


<p>London Borough of Hammersmith & Fulham</p> <p>CABIBET</p> <p>4 MARCH 2019</p>		
<p>DECISION TO JOIN A GOVERNMENT AND LONDON COUNCILS SPONSORED COMPANY TO CENTRALISE THE PROCUREMENT OF TEMPORARY ACCOMMODATION LEASED FROM PRIVATE LANDLORDS</p>		
<p>Report of the Cabinet Member for Housing – Councillor Lisa Homan</p>		
<p>Open Report</p>		
<p>Classification - For Decision</p>		
<p>Key Decision: Yes</p>		
<p>Consultation: Procurement, Finance, Legal, IT, Risk, Commercial, Equalities (To come)</p>		
<p>Wards Affected: All</p>		
<p>Accountable Director: Jo Rowlands, Strategic Director, Growth, and Place</p>		
<p>Report Author: Nicky Pooni, Social Letters Agency Manager, Housing Solutions</p>		<p>Contact Details: Nicky Pooni – 020 8753 2495 Email: nicky.pooni@lbhf.gov.uk</p>

1 EXECUTIVE SUMMARY

- 1.1 Capital Letters is an ambitious Government and London Councils sponsored company to centralise the procurement of temporary accommodation (TA) and private rented accommodation from private landlords. The business plan for the company has now been finalised and boroughs have the opportunity to seek Councillor approval to become founding members.
- 1.2 London Councils' proposal is to establish a not for profit company known as 'Capital Letters' with access to £37.8m Government funding over four years. The official name of the company is Capital Letters (London) Ltd. The funding will be for both staff and IT costs and also to subsidise rents procured through the company. The cost of providing temporary accommodation is estimated to be over £1 billion nationwide, with London boroughs responsible for the vast majority of expenditure. Often boroughs are in competition with each other to secure the same properties. The Greater London Authority (GLA), London Councils and London Directors Group have therefore been developing proposals to address this issue on a pan-London basis.

- 1.3 The original ambition was for Capital Letters to be launched in December 2018/January 2019 but the timescale has moved to approximately. June 2019.
- 1.4 This report sets out the reasons for joining Capital Letters, which will be a vehicle for the Council to jointly procure with other London boroughs affordable Private Rented Sector (PRS) accommodation across London. This will deliver at least the same level or potentially more PRS accommodation to use for the prevention and relief of homelessness or to discharge a main homelessness duty. One of the objectives for joining the company is improved outcomes for homeless families, allowing households to be placed more locally.
- 1.5 Capital Letters will also be a vehicle for pooling the procurement function of sourcing private sector accommodation used to accommodate households in temporary accommodation, rather than every borough procuring its own accommodation. Boroughs would transfer under TUPE or second a percentage of their housing procurement officers to Capital Letters who would then offer accommodation to boroughs based on more logical and fair principles than the current system of uncoordinated competition achieves.
- 1.6 H&F in-house procurement team completed 370 new acquisitions last year (2017/18) to meet homelessness demand and prevent homelessness. We are on target to exceed these numbers this financial year.
- 1.7 This report proposes that the Council joins Capital Letters (London). This must be approved by Full Council in accordance with 3.4.3 of the Council's financial regulations.
- 1.8 In the longer term, boroughs could also choose to source management, repairs and rent collection functions from Capital Letters.

2 RECOMMENDATIONS

For Full Council

- 2.1 That Members approve the proposal to join an accommodation sourcing and letting company Capital Letters (London) Ltd, a Company Limited by Guarantee wholly owned by local authorities.

For Cabinet

- 2.2 That Members delegate authority to the Chief Housing Officer and the Strategic Director, Finance and Governance in consultation with the Cabinet Member for Housing to enter into the required membership agreements and contracts including the nomination of an officer to be a director to sit on the Board of the new company if considered appropriate.
- 2.3 That Members note that a further report will be presented concerning the contract to be awarded to the new company and associated arrangements once the company is established.

3 REASONS FOR DECISION

- 3.1 The Capital Letters' proposed service of procuring new properties on behalf of member London boroughs will allow a more rational allocation of supply across London, allowing households to be housed closer to placing boroughs. Properties are expected to be a mixture of private rented sector properties let by the property owner to households by the boroughs, and properties leased directly from landlords or from managing agents.
- 3.2 Capital Letters would essentially act as a 'benevolent lettings agent' providing assured shorthold tenancies of at least six months so that boroughs could choose to discharge duty by placing a homeless person in one of their properties (as they can with any private sector landlord). This is a key tool in facilitating H&F to reduce the number of households in costly temporary accommodation. The access to Capital Letters additional government funding to increase AST's (Assured Shorthold Tenancies) would be a missed opportunity if H&F did not sign up as an 'A' Member.

4 PROPOSAL AND ISSUES

- 4.1 There are 1411 homeless households currently living in temporary accommodation in H&F. The majority are living in temporary accommodation acquired via managing agents in and around neighbouring boroughs. Managing Agents are requesting annual increases in rent, due to the growing gap between the Council's offer of local housing allowance and market rents. It is becoming increasingly challenging to retain a cost-efficient TA portfolio and retain H&F's outstanding achievement of having no families in bed and breakfast or any form of nightly accommodation since May 2015.
- 4.2 When a household approaches H&F in housing need, Housing Solutions makes a formal assessment against a number of criteria as prescribed in the homelessness legislation. If it is not possible to prevent homelessness, and the household has met the legislative criteria, there is a statutory duty to secure suitable accommodation for the household.
- 4.3 The demand for affordable housing in the borough continues to be one of the major challenges that the Council faces with a high percentage of households approaching for housing assistance following eviction from the private sector due to inability to afford the high rents in the borough.
- 4.4 Since the implementation of the Homelessness Reduction Act (HRA) 2017, there has been a recognisable increase in the number of homeless applications. From 3rd April to 30th October (7 months since the implementation of HRA) the Council logged 1631 homeless applications. On average 233 per month. In the year prior to the HRA (April 17 – March 18) the Council took on average 102 per month, a 128% increase.
- 4.5 The growing number of applications and the Council's obligations within the legislation means that the Council has to explore ways of increasing the number of properties available to discharge duties to homeless households.

- 4.6 Longer term, H&F have 2,500 applicants on the housing register, we have a mixture of about 600 council and housing association homes to let each year. This means that less than 24% of people on the register will receive an offer each year. Therefore, people are encouraged to explore all housing options in order to secure suitable housing.
- 4.7 Capital Letters is an ambitious Government and London Councils sponsored company to centralise the procurement of Temporary Accommodation and private rented accommodation from private landlords. The business plan for the company has now been finalised and boroughs have the opportunity to seek Councillor approval to become founding members.
- 4.8 London Councils' proposal is to establish a not for profit company called 'Capital Letters' with access to £37.8m Government funding over four years. The funding will be for both staff and IT costs and also to subsidise rents for accommodation procured through the company. The cost of providing temporary accommodation is estimated to be over £1 billion nationwide, with London boroughs responsible for the vast majority of expenditure. Often boroughs are in competition with each other to secure the same properties. The GLA, London Councils and London Directors Group have therefore been developing proposals to address this issue on a Pan-London basis.
- 4.9 The original ambition was for Capital Letters to be launched in December 2018/January 2019 but the timescale has moved to approx. June 2019.
- 4.10 If H&F does not join Capital Letters, it is likely that there will be properties procured by Capital Letters in the borough but used by other boroughs. There is a significant risk that landlords and agents will prefer to work with Capital Letters than within individual boroughs because of the profile it will have when launched. The London Boroughs who do join Capital Letters will be in a position to move strongly into the Hammersmith market to provide 'near to borough' units for boroughs like Ealing, whilst having no regard for our local housing needs. Whereas now some boroughs are deterred from in the borough based on price, Capital Letters will be in a position to use the funding it has to subsidise these units to make them more affordable for other London boroughs to tap into the local property market.
- 4.11 Joining Capital Letters presents opportunities to;
- enable more of our homeless households to find affordable accommodation in-borough (or close to borough);
 - control (and even reduce) the cost to the Council of Temporary Accommodation (TA) because of the subsidy that the company can offer;
 - fully orientate the housing solutions service around prevention;
 - reduce the number of households in TA;
 - achieve economies of scale on costs by centralisation, e.g. for additional procurement staff, tenancy sustainment staff, IT, and premises for the company

- 4.12 Capital Letters will help to remove the competition between H&F and other London boroughs and duplication of effort, by developing an organisation to represent all the London boroughs. It is intended to offer a simpler and more straightforward interface for landlords, managing agents and developers anywhere in London who are able to provide properties for those households most in need of accommodation and help them to remain in their own borough.
- 4.13 By the end of the third year of operation it is envisaged that Capital Letters will have a staff complement of around 20 officers who will have secured almost 4,300 additional properties to help boroughs prevent and tackle homelessness.
- 4.14 Capital Letters would also build on the Inter Borough Accommodation Agreement (IBAA) which has led to reduced spending through rate-sharing and the application of a cap on rates paid for certain accommodation.
- 4.15 The company is already established and registered at Companies House, with a registered company name Capital Letters (London) Limited, however further work needs to be undertaken on its behalf until it has access to staff resources. Tower Hamlets will administer the MHCLG grant on behalf of Capital Letters and lead on procuring a HR Consultant & Project Director for the company and will design processes and HR policies for staff secondments and external recruitment. LB Ealing will lead on ICT procurement.
- 4.16 Boroughs seconding procurement officers to Capital Letters can choose what proportion of their allocation of new properties is PRS and what proportion is PSL (leased directly from private landlords) or PLA (leased via managing agents). They can also choose the size distribution of properties they need to meet local housing demand, e.g. 20% 1-beds, 40% 2-beds; 30% 3-beds, and 10% 4-beds.
- 4.17 H&F will retain a housing procurement function and therefore some direct control over procurement of temporary accommodation. We would need a clear delineation of property types being procured so as to avoid competing with Capital Letters for the same properties. One option would be to have the remaining in-house procurement officers focus on procuring ASTs for prevention, working directly with households at the front door (something Capital Letters wouldn't be able to do).
- 4.18 Boroughs who do not become members of Capital Letters and have a service agreement with it will still have properties procured by Capital Letters in their area. Although Capital Letters will abide by the agreed IBAA rates, there is nevertheless a significant risk that landlords and agents will prefer to work with Capital Letters than within individual boroughs because of the profile it will have when launched.
- 4.19 MCHLG has confirmed that the Ministry will guarantee funding for Capital Letters until the end of March 2022 – in that any lease or Assured Shorthold Tenancy (AST) secured by Capital Letters before that date will be subsidised by the Ministry at the agreed rates.

- 4.20 As a member of Capital Letters, H&F will be able to add to the acquisition power of the company on interventions to deliver more affordable PRS properties to homeless households. This will help to reduce the number of households in temporary accommodation, which in return will be financially beneficial to the Council..
- 4.21 In addition, the boroughs involved in the set-up of the company will have more influence over the way it is set up and shared than boroughs who join later after the organisation has been established. Early indications are that 16 London boroughs may join Capital Letters in the first wave, so no borough will have a decisive voice.
- 4.22 There are a number of risks surrounding the project:

- (i) Government subsidies have been agreed and total funding for the next four years is as follows, however there is a possibility that the funding will cease after this period.:

Year	Funding
2018-19	£1.1 million
2019-20	£7 million
2020-21	£12.9 million
2021-22	16.8 million
Total	£37.8 million

- (ii) Capital Letters would leave us with a closer, but more expensive, portfolio of leases, if we left or the Government subsidies ran out. Flexible Homelessness Support Grant is awarded until March 2020. There is uncertainty on the future TA subsidy regime after this time.
- (iii) After March 2022 there is a possibility that the funding will cease. Capital Letters would then have to pass on the full cost of leases/ASTs to the member boroughs. Capital Letters would also lose the additional procurement staff being paid for through MHCLG funding, so its capacity to procure properties at the same volume would likely be affected.
- (iv) H&F would need to adopt a Discharge of Duty policy whereby we discharged duty if households rejected offers of suitable, affordable accommodation.
- (v) Participating boroughs who become members of Capital Letters will initially second staff from their procurement teams for two years. Seconding staff is complicated and staff may not want to be seconded, which is voluntary and require both the employer and employee to agree, although boroughs have agreed to secondment arrangements. The employment terms and

conditions of secondees will be protected during the full length of secondment. No redundancies will take place, but more permanent arrangements between the Council and the company may see the voluntary transfer of staff under TUPE by operation of law, and then a loss of expertise to LBHF. Should the seconded staff not wish to join Capital Letters by TUPE arrangements, and the company's business structure remains viable and as a full member the Council will want to review its staffing structure for the procurement team to be able to continue with its full participation in Capital Letters.

(vi) Capital Letters is being created from scratch and has no track record of delivery.

5 OPTIONS AND ANALYSIS OF OPTIONS

5.1 The below table illustrates the three options that are open to H&F with Capital Letters;

Membership Category	Main Advantages	Main Disadvantages
Join company as an Member	<ul style="list-style-type: none"> control over strategic direction of the company Access to Additional MHCLG subsidy for at least 3 years Can use the company's accommodation to discharge a homelessness duty Can access higher LHA rates which would be 100% LHA opposed to Jan 2011 -90% + £40.00 TA subsidy regime now. 	<ul style="list-style-type: none"> Must commit to procuring no more than 50% of its TA outside of Capital Letters, excluding emergency accommodation and accommodation procured outside of London Must second or fund staff to carry out procurement function
Do not join	<ul style="list-style-type: none"> No constraints on Council's procurement activity No need to second or fund staff to carry out procurement function 	<ul style="list-style-type: none"> Cannot discharge homelessness duties through Capital Letters Cannot access higher London Housing Allowance rates Risk that landlords/agents prefer working with Capital Letters, reducing the supply of accommodation to LBHF with increased numbers in Bed & Breakfast (B&B)

5.2 Assuming that Members approve the Council becoming a member of the company, then further work will be needed to formalise this, hence a delegation to the Strategic Director of Finance and Governance for this purpose. After that the Council and the company will need to enter into a services contract which

would set out what the company will do for the Council and how it will do this, as well as staff secondment arrangements.

5.3 If H&F becomes a member of Capital Letters and then enters enter a contract with it, this can offer several different future opportunities, these include:

(a) **Transferring leased accommodation to Capital Letters:** This option would enable the Council to sub-lease its existing portfolio of accommodation leased from the private sector to Capital Letters, so that Capital Letters would become the landlord. Households would be offered an AST, enabling the Council to discharge its homelessness duty, and would no longer claim housing benefit through the TA subsidy system.

(b) **Capital Letters procuring leased accommodation on behalf of the Council:** Capital Letters would negotiate with landlords and agents to acquire leased accommodation and the Council would receive nomination rights commensurate with the amount of funding or seconded staff made available to Capital Letters. In this scenario, Capital Letters would be the landlord, bringing the advantages set out in option (a) (above). In addition, the cost of each leased unit would be subsidised through MHCLG funding, for at least the first three years.

(c) **Capital Letters arranging PRS tenancies (Direct Lets) on behalf of the Council:** This option would operate in a similar fashion to the Council's Direct Lets Scheme. Capital Letters would encourage landlords and agents to let their properties to homeless households through the payment of cash incentive. Nomination rights would operate in the same way as option (b) (above). Part of the incentive payment would be met through MHCLG funding, reducing the cost to the authority.

5.4 Initially it appears that option c) is preferable as it offers the clearest financial benefit. Nevertheless, options a) and b) should not be discounted. Option a) has the potential to become more attractive in future years if mainstream LHA rates continue to rise as expected. Likewise, option b) could offer a financial benefit to the Council as part of a wider procurement strategy.

5.5 If Capital Letters does not work, the Council can cease to be a Member of the Company by serving six months written notice to do so.

6. CONSULTATION

6.1 It is not proposed that consultation be carried out on these proposals.

7. EQUALITY IMPLICATIONS

7.1 It is not anticipated that there will be any negative impact on groups with protected characteristics, under the terms of the Equality Act 2010, from H&F joining the Capital Letters scheme.

- 7.2 Implications completed by Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

Implications to be completed by: Peter Smith, Head of Policy & Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1 The report proposes that the Council become a member of the company called Capital Letters (London). In accordance with 3.4.3 of the Council's financial regulations this must be approved by Full Council following consultation with the Chief Financial Officer. This is because the Council will be acquiring an interest in the company.
- 8.2 The Council has a duty under the Housing Act 1996 ("the Act") to prevent homelessness and provide assistance to eligible applicants who are threatened with or are homeless. There is a duty under Section 188 of the Act to provide interim temporary accommodation to applicants in priority need pending a decision that on whether a housing duty is owed to the applicant. If a housing duty is accepted S193 of the Act provides that the Council must ensure that suitable accommodation is available for the applicant.
- 8.3 It is proposed that joining "Capital Letters" will enable the Council to benefit from an increased supply of affordable properties to house homeless households and discharge the housing duty.

Legal Implications above by: Janette Mullins Acting Chief Solicitor, tel. 0208 753 2724.

- 8.4 In relation to the proposal to join the company called Capital Letters (London) Limited, Members will need to be satisfied that this is in the best interests of the Council. The company is already registered at Companies House as a shell company. Draft Articles for the company together with a Members' Agreement have been produced on the instructions of LB Tower Hamlets who are promoting the company and taking the lead in its establishment. The company will be wholly owned by the constituent local authorities.
- 8.5 The company will be established as a company limited by guarantee with a nominal membership fee of £1. In this way the liability of the Council is limited. As it is not a company limited by shares then there is no distribution of profit to shareholders. However, in the event of the company being wound up with any debts, then the members will need to determine how to meet those liabilities.
- 8.6 The draft Articles are fairly standard but come with the requirement that at least 50% of new properties per year (excluding nightly lets and properties outside London) are procured through the company, and the Council's membership could be terminated if this is not achieved.

- 8.7 The company will be managed on a day to day basis by a Board of Directors. It is proposed that there will be no fewer than three directors and no more than twelve directors on the Board of the Capital Letters. These directors will include independent directors. Critical matters are reserved to the Members, with each Member having a place on the what is called the Boroughs' Representative Body, and this is set out in the Members Agreement. It will be noted from the Articles that should the Council wish to cease to be a member of Capital Letters, it may do so by serving no less than six months' notice in writing.
- 8.8 The full proposal can only be implemented in two stages. This report is seeking the approval to become a member of the company. However, this does not of itself entitle the Council to access what the company will offer as a service. Instead the Council will need to enter into a separate services agreement to receive this. All services contracts that the Council enters into are subject to EU procurement legislation and the Council's contract standing orders (CSOs). For the latter, a waiver will be sought at the appropriate time to enable a direct award. The waiver will need to relate both to the requirement to prepare a Procurement Strategy and to the usual tendering requirements of CSOs.
- 8.9 In relation to EU procurement legislation, regulation 12 of the Public Contract Regulations 2015 (PCR) permits the direct award of a contract (i.e. without following any tender process) to what is effectively a wholly-owned subsidiary, provided there is the required degree of control. This is known as the *Teckal* exemption after the case where it first arose. This exemption applies even where the control is exercised together with other authorities. There are three tests to be fulfilled if the exemption is to be relied upon:
- The Council exercises jointly with other contracting authorities a level of control over the entity to be awarded the contract, which is similar to that which they exercise over their own departments;
 - More than 80% of the activities of the company to be awarded the contract are carried out in performance of the tasks entrusted to it by the controlling authorities;
 - There is no direct private capital participation in the company to be awarded the contract (with some limited exceptions).
- 8.10 With Capital Letters, the draft Articles of Agreement and Members Agreement currently ensure that there is no direct private capital participation (as all the members have to be local authorities), and it is intended that 100% of activities are for the controlling authorities. It will however be important that the Council actively participates in the management of the company so as to ensure that the control test described in the first bullet point is fulfilled. In regulation 14, this is defined as:
- The decision-making bodies of the company are composed of representatives of all participating authorities;
 - The participating authorities are able to jointly exert decisive influence over the strategic objectives and significant decisions of the company;
 - The company does not pursue any interests which are contrary to those of the participating authorities.

It will therefore be necessary for the Council to exercise an active role in the management of the company as a member through the Boroughs' Representative Body, and through its representation on the Board of Directors if considered appropriate, for the exemption to continue to apply.

- 8.11 In relation to Brexit, a delay to the EU departure date by deferring Article 50, or the UK entering into a withdrawal agreement with a transition period, will mean that the current rules set out in the PCR will continue to apply. If the UK leaves the EU on March 29th without a withdrawal agreement, then there is a draft Statutory Instrument before Parliament that preserves the effect of the PCR but with provision for an alternative advertising forum to the Official Journal of the EU. Therefore, the rules explained above will continue to apply.

Legal Implications 8.4 onwards prepared by Deborah Down, senior associate with Sharpe Pritchard solicitors, on secondment to the Council.
ddown@sharpepritchard.co.uk

9. FINANCIAL IMPLICATIONS

- 9.1 The purpose of this report is to approve the intention to progress towards membership of Capital Letters, expected around June 2019. This report is not intended to approve budgets and financial implications for the proposed model. This is because establishment of the company and membership model, access to funding, procurement, staffing arrangements and other cost matters will be finalised over the coming weeks. It is expected that a further report will be taken to Cabinet as these matters are progressed and to approve any application for membership.
- 9.2 At this stage, there is no expectation that the Council will need to invest any funds into the new entity and the intention is that membership of Capital Letters will enhance the Council's purchasing power and provide access to Government funding which will be used to subsidise the high rental costs of temporary accommodation. In the context of increasing rental accommodation costs and constraints on income due to Welfare Reform, this should allow the Council to avoid further costs which would otherwise place additional unbudgeted pressure on the Council's General Fund. The potential for any additional net financial benefit will also be explored.
- 9.3 Section 4 and 5 of this report sets out more detail on the next steps involved in progressing this proposal. Finance officers will work closely with the service in ensuring that all financial implications are fully understood. This will be followed by a further report to Cabinet which will set out the anticipated costs, benefits and risks. The financial impact on the General Fund will be tracked and managed through the Council's corporate revenue monitoring regime.
- 9.4 The initial findings suggest that there is no immediate financial impact stemming from participation in this scheme, that set up costs will be met through grant funding, and that the Council is not required to make any contribution towards the company on the basis of membership alone.

9.5 Section 4.7 sets out the time-limited nature of the proposal and the risk that additional costs resulting from the loss of government subsidy could be passed to the General Fund after 2021/22.

9.6 Financial implications completed by: Danny Rochford, Head of Finance, tel. 0208 753 4023.

Financial Implications verified by: Emily Hill, Assistant Director, Corporate Finance, tel. 020 8753 3145.

10. IMPLICATIONS FOR BUSINESS

10.1 Implications on local businesses and local private landlords would be that they would receive a unified procurement service across London boroughs who have signed up for Capital Letters.

10.2 A better landlord rental offer via Capital Letters, will in return mean that H&F benefit from more in-borough and local properties, where now we are outbid by other London boroughs by them paying more landlord incentives.

10.3 So Capital Letter will help us to attract more local landlords and estate agents to meet homelessness demand and prevent homelessness.

Implications to be completed by: Alben Karameros, Economic Development Team, tel. 07739 316 957.

11. COMMERCIAL IMPLICATIONS

11.1 There are no procurement implications with regards to this report at this moment as there are no financial commitments.

11.2 All contracts should be awarded under the Public Contracts Regulations (Reg 12)

11.3 The contract with Capital Letters shall be published on the Council's Contracts Register and each award under this arrangement shall be compliant with the Council's T&Cs.

Commercial implications completed by: Andra Ulianov, Procurement Consultant, tel. 020 8753 2284.

12 IT IMPLICATIONS

12.1 IT Implications: If the arrangement with Capital Letters results in a requirement to access H&F IT equipment, systems and/or networks, H&F IT Services must be consulted to ensure all necessary safeguards, permissions and budgets are in place.

12.2 IM Implications: As Capital Letters will be processing personal data on behalf of H&F, a Privacy Impact Assessment will need to be completed to ensure all

potential data protection risks in relation to this proposal are properly assessed with mitigating actions agreed and implemented.

- 12.3 The contract with Capital Letters will need to include H&F's data protection and processing schedule. This is compliant with the General Data Protection Regulation (GDPR) enacted from 25 May 2018.

Implications verified/completed by: Karen Barry, Strategic Relationship Manager, tel. 020 8753 3481.

13 RISK MANAGEMENT

- 13.1 The main benefit here must be to ensure that accommodation is provided to the most vulnerable in society, and that accommodation provided is suitable in line with our H&F Values and residents needs and expectations. There are 1411 homeless households currently living in temporary accommodation in the borough most are acquired via managing agents in and around the neighbouring boroughs. Inflation risk is event in that Managing Agents are requesting annual increases in rents, due to the growing gap between the Council's offer of local housing allowance and the market rents. It is becoming increasingly challenging to retain a cost-efficient temporary accommodation portfolio and retain the Council's outstanding achievement of zero families in bed and breakfast or any form of nightly accommodation since May 2015. All London boroughs must provide accommodation for those at risk of homelessness but this can lead to areas competing for the best accommodation potentially driving up prices and slowing down the provision of quality housing. Homelessness charity Shelter calculated in November 2018 that there were 320,000 homeless people in Britain. Figures from the Office for National Statistics also showed a sharp rise in the number of deaths of homeless people over the last five years of which London had the highest mortality of homeless people according to the figures. Section 4.7 provides Members with details of the possible risks that may arise from implementing a change of Service to Capital Letters but this should have considered against the potential the new Service provides.

Implications verified by: Michael Sloniowski, Risk Manager, tel. 020 8753 2587.

14. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

- 14.1 N/A

15 LIST OF APPENDICES

- 15.1 N/A