

A long-term solution to temporary accommodation: How building housing using industrialised construction methods can ease the burden on local authorities





Local authorities have a duty to house people made homeless, and temporary accommodation serves as a stopgap while residents are assessed for, or found, suitable social housing – but it comes at a cost.

At the end of 2024, there were 127,890 households in temporary accommodation and the cost of this in 2024/25 alone reached £2.8 billion.

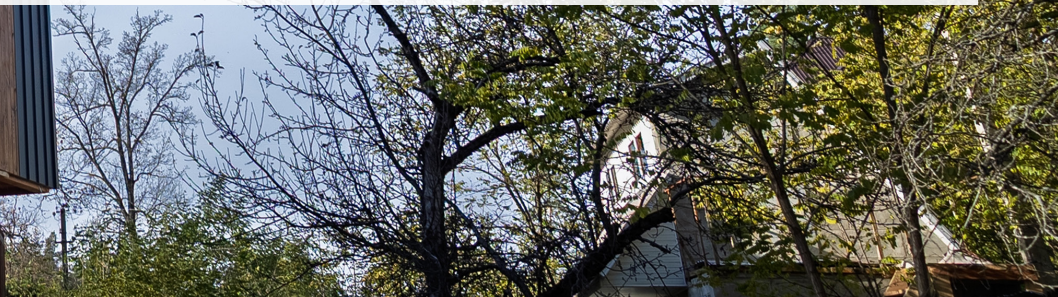
There is an acute shortage of suitable homes, meaning those who are homeless often end up in B&Bs and hotels, which provide poor living conditions and shared facilities such as kitchens and bathrooms.

There is a mental and physical health cost for people living in substandard conditions, and studies show it impacts jobs and the educational outcomes of children living in such conditions.

Providing lower cost, high quality temporary accommodation would not only save local authorities money, but also provide societal benefits by alleviating the impacts of substandard living conditions.

Research commissioned by Shelter and the National Housing Federation, and carried out by CEBR, shows that building 90,000 social rented homes would add £51.2 billion to the economy – a sharp contrast to the £2.8 billion temporary accommodation has cost taxpayers in previous years.

Some local authorities have turned to modular housing using industrialised construction methods as a potential solution to allow them to provide homes quickly, without the burdens, delays and overheads associated with traditional construction. Modular housing is being utilised on empty sites with longer-term regeneration potential to provide temporary housing. The use of modular components means homes can be moved to other parts of the site or to a different site as and when permanent development work starts.



Temporary accommodation on large regeneration sites

One local authority using industrialised construction in this way is the London Borough of Havering in collaboration with Wates and modular firm, Rollalong. The sites being targeted for this type of “meanwhile use” are those where permanent housing is planned in the longer term.

Havering council has a joint venture partnership with Wates to deliver regeneration projects, streamlining the process by virtue of their joint ownership of potential sites and the time saved by Havering not having to appoint a new contractor for each site. The modules manufactured by Rollalong can be installed in as little as 2 hours and can be designed to last 60+ years if required.

Basildon and Rochdale local authorities are undertaking a similar programme with temporary housing on smaller sites, utilising industrialised construction as an agile way to deliver much-needed homes.

This approach can help ease the burden and reduce the cost of temporary accommodation while providing safe and warm homes for vulnerable people and families. The modular homes are high quality (having been manufactured in a controlled factory environment), with self-contained facilities including living space and one or more bedrooms.

This approach also delivers a meanwhile use for empty sites (such as disused car parks or other brownfield sites) and can help make the process of building permanent homes easier, as local residents become accustomed to the presence of a new development meaning they are less inclined to object to a permanent development.







There is also an obvious benefit in local authorities engaging with this sort of project for modular housing manufacturers, a key part of the construction industry which has been particularly vulnerable to market pressures recently, as these projects provide a bolster to their demand pipeline, something which is vital for industrialised construction businesses.

Additionally, MHCLG has launched their small sites aggregator as a pilot programme for a further 3 local authorities: Lewisham, Bristol and Sheffield.

Under the programme, smaller developments of up to 9 homes have benefited from streamlined planning decisions taken by expert planning officers (as opposed to committees) and eased Biodiversity Net Gain requirements. Even medium developments (with 10 to 49 homes) have benefited from simpler rules including a proposed exemption from the Building Safety Levy and more simplified Biodiversity Net Gain requirements.

The goal of this pilot has been to unlock smaller brownfield sites that would have otherwise not been developed, and with a £1.2 million PropTech Innovation Fund to support innovation within small site delivery, MMC's usage alongside the small sites aggregator (if and when the pilot is expanded) would benefit local authorities greatly by easing the planning requirements and providing investment for innovative temporary MMC accommodation delivery.



Challenges to delivering temporary homes

But it's not a straightforward solution. Availability of land can be the first stumbling block. In a city like London, where the problem is most acute, there are simply not enough sites available to install short-term homes.

Securing planning permission can also be a challenge, despite this being a temporary use.

The current National Planning Policy Framework (NPPF) has little to no mention of temporary housing, and few local plans are likely to mention it.

This means when a planning application is made for temporary homes, there is no direct support or guidance from national or local policy.

However, there is potential change on the horizon. The new NPPF, which has been under consultation, does mention temporary uses, albeit only on brownfield land or in existing buildings rather than development sites.

In the consultation, the government asked whether changes to planning policy were needed to support temporary accommodation, including flexibility around national space standards.

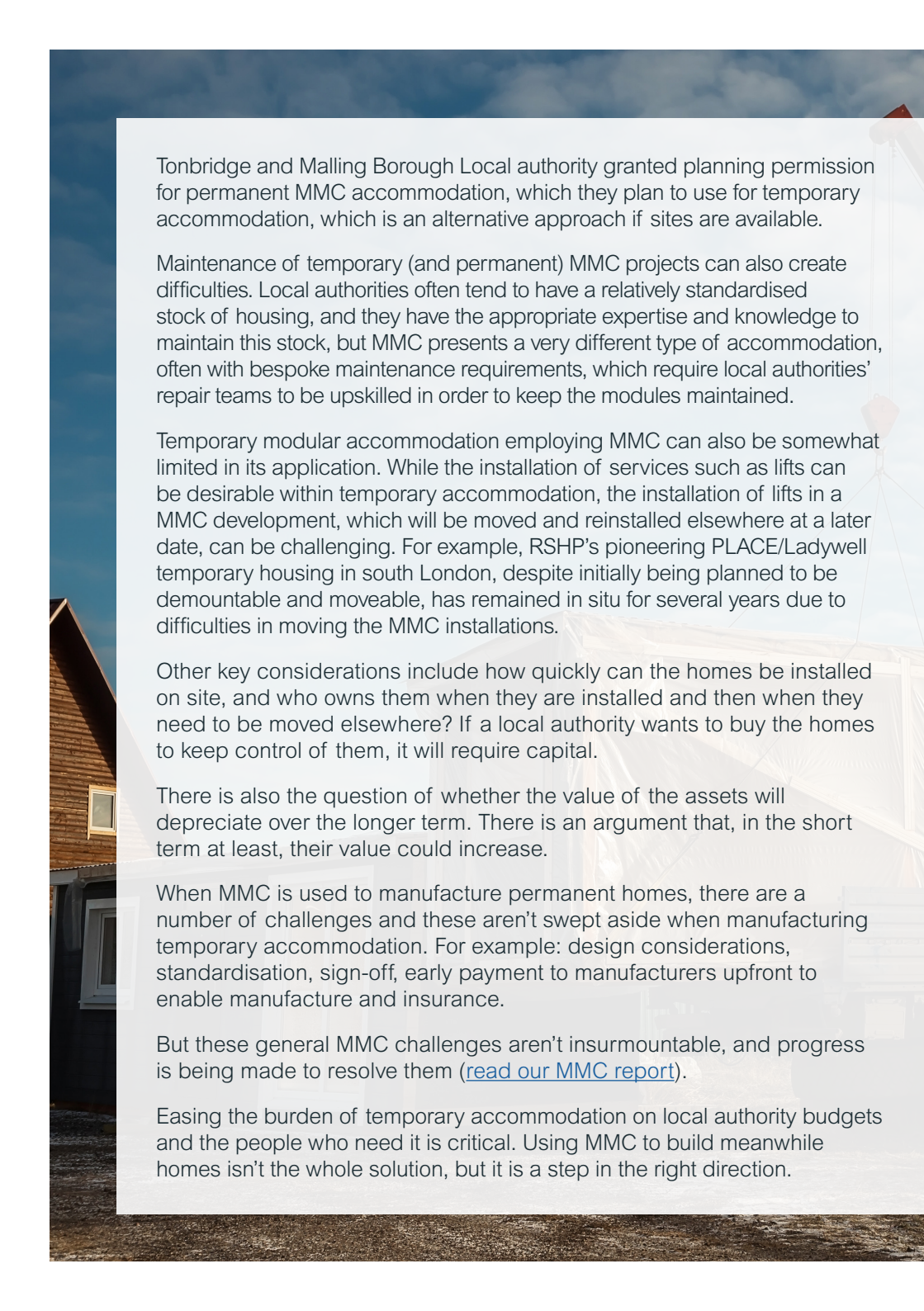
Space provision is a particular issue because modular temporary housing pods often don't meet national space standards, which is a concern for local authorities. Currently, it's left to the local authority to determine if less space provision is acceptable and justified.

Whether this is something that is addressed in the finalised NPPF remains to be seen.

Local authorities may also be nervous about granting temporary consent because it has to be enforced when the time is up. There have been instances where leases have come to an end, but homes have remained empty on the site.

Planning consent for temporary accommodation also needs the usual considerations of drainage, flood risk and highways impact. Temporary accommodation is not always looked on favourably by local residents, which can lead to strong objections, so planning is not a straightforward process.





Tonbridge and Malling Borough Local authority granted planning permission for permanent MMC accommodation, which they plan to use for temporary accommodation, which is an alternative approach if sites are available.

Maintenance of temporary (and permanent) MMC projects can also create difficulties. Local authorities often tend to have a relatively standardised stock of housing, and they have the appropriate expertise and knowledge to maintain this stock, but MMC presents a very different type of accommodation, often with bespoke maintenance requirements, which require local authorities' repair teams to be upskilled in order to keep the modules maintained.

Temporary modular accommodation employing MMC can also be somewhat limited in its application. While the installation of services such as lifts can be desirable within temporary accommodation, the installation of lifts in a MMC development, which will be moved and reinstalled elsewhere at a later date, can be challenging. For example, RSHP's pioneering PLACE/Ladywell temporary housing in south London, despite initially being planned to be demountable and moveable, has remained in situ for several years due to difficulties in moving the MMC installations.

Other key considerations include how quickly can the homes be installed on site, and who owns them when they are installed and then when they need to be moved elsewhere? If a local authority wants to buy the homes to keep control of them, it will require capital.

There is also the question of whether the value of the assets will depreciate over the longer term. There is an argument that, in the short term at least, their value could increase.

When MMC is used to manufacture permanent homes, there are a number of challenges and these aren't swept aside when manufacturing temporary accommodation. For example: design considerations, standardisation, sign-off, early payment to manufacturers upfront to enable manufacture and insurance.

But these general MMC challenges aren't insurmountable, and progress is being made to resolve them ([read our MMC report](#)).

Easing the burden of temporary accommodation on local authority budgets and the people who need it is critical. Using MMC to build meanwhile homes isn't the whole solution, but it is a step in the right direction.



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