessibility needs.

## 2.11 Affordability

2.11.1 The increased cost of housing is a primary factor affecting the council's ability to procure affordable accommodation. The Homelessness (Suitability of Accommodation) Order 1996 requires that affordability must be considered in all cases where the council is providing accommodation under its statutory homelessness duties. However, private rents in Lewisham are becoming increasingly expensive. Between 2011 and 2019, the median market rent in Lewisham increased by 50% and was £1,352 per month in 2020. Incomes have not kept pace with this rapid increase and as a consequence, rents across Lewisham can now take up 40-80% of household income.

2.11.2 Private rents in Lewisham are becoming increasingly expensive. Between 2011 and 2019, the median market rent in Lewisham increased by 50% and was £1,352 per month in 2020. Incomes have not kept pace with this rapid increase and as a consequence, rents across Lewisham can now take up 40-80% of household income.

2.11.3 In all London boroughs average rents are now higher than their pre-pandemic levels. Part of the reason for rents increasing during 2021 and early 2022 has been the significant fall in supply. The number of properties listed to rent across London in the first quarter of 2022 was 35% lower than the pre-COVID quarterly average. It is our experience that fewer landlords are willing to rent properties at LHA rates, and in the one year to Q1 2022 only 8.8% of all properties listed for rent were affordable on LHA.

2.11.4 Research has also found that many landlords took the opportunity of the strong sales market during 2021, supported by the Stamp Duty holidays, to sell their properties, and that a larger proportion of these properties have been purchased by owner occupiers rather than re-entering the rental market. Additionally, tax credits, which came into full effect from April 2020, mean that landlords can no longer deduct any of their mortgage interest from their rental income when calculating their taxable profit. This is likely to impact on the number of landlords who sell their properties.

2.11.5 The benefit cap also limits the ability of applicants to access accommodation. The benefit cap places a hard limit on the maximum benefits that any household can receive in certain circumstances. At the time of writing, in London that limit is set at £23,000 per year for couples, £23,000 per year for single parents with children and £15,410 per year for single adults. The benefit cap often leaves households with very little additional money once housing costs are considered, as can be observed from the below table which sets out the average rent per annum in both of the LHA areas that cover Lewisham. Table 6 and table 7 show the difference between Local Housing Allowance (LHA) levels compared with rents in Lewisham. Table 8 sets out the maximum applicable LHA as a percentage of the average local reference rent in each BRMA in Greater London. These factors combine to the effect that private rented sector properties in Lewisham have become increasingly unaffordable to homeless households, in particular those affected by the benefit cap.

**Table 6 – Average weekly rent (based on Local Reference Rents) of accommodation in Lewisham**

<b>BRMA (LRR)</b>	<b>Inner South East London</b>	<b>Outer South East London</b>
One room (board)	£227.00	£190.50
One room (shared facilities)	£178.85	£129.81
One room (self-contained)	£242.31	£183.64
Two rooms	£370.20	£245.20
Three rooms	£447.50	£300.00
Four rooms	£571.15	£346.16
Five rooms	£622.50	£415.39
Six Rooms	£726.93	£493.39

**Table 7 – Applicable LHA per week in Lewisham**

	<b>Inner South East London</b>		<b>Outer South East London</b>	
	<b>Private Rented</b>	<b>TA</b>	<b>Private Rented</b>	<b>TA</b>
Shared	£118.87	£171.34	£103.56	£140.19
1 Bedroom	£264.66	£171.34	£205.97	£140.19
2 Bedroom	£310.68	£228.47	£253.15	£171.34
3 Bedroom	£385.48	£270.00	£299.18	£206.66
4 Bedroom	£506.30	£373.84	£368.22	£270.00
5 Bedroom	£506.30	£477.69	£368.22	£353.08

**Table 8 – Maximum applicable LHA as a proportion of Local Reference Rent in Greater London**

<b>BRMA</b>	<b>One room (shared facilities)</b>	<b>One room (self-contained)</b>	<b>Two rooms</b>	<b>Three rooms</b>	<b>Four rooms</b>
Central London	67%	76%	58%	48%	49%
Inner East London	76%	101%	85%	81%	92%
Inner North London	86%	105%	95%	79%	79%
Inner South East London	66%	109%	84%	86%	89%
Inner South West London	68%	121%	98%	94%	99%
Inner West London	88%	111%	96%	90%	81%
North West London	83%	111%	106%	110%	104%
Outer East London	76%	114%	102%	101%	98%
Outer North East London	84%	129%	115%	109%	111%
Outer North London	82%	126%	104%	106%	97%
Outer South East London	80%	112%	103%	100%	106%
Outer South London	80%	121%	105%	111%	113%
Outer South West London	84%	122%	94%	88%	92%
Outer West London	90%	119%	105%	105%	104%

2.11.6 Considerable work has been done to keep households close to Lewisham, including the introduction of a new Location Priority Policy. Table 5 shows that the council has been able to successfully place around half of its households in TA in the borough. However, while we will continue to strive to place households in or near the borough it is necessary to increase procurement outside of London to continue delivering on our statutory duties and reduce costs.

## 2.12 Cost to the council

- 2.13 Over the last 12 years, the Government has cut Lewisham Council's budget by £137 million. This is equivalent to £1,055 less per household per year. Over the next four years, Lewisham Council will have to make an additional £40m worth of cuts.
- 2.14 The provision of temporary accommodation is the highest spending area of the Housing Services directorate. The council is forecast to spend £50m on temporary accommodation in 22/23, an increase on the £34m it spent on temporary accommodation in 21/22.
- 2.15 The majority of what is spent on temporary accommodation can be recouped through housing benefit and payment from tenants. However, where a household is in temporary accommodation, any rent amount that is above the temporary accommodation Local Housing Allowance (LHA) cap is charged back to the council as a cost. This represents the biggest net expenditure in the directorate. As such, there is a strong financial case to suggest that the type and stock profile for TA currently procured in Lewisham needs to change to reduce the financial impact on the council.
- 2.16 However all local authorities are finding temporary accommodation increasingly difficult to procure to meet increasing demand, as the private sector rents increase and the number of landlords willing to let to households on benefits is reducing. Currently we use a wide mix of property types including nightly paid, hostel, Private Sector Lease and Privately Managed Accommodation schemes to provide TA. The end cost of each of these types of TA to the council varies significantly.

**Table 9 – Annual cost to the council of a self-contained nightly paid placement**

<b>Bedrooms</b>	<b>Average cost to council</b>	
1	£	4,218.24
2	£	6,314.21
3	£	8,443.54
4	£	8,762.50

<sup>3</sup> \*These figures show the net end cost to the council

- 3.1.1 The council has historically used leasing schemes as more cost-efficient and long term source of temporary accommodation. Whilst there are some schemes where the rent stacks up better against LHA rates, additional maintenance and management costs associated with these schemes can mean that they operate at a significant net loss. Furthermore, the Housing Service is in competition with other council partners, organisations such as the Home Office and Ministry of Justice and provider/third sector organisations, who are able to access housing without being subject to pan-London local authority rent cap agreements. This can mean that fewer landlords are interested in leasing their property to the housing service.
- 3.1.2 The result is that the number of households in nightly paid accommodation has steadily increased since August 2021. In recent years the increased demand and decrease in supply mean that the council has had to call on an ever larger amount of nightly paid accommodation, which has risen from 745 at the start of April 2021 to 1,034 at the end of July 2022. The monthly average number of clients accommodated for financial year 2021/22 was 866. The current monthly average for 2022/23 is 1,011. The average cost to the council of placing a household into self-contained nightly paid for one year is set out in the below table.
- 3.1.3 It is also our experience that a number of nightly paid landlords have approached the authority with requests or notifications to increase the current rental charge to off-set the

increase in utilities costs. If agreed, this would put further pressure on the service via the HB limitation recharge and increase the current forecast overspend.

- 3.1.4 The council is currently implementing a TA Reduction Project. The aim of this project is to review the type of accommodation we procure, our policies and practices for matching households with the right properties, where we procure accommodation and reviewing internal processes to identify and extract efficiencies within the archetypal homeless journey.

### **3. Accommodation Procurement Strategy**

- 3.1. A new strategy is required to meet the challenges the borough faces. We will deliver this by:

#### **3.2. Increasing the use of the private rented sector**

- 3.2.1 The pressures faced by increasing demand and decreased supply mean that the council must make increased use of the private rented sector to provide households with a secure, stable home. The council will focus on the below to ensure it makes best use of the private rented sector to accommodate households in need.

##### **Reducing the number of people in temporary accommodation and preventing homelessness through increased use of the private rented sector**

- 3.2.2 The council will substantially increase the number of private rented sector homes at its disposal. This is intended to provide homeless households more sustainable, long-term housing, prevent homelessness, facilitate the discharge of the council's main housing duty and manage temporary accommodation costs. The council will work to achieve this by:

- *Procure 432 properties for Private Rented Sector Offers for households at risk of homelessness and in temporary accommodation;*
- *Focus procurement activity on sourcing affordable properties in and close to the borough of Lewisham;*
- *Increase procurement of properties outside of London, looking as close to Lewisham as possible; we are proposing to pilot this approach offering properties outside of London to households in the following order of priority:*
  1. *New applicants owed the prevention duty likely to result in a temporary accommodation placement under relief duty;*
  2. *New applicants approaching and owed the relief duty with no location priority policy;*
  3. *Applicants in temporary accommodation owed the relief duty with no location priority policy;*
  4. *Applicants who are in unsuitable temporary accommodation and waiting on our transfer list to be moved with no location priority;*
  5. *Applicants owed the main housing duty who have been in temporary accommodation less than 1 year.*
  6. *Applicants who are owed the main housing duty who have been in temporary accommodation more than 1 year and less than 7 years.*
  7. *Applicants who are owed the main housing duty and have been in temporary accommodation more than 7 years.*
- *Review our incentive packages for private sector landlords to maximise our ability to secure properties;*
- *Organise a series of Private Landlords Forums in order to maintain and develop supplier*

*relationships;*

- *Support more households to access the private rented sector through working with employment support and benefit advice partners;*
- *Continue working with Capital Letters to secure the right homes for households in need.*

### **Reducing the use of nightly paid temporary accommodation**

3.2.7. There is a growing need to reduce the use of expensive, insecure temporary accommodation. As of the end of May 2022 there were approximately 900 - 1,000 households in nightly paid accommodation and this has been increasing for many years. The council has historically used leasing schemes as more cost-efficient and long term source of temporary accommodation. Whilst the availability of homes through these schemes enables the council to reduce the usage of nightly paid accommodation, there is also a need to review the value for money case for these schemes. The council will:

- *Review its use of PSL/PMA schemes on a case-by-case basis to determine where they represent value for money;*
- *Increase the number of cases being prevented from becoming homeless;*
- *Review processes regarding how the council will discharge the main housing duty for households in temporary accommodation, where appropriate;*
- *Work with Asset Management and other partners to identify opportunities for existing council or community assets to be repurposed for temporary accommodation;*
- *Review policy and practice regarding the councils voids process for PMA/PSL properties to make quicker decisions and reduce the overall void period;*
- *Focus procurement activity on areas where the Temporary Accommodation LHA makes up a greater proportion of rent.*

### **A flexible approach to procuring homes for those with specific needs**

3.2.10 Households with specific needs are often accommodated for long periods of time in insecure, expensive accommodation whilst the council sources a property that is suitable for the household. There are currently over 200 households in temporary accommodation in need for a 4 or 5 bedroom property, 77 people on the housing register who require a home that is wheelchair accessible, 67 people who require an adapted property and 119 people who are currently in housing that cannot be adapted to meet their needs. The council is also facing a growing need for properties that accept pets. Whilst temporary accommodation meets the needs of the household in the short-term, the length of time that households have to remain in such accommodation can often have a detrimental impact.

3.2.11 The council will:

- *Work closely with homeless households and property owners to identify and procure the home that is right for the household;*
- *Conduct an ongoing review of data to understand the greatest need;*
- *Work with partners across the council to support the procurement of accommodation for specific cohorts, including but not limited to people sleeping rough, people with disabilities including ground floor and wheelchair adapted properties, victims of domestic abuse, people with care needs and young people; and*
- *Continue to seek out opportunities to access grant funding for accommodation for people with specific needs.*

### **3.3 Working with partners to maximise our impact**

3.3.1. By drawing on the collective resources of all those involved in tackling homelessness, the council will be able to increase its ability to procure or encourage the procurement of the homes that our residents need. The council will focus on the below to ensure it makes best use of partnership working to accommodate households in need.

#### **Working with Capital Letters to secure the right homes for households in need**

3.3.2. In 2018 the council agreed to join Capital Letters, a multi-party initiative aimed at procuring homes across London in a joined-up way. The council has been an active partner and recent figures show 201 properties were offered to the council in 2021/22. Of these, the council accepts 61% of the homes that it is offered by Capital Letters. The council will:

- *Continue to work with Capital Letters to maximise access to private rented sector properties;*
- *Review opportunities to join Capital Letters new business investment model;*

#### **Act as a central procurement hub for the council**

3.3.5 The Procurement team play a key role in sourcing homes on behalf of other departments within the council. This includes but is not limited to procuring accommodation for households that have no recourse to public funds, households that are working with our social care teams and homes for refugee resettlement. This work assists the council in meeting other strategic objectives but is also essential to maintaining a one council approach to service delivery. The council will:

- *Continue to act as a central hub so as to make the best use of the resources it has available*

#### **Work with Asset Management and other partners to identify opportunities for existing council or community assets to be repurposed**

3.3.8. The council has an excellent track record of identifying under-utilised assets and bringing them back into use for households in need. This includes assets already within the council's ownership such as Hamilton Lodge, as well as other assets such as Sydney Arms and Kelvin House, which the council have either purchased and repurposed or assisted others in the refurbishment process. These schemes have enabled the council to increase the portfolio of accommodation it has for homeless households. The council will:

- *Work in partnership with the council's acquisitions team to identify opportunities for purchasing buy-back properties and properties on the open market, to be prioritised for accommodation for homeless households;*
- *Work closely with the asset management team and Assets Review Board to identify opportunities for council assets to be converted into accommodation for homeless households;*
- *Work with the Empty Homes team to explore further initiatives to obtain usage of empty properties;*
- *Explore setting aside council and provider voids for use of temporary accommodation, and opportunities to convert these into permanent tenancies;*
- *Explore opportunities to purchase properties off the market at scale, for use as accommodation for homeless households;*
- *Continue regular liaison with the Greater London Authority, the Department for Levelling Up, Housing and Communities and other partner agencies to maximise the resources available to the council to deliver the homes that are needed;*
- *Continue to attend pan-London housing meetings to access and share best practice around temporary accommodation with other London boroughs.*

### **Adherence to pan-London protocols**

3.3.9. Many London boroughs face similar pressures to Lewisham, with demand outstripping supply and authorities often placing households in other boroughs. In recent years London boroughs have collaborated to develop ways of working together that seek to ensure the cost effectiveness of procurement and to guarantee the quality of the homes that are procured. Through continued adherence to these protocols the council will continue to ensure that the accommodation it sources is appropriate for households, of good quality and represents value for money. The council will:

- *Continue to adhere to the Inter-Borough Accommodation Agreement (IBAA) to maintain set upper limits on the rates that authorities pay when procuring units of temporary and private sector accommodation. The council will report monthly on each of the placements that it makes, ensuring transparency in the operation of the agreement.*
- *Continue to adhere to the pan-London 'Setting the Standard' scheme, ensuring an expected quality and management of certain types of nightly paid and private rented sector accommodation.*
- *Work with partner authorities to ensure these protocols are effectively implemented and to review any new proposals which seek to provide an improved service.*

## **3.4. A review of policy and practice**

3.4.1 The substantive framework governing the councils approach to temporary accommodation procurement was established in November 2015 with additions made in March 2017. Recent changes mean this is a right and proper time to review the way in which the council approaches this significant area in detail. By undertaking the below the council will establish a new set of principles and practices by which it will deliver the best possible service:

### **Implement and monitor the impact of the new Locational Priority Policy**

- 3.4.2. This Procurement Strategy has been produced to support the implementation of a new Locational Priority Policy. The new policy changes the definition of 'close to borough' as within the Greater London area; includes changes to ensure that households that are eligible for certain benefits are considered; includes those who are cared for in our in-borough priority in certain instances; and clarifies how education impacts priority.
- 3.4.3. As described in this strategy, affordability challenges demonstrate the need to consider increasing the supply levels of TA and private sector accommodation out of London and in new geographical areas. As such, comprehensive and ongoing analysis will be initiated to review whether changes may need to be implemented. This analysis will inform the future development of both the Locational Priority Policy and the Procurement Strategy.

**Develop new policies and practices around the approach to letting temporary accommodation and the use of private sector offers**

- 3.4.4. To ensure that the council uses the homes that are available in the most effective way possible, new internal processes will be established to determine the best approach to letting temporary accommodation and the use of private rented sector offers.
- 3.4.5. The council has a sizeable stock of longer-term temporary accommodation which becomes available from time to time and which is often added to through procurement or development. To ensure that homes are being let in the most appropriate way, new processes will be developed to ensure that nominations are conducted according to clear guidance, appropriateness for the household and strategic principles as set out by the council. The introduction of a comprehensive approach will ensure the right households are prioritised for the right homes.
- 3.4.6. New working practices will also be developed to assist in the management of private rented sector offers to bring the main housing duty to an end. As with the letting of temporary accommodation, the focus will be on ensuring the appropriateness of the home for the household and compliance with all the relevant statutory and policy requirements. The new working practices will then take account of the council's strategic objectives.
- 3.4.7. Officers will also work on the development of a range of performance dashboards and other analyses to continue to inform the work of the team. These will be tailored to ensure that officers have the right information available to inform their work.

**Meeting quality standards**

- 3.4.8. Accommodation procured must meet appropriate levels of suitability. Checks will be carried out to ensure that properties are of a decent quality and landlords hold all relevant licenses where applicable.
- 3.4.9. The council has also drastically reduced its use of shared nightly paid accommodation. This accommodation is the least secure and means households are sharing facilities with other households. The council continues to limit the use of B&B accommodation for families to six weeks and will prioritise the procurement of self-contained homes for use as temporary accommodation, and is committed to a review of the use of shared temporary accommodation more generally.

## Action plan for procuring properties for homeless households in 2023/24

Action	Target	Timescale	Impact
<b>Temporary Accommodation</b>			
Procure new units of accommodation to meet demand:	200	By April 2024	Based on the net number of people entering and leaving temporary accommodation, we estimate an additional 200 households will enter TA next year.  This action will ensure a sufficient supply of accommodation for new households who become homeless and are owed a statutory accommodation duty
Set aside council and housing association voids for the use of temporary accommodation. Explore opportunities to convert these to permanent tenancies.	5% of annual social lets	Ongoing	Bring under-utilised assets back into use for households in need.
Directly build new units for use as temporary accommodation - Mayow Road - Edward Street - Shaftesbury Centre	100	Ongoing	To provide temporary accommodation available as long-term assets.
Purchase buy-back properties and properties on the open market, to be prioritised for accommodation for homeless households.	50 two beds 40 three beds 10 four beds 20 TBC	Ongoing	To provide temporary accommodation available as long-term assets.
<b>Private Rented Sector Accommodation</b>			
Procure private rented sector properties	432	By April 2024	The council estimates that it needs to procure a minimum of 450 properties for prevention and relief in order to not see an increase in the number of households in TA.
Increase offer rate of Capital Letters properties	200	By April 2024	Ensure a sufficient supply for PRS accommodation for prevention and relief to create a tapering of numbers in TA.
Review landlord incentive package	N/A	By April 2023	Maximise our ability to secure private rented sector properties from landlords.
Deliver landlord forums	3 per year	By April 2024	Maintain and develop supplier relationships.
<b>Social Housing</b>			
Implement the updated Housing Allocations Policy	20-30% social lets to 'homeless with additional need' clients	Ongoing	Maximise our ability to re-house homeless households into affordable, long term social housing.

\* The actions and targets set out in this plan will be kept under review as the needs of the service change, and to reflect the latest demand and supply.