

Report Title: Procurement of Temporary Accommodation

Date of meeting:	3 October 2024		
Report to:	Cabinet		
Report of:	Assistant Director Communities		
Portfolio:	Communities and Partnership Engagement		
Wards affected:	Borough-wide		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	<p>Main report - No</p> <p>Appendix A – Yes, the Appendix is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.</p>		

Summary:

As part of the Council’s statutory function in discharging its duties under the Housing Act 1996, Homelessness Act 2002 and the Homelessness Reduction Act 2017, the Council must provide interim accommodation while it makes enquiries if it has reason to believe that an applicant may be:

- Homeless
- Eligible for assistance, and
- In priority need.

These functions are delivered through the Councils Housing Options service and accommodation requirements sourced from a mix of Council stock, Commissioned Providers and accommodation providers from the private sector.

Since August 2023 there has been a 67% increase in the number of households in temporary accommodation. Consequently, the Council has needed to source an increasing amount of accommodation from the private sector.

This paper outlines a strategy for procuring good quality, furnished, and maintained

accommodation for eligible homeless households through a mix of dispersed temporary accommodation.

Recommendation(s):

That Cabinet:

- (i) Give authorisation for the Assistant Director Communities, to conduct a procurement exercise in compliance with the Procurement Act 2023, evaluated on the basis of the most advantageous tender, to commission accommodation providers to deliver temporary accommodation to eligible homeless households entering into a contract for a minimum of 2 years plus 1 optional year (2+1).
- (ii) Give authorisation for the Assistant Director Communities to, in consultation with the Cabinet Member for Communities, be granted delegated authority to award the Contract(s) resulting from the procurement exercise and to award any extension or amendment thereof following a review of the original award.

1. The Rationale and Evidence for the Recommendations

Rationale for the recommendations

- (i) To ensure that there is access to sufficient provision of temporary accommodation to meet a growing need.
- (ii) Costs associated with the provision of temporary accommodation are reduced.
- (iii) That accommodation provided is of a consistently good standard as set out in the terms of the contract.
- (iv) To ensure that the Council is compliant with Public Procurement Regulations.

Outline Strategy for Delivery

Introduction

Sefton is currently facing its highest demand for homelessness related support than it ever has. Sefton is not alone in this, and these are pressures that all local authorities in the country are facing.

Although many of the issues driving these homeless pressures are out of the Council's direct control there are several workstreams that are progressing as quickly as possible to strengthen our ability to help residents in this situation.

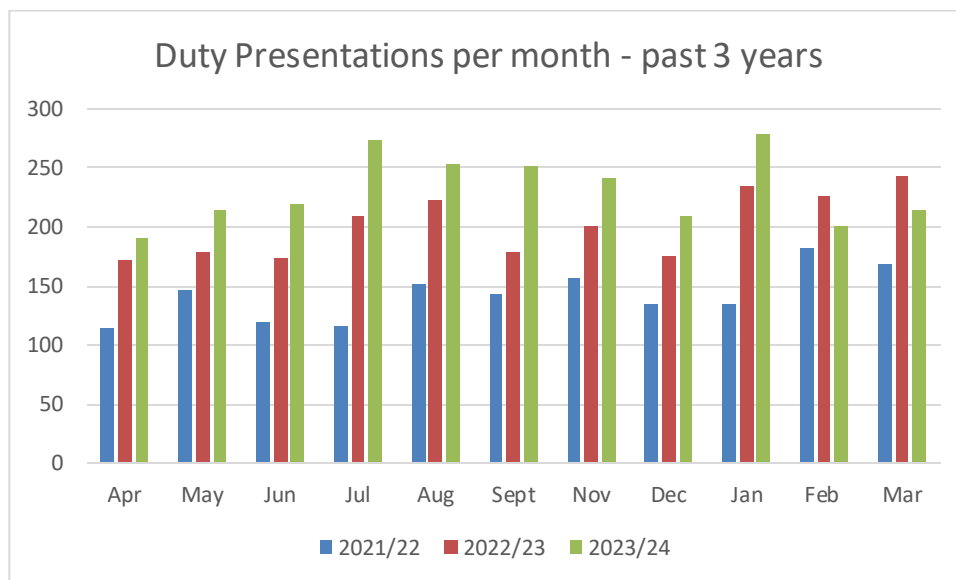
Sefton currently has a significant and growing need, and the cost of managing this need is increasing significantly.

Demand

Homeless cases have significantly increased since the increase in the cost-of-living began in late 2021. Over the last 12 months the number of households presenting as homeless has consistently been greater than 200 per month.

Table 1 below shows the number of presentations that the Housing Options Team have received over the past 3 years. These are 'duty' presentations where the Council is required to make enquiries to establish whether there is reason to believe the household is at risk of homelessness.

Table 1



Homeless Strategy

The Homelessness Act 2002 requires every Local Authority to carry out a homelessness review in its Borough every 5 years, to develop and publish a Homelessness Strategy based on this review and to consult with other statutory and voluntary organisations.

Following the completion of the research phase to draft Sefton’s new strategy, a first draft has been produced and has been out for 12-week consultation in order that a shared strategy is produced by all partners who influence homelessness.

The consultation started on Monday 30 October 2023 and lasted until Sunday 21st January 2024.

One of the suggested strategic priorities for homelessness in Sefton, which this project will contribute to achieving, is:

Continue to improve the quality of emergency bed and temporary accommodation provision and associated support.

Following the 12-week consultation, a report was taken to Cabinet in April 2024 where the new strategy and action plan was approved.

Current Challenges

Availability of Temporary Accommodation

Although the Housing Options Team does everything they can to prevent residents from losing their home, in many instances Temporary Accommodation (TA) is required. Numbers requiring TA is such that it now exceeds the bedspaces available in the Council owned homeless unit provision and through our homeless providers. Cases are therefore housed in a variety of locations at a significant cost to the council.

The Local Government Association estimates that the total cost to local authorities nationally is £1.7bn per annum. In July 2023 it was widely reported in the national press that households accessing Local Authority temporary accommodation in England was at its highest since records began. The number of households being placed in temporary accommodation had risen by 10% in England for the year to July 2023.

During July 2023 there was a spike in demand which saw Sefton's highest number of households approach the Council for homelessness assistance, as shown in table 1. Although the following months of August, September and October were very high, they did not surpass the July figure.

This increase in demand has also seen a spike in the number of people requiring temporary accommodation. At the beginning of August 2023, the number of eligible households accessing temporary accommodation was 107 however by the beginning of November this had risen to 179, a 67% increase.

The table below shows the comparative data for 3 November 2023 against the same date in August and the size of the households accessing TA.

Table 2

	3 Aug-23	3 Nov-23	Increase
Total in temp	107	179	67%
Total in nightly rate temp	91	157	73%
<i>Of those in nightly rate</i>			
1 person household	54	100	85%
2 person household	26	21	-19%
3 person household	13	17	31%
4 person household	5	10	100%
5 person household	2	2	0%
6 person household	3	5	67%
7 person household	0	0	
8 person household	1	1	0%

To mitigate this spike increasing further the Cabinet Member for Communities and Housing temporarily approved direct matching eligible homeless households with properties that were advertised through Sefton's choice-based lettings service, Property Pool Plus. This ran from November 2023-April 2024 and was successful in stemming the escalating numbers of households requiring temporary accommodation.

Cost of nightly rate temporary accommodation

The table below shows the cost of providing nightly rate accommodation sourced from private sector providers over the past 5 financial years. This accommodation includes self-contained, for example a flat or home, and hotels.

Table 3

	2019/20	2020/21	2021/22	2022/23	2023/24
Total	£178,000	£197,000	£382,000	£749,000	£2,342,000

Some of the expenditure of the accommodation is recoverable from Housing Benefit, however this only accounts for a fraction of the cost of providing the accommodation.

Although the cost of providing this accommodation is through government grants this is not sustainable should the current level of demand continue.

Linked schemes

Refurbishment of council owned properties to habitable dwellings

The Emergency Temporary Accommodation Project was approved to proceed by Cabinet (March 2023) and the project is progressing. The scope of the project is to redevelop 3 vacant Council properties to deliver 16 additional self-contained units of accommodation.

Procurement of supported temporary accommodation from registered providers

This accommodation will be available to households where household members require holistic support to meet their needs. Where new units of accommodation become available the Council will consider, subject to approval, utilising this accommodation as temporary accommodation from registered providers.

Homelessness and Rough Sleeping Strategy 2024-2029

Cabinet approved the Sefton Homelessness and Rough Sleeping Strategy 2024-2029 and action plan in April 2024. Key findings from the preceding homelessness review highlighted that there is

‘increasing incidence of homelessness, including both ‘hidden’ homelessness and demand for services, a lack of supply of affordable social housing and the impact of changes within the private rented housing market, which are placing more households at risk of homelessness, and making it very difficult for those facing homelessness to access new tenancies.’

To address this, one of the recommendations in the strategy is to ‘Improve the quality of temporary and emergency provision’, which this procurement exercise will contribute to addressing.

Proposal summary

Subject to Cabinet approval, it is proposed that officers begin the development of a detailed temporary accommodation procurement pack. This pack will set out the timescales, costs, and scope of developing the future provision of temporary accommodation.

It is anticipated that, due to the varying needs of households facing homelessness, that different levels of support may be required to meet the needs of some households in temporary accommodation.

The property types will also be different depending on the household sizes, whether they are families or single homeless households. Self-contained accommodation such as houses or flats is preferable however, when required hotels and other accommodation with shared facilities will be considered for single person households in a priority need group.

Timescales

Table 4

Activity	Date	Responsible Officer
Cabinet	5 September 2024	Communities Service Manager, Homelessness and Migration
FTS Notice Published	16 September 2024	Procurement Team
ITT Published	16 September 2024	Procurement Team
Deadline for asking clarification questions	16 October 2024	Procurement Team
Deadline for Tender Submission	23 October 2024	Procurement Team
Evaluation of responses complete	15 November 2024	Communities Service Manager, Homelessness and Migration
Moderation and selection of preferred bidder	18 November 2024	Communities Service Manager, Homelessness and Migration
Notification of Intention to Award and start of the 10-day voluntary standstill period	22 November 2024	Procurement Team
Mandatory Standstill ends	Midnight 2 December 2024	Procurement Team
Award contract	3 December 2024	Assistant Director, People
Contract start date	1 February 2025	Service Providers

2. Financial Implications

What will it cost and how will it be financed?

(A) Revenue Costs

Subject to approval, the net revenue costs of the proposal are included in Appendix A (exempt/confidential). Costs will, in the first instance, be met through the Homeless Prevention Grant provided by the Ministry for Housing, Communities and Local Government, plus other grants received relating to Resettlement programmes and housing benefit income.

(B) Capital Costs

There are no capital costs associated with this proposal.

3. Legal Implications

The Procurement Act 2023 and the Procurement Act 2023 (Commencement No 3 and Transitional and Savings Provisions) Regulations 2024.

4. Corporate Risk Implications

Risk will be managed at a Service level.

5 Staffing HR Implications

Property and Facilities Management will work alongside the Housing Options and Strategic Housing services to oversee the work.

6 Conclusion

That Cabinet give authorisation to complete a procurement exercise to remodel how temporary accommodation is sourced from third party accommodation providers based on the evidence contained within this report.

Alternative Options Considered and Rejected

1. Lease self-contained dispersed properties from registered providers for use as temporary accommodation.

There is high demand for affordable accommodation across the housing market and from social housing provided by registered providers.

Risk: Reduction in social housing accommodation available.

If social housing properties were used for the purpose of providing temporary accommodation it would reduce the availability of affordable accommodation for Sefton residents. The impact of this could lead to further rises in homelessness as some households could find themselves in unaffordable private sector tenancies.

2. Lease empty properties directly from landlords in the private sector and manage the accommodation internally.

This option is high cost and resource intensive for the Council to deliver at present. The accommodation provided would need to be maintained, furnished, and managed by the Council. The Council does not currently have the resources to deliver this.

Risk: Financial risk associated with the time it would take to recruit and develop a new service to manage this function.

The initial costs for setting up the service from recruitment and training plus other costs for establishing the properties as homes, for example, providing furniture and utensils.

3. Do nothing.

The Council can continue to spot purchase from the open market at nightly rates agreed at the time of booking.

Risk: Lack of availability and fluctuating costs.

During holiday seasons and when there are large events in the city region, the price of booking accommodation during those periods increases. There are also fewer options available during those periods.

Although the lowest rate is negotiated at the time of booking accommodation there is some uncertainty regarding the long-term costs of providing the accommodation due to how quickly the market can change depending upon demand at the time.

Equality Implications: No negative equality impacts have been identified at this stage. This work will increase the amount of accommodation available to homeless households and should have a positive impact on people with a variety of protected characteristics who are affected by homelessness.

Impact on Children and Young People: Yes

There will be a positive impact for children, young people and families through improving the quality of temporary accommodation offered to families that become homeless.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N

The Author has undertaken the Climate Emergency training for report authors	Y
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The recommendation within this report will have a neutral impact on the carbon footprint of Sefton Borough. Most of the accommodation used will already exist so there will be minimal refurbishment of property needed.

However, where refurbishment is required by accommodation providers, we will make it a condition of the refurbishment that the developer should install a low carbon heating system at the property. Some refurbishments may also be required to go through the planning system which will also help to minimise the carbon impact of the building by applying the nationally required environmental standards.

What consultations have taken place on the proposals and when?

(A) Internal Consultations include:

The Executive Director of Corporate Services and Commercial (FD.7746/24) and the Chief Legal and Democratic Officer (LD.5846/24) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable at this stage. Any necessary consultation will take place if the project proceeds.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

- Appendix A – Financial and Commercially Sensitive Information
- Appendix B – Equality Impact Assessment

Background Papers:

There are no background papers.

Appendix B

Equality Analysis Report

Details of proposal:

To procure temporary accommodation for the purpose of providing accommodation for eligible homeless households.

Ramifications of Proposal:

Consideration needs to be given to accessibility of homeless households who may be occupying the accommodation and their protected characteristics within the contract.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

No negative equality impacts have been identified at this stage. The project is to increase the amount of accommodation available and should have a positive impact on outcomes for people with a variety of protected characteristics who are affected by homelessness.

Consultation:

There is no planned consultation to take place at this stage.

Is there evidence that the Public Sector Equality Duties will be met?

Yes, the contract will give due regard to people with physical disabilities. Some properties will be required to be accessible at ground level.

What actions will follow if proposal accepted by cabinet & Council?

The equality impact assessment will be updated at key milestones during the course of the project.

