

Meeting: Cabinet **Date:** 16th November 2021

Wards affected: All Wards

Report Title: Temporary Accommodation – Procurement and Strategy

When does the decision need to be implemented? 25th February 2022

Cabinet Member Contact Details: Councillor Swithin Long, Cabinet Member for Economic Regeneration, Tourism and Housing and Councillor Christine Carter, Cabinet Member for Community and Corporate Support.

Director/Assistant Director Contact Details: Tara Harris, Divisional Director Community and Customer Services, 07771631521

1. Purpose of Report

- 1.1 To outline the planned procurement for Temporary Accommodation (TA) services for Torbay Council and seek delegated authority to award the contracts for this service, at the end of the procurement process. The report additionally provide an update on implementation and wider work to manage the need for temporary accommodation.
- 1.2 The procurement plans to secure a range of contracted and leased accommodation units through which we can provide good standard, appropriate temporary housing for those in need. It will also provide a framework for us to spot purchase additional units if required.
- 1.3 We currently have no long term contracts for Temporary Accommodation Services and have been operating in the main on a spot purchase model.
- 1.4 The impact of not having significant contracts in place for these services have been:
 - A decrease in availability of temporary accommodation - especially in the tourism sector due to increased demand (Covid Impact)
 - Reduced control over associated spend due to significant fluctuations in market prices
 - Lack of access to suitable temporary accommodation – particularly for larger families
 - Poor contract compliance and management.
- 1.5 To address some of these issues on a temporary basis, we have secured several short-term leases and block purchased hotel accommodation to gain limited security on

availability and pricing, whilst the procurement process is being undertaken. We need to ensure a longer-term solution is in place before these temporary measures come to an end.

- 1.6 Wider work is also required to prevent homelessness and facilitate move on from temporary accommodation to reduce the volume of properties required and improve outcomes for residents.

2. Reason for Proposal and its benefits

We want Torbay and its residents to thrive.

We want Torbay to be a place where we have turned the tide on poverty and tackled inequalities; where our children and older people will have high aspirations and where there are quality jobs, good pay and affordable housing for our residents.

We want Torbay to be the premier resort in the UK, with a vibrant arts and cultural offer for our residents and visitors to enjoy; where our built and natural environment is celebrated and where we play our part in addressing the climate change emergency.

- 2.1 The proposals in this report help us to deliver this ambition by ensuring we have access to a range of suitable accommodation for those in need of temporary accommodation. Having access to appropriate and adequate accommodation is essential in enabling our citizens to thrive and turn the tide on poverty.
- 2.2 The proposed procurement will enable the Council to gain stability on the sufficiency and costs associated with this statutory function.
- 2.3 The reasons for the decision are to ensure that any properties secured through the procurement process can be secured and brought online and available for use within the shortest timeframe possible.

3. Recommendation(s) / Proposed Decision

- 3.1 That authority be delegated authority to the Divisional Director of Community & Customer Services in consultation with the Head of Finance, Cabinet Member for Economic Regeneration, Tourism and Housing and Cabinet Member for Community and Corporate Support, to award contracts to successful bidders on the Temporary Accommodation Framework Procurement; and
- 3.2 that the Temporary Accommodation Action Plan be noted

Appendices

Appendix 1: Temporary Accommodation Action Plan

Background Documents

Supporting Information

1. Introduction

- 1.1 **Current Provision** - Our temporary accommodation (TA) is currently sourced from a range of providers, including those on a spot purchase basis. Previous arrangements with Mears Plexus as a registered provider, also ended this summer as they have exited the market. As a result, there is a significant reliance on tourist-based accommodation (B&B's, Hotels) which is not a suitable option for families with children, clients with complex and multiple needs or 16-17yr olds.
- 1.2 **Market Factors** - The reliance on this sector of the market for temporary accommodation also means that we are subject to significant seasonal fluctuations in cost and availability. This year has been exceptionally challenging due to the increased demand for holiday accommodation and Mears Plexus leaving the market.
- 1.3 The consequences of this increase in cost, lack of availability and increase in demand, have impacted on budgets, but also on the operational running of the Housing Options Team. The team have had to allocate increased resources to identify and book suitable accommodation.
- 1.4 **Affordability** - The increase in local private market rent levels in Torbay contributes to the financial pressures on providing this service. This impact has been felt both in securing sufficient affordable units for TA but also in the affordability for households in accessing long term accommodation in the private rented sector – meaning households stay for longer in TA as illustrated in table 1.

Property Size	Local average rent pcm	Torbay LHA Apr 2021 pcm	Differential shortfall pcm
1 Bed	£450 - £550	£414.24 (£103.56 pw)	- £36 - £136
2 Bed	£550 - £675	£552 (£138.08 pw)	- £0 - £123
3 Bed	£800 - £1000	£672 (£168.00 pw)	- £128 - £328
4 Bed	£900 - £1500	£ 828.48 (£207.12 pw)	- £72 - £672

Table1: Average cost of rental accommodation in Torbay against the local level of LHA and hence the shortfall

- 1.5 **Demand** - A broad analysis of households seeking assistance between 2017 and 2020 and those accommodated in TA has been undertaken. The year 2020 - 2021 has been an unusual year due to the pandemic, with changing patterns of need and demand. The Council had an influx of single homeless people between March and June 2020 (Figure 1). This was due to central government policy of Everyone In. This was also accompanied with

a drop in family sized applications, due partly to the suspension on evictions and other policies put in place, to manage the pandemic. As a result, future demand has not been predicted on 2020 data alone, due to the high level of uncertainty.

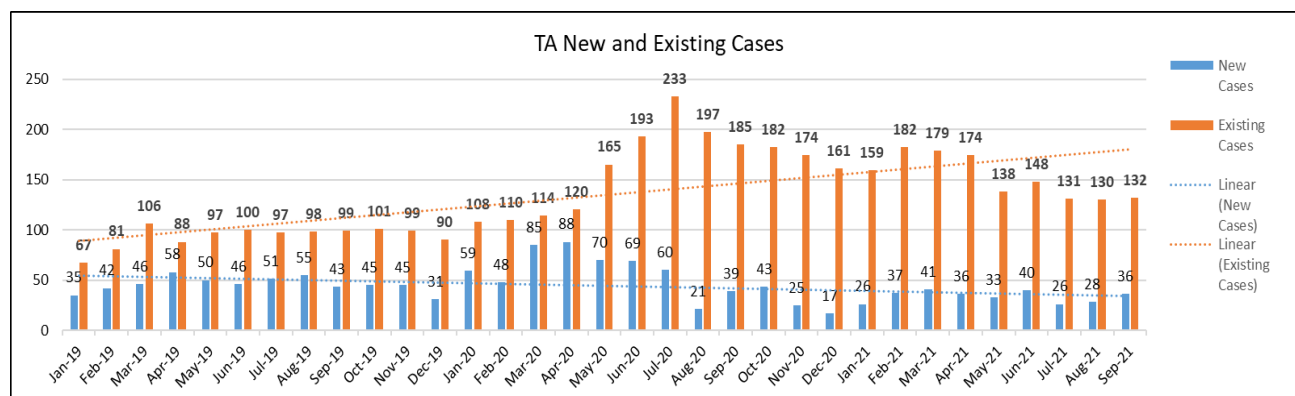


Figure 1: New & Existing TA placements from August 2017 – September 2021

1.7 Predictions have been undertaken on the future demand of TA. The number of cases presenting as homeless is relatively consistent over the year, with limited seasonal fluctuation. As such this assumption has been used to estimate the number of units required at any one time, based on the average length of stay (Table 2).

Bed Need	Total demand 2019	Estimated number units based on average length stay 2019	Total Demand 2020	Estimated number units based on average length stay 2020	Projected Number units (Reduction 50% average length of time in TA)
1	316	79	483	136	40 (47 days)
2	151	43	110	34	22 (53 days)
3	17	7	3	1	4 (75 days)
4	60	19	24	9	10 (60 days)
5 +	3	1	4	1	1 (30 days)
Total		149		181	80

Table 2: Estimated number of units of accommodation required by size

- 1.8 Due to the additional needs of 16-17yr old requiring access to TA, we are running a separate process alongside this procurement to find a suitable, cost-effective model of providing support for these young people. Whilst the numbers of 16-17year olds requiring TA are very low, when the need does present, we have a duty to never use B&B accommodation. We also want to be able to provide additional support to quickly find them longer term stable accommodation – this is essential to reduce the long-term impacts homelessness can have on young people.
- 1.9 Work is also being concluded to secure an addition 7 properties to meet our requirement for those fleeing domestic abuse and will be accessible from November 2021. This will also include support to enable people to feel secure and assistance in finding a permanent home.
- 1.10 To reduce the demand and associated costs of providing a TA, work is being undertaken to reduce the average length of stay. The model of delivery needs to shift from the current

emphasis on emergency response to one of prevention and accommodation support, as illustrated in Figure 2. Work has focused on stabilising the supply of TA through leased accommodation and the OYO contract, to enable resource to be diverted to prevention and move on.



Figure 2: Representing the change in emphasis from emergency response to one of support and prevention.

1.11 A summary of the work being undertaken within Housing Options to facilitate this step change, is provided below. The attached action plan details other work to facilitate the above model, hence reducing the volume of TA required (Appendix 1):

Prevention:

- Creation of Prevention Officer to work across all agencies, especially the voluntary sector to develop and implement a homeless prevention network.
- Partnership Link Co-Ordinator – To act as a single point of contact for partners to facilitate access to Housing Options and therefore joint working and assistance for people.
- Housing Options Officer embed in Children’s Services dedicated to working with families that cut across services.
- Work undertaken to reduce staff caseloads, allowing for meaningful prevention work to be undertaken by Housing Options Officers and maintain staffing levels and resilience.
- Specialised Independent Domestic Abuse Advocates (IDVA) to be embedded in Housing Options to assess applications and assist with accommodation, support, and move on.
- Kick Start Placements – Additional capacity to assist with Devon Home Choice and act as development opportunity for housing apprentice.
- Use of Welfare Support, Discretionary Housing Support and Housing Options Fund to prevent loss of tenancy.
- Operational groups inc - Youth Homeless Prevention Panel, Neglect Group etc

- Funding of debt advice service contracted with CAB and Advice Network including DWP contract on employability.

Emergency Response:

- Two resettlement workers to work with households in TA to ensure they have registered on Devon Home Choice, carry out searches and arrange viewings for private rented properties, income maximisation and ensuring support needs are identified and met.
- Increased resource in the team to ensure performance monitoring and timely decisions are made. This ends the Council's duty and therefore any accommodation being provided.
- Pilot project to provide support to assist complex clients in maintaining their TA to reduce demands on the wider system and assist with managing risk to increase accessibility to accommodation options.

Accommodation and Support:

- Private Rented Sector Accommodation Officer – seeking accommodation in PRS and building relationships with landlords.
- Flexible Housing Support Grant to assist with prevention and move on for DA placements.
- Improved co-ordination around boundary decision related to DA cases
- Formation of DA operational partnership – comprising of housing, legal and financial assistance to navigate pathways and complex issues.
- Operational groups inc - Youth Homeless Prevention Panel, Neglect Group etc
- Use of Welfare Support, Discretionary Housing Support and Housing Options Fund to assist with move on.

- 1.12 **Move On Accommodation** – We have insufficient move on accommodation to be able to resettle all the people we have a duty to assist. There is clear evidence that there is simply not enough social housing to meet demand and we face uncertain times due to the buoyancy of the private sector. This means our households are trapped in TA for unnecessary periods of time whilst they wait for a suitable homes to become available. This has a negative impact on clients who find themselves unable to lay down the roots that make them feel part of a community and feel invested in their living environment as a home rather than a place to be.
- 1.13 Quality move on accommodation is essential if we are to continue to meet the needs of new approaches whilst also driving down the length of time and numbers of people in TA. Urgent action is therefore required to improve accessibility and affordability of accommodation. Options are currently being explored around joining an existing Private Sector Leasing Scheme, but this will not address the issues alone. Wider work is being undertaken within the Strategic Housing Board to identify alternative options to address this challenge.
- 1.9 **Best value & compliance of Temporary Accommodation** - The process of continuous spot purchasing is not an effective long-term model for the Local Authority in securing 'Best Value' in the delivery of this service. It provides challenges in ensuring our spend is

compliant with contract regulations; reduces the opportunities for maximising efficiencies; reduces the opportunities for good contract management; and reduces the opportunities for building strong working relationships with the market that would contribute to longer term creative solutions.

1.10 We require a longer-term solution to providing this service to:

- Provide suitable quality temporary accommodation to individuals and families we have a duty to support.
- Ensure there is sufficient access to a range of suitable temporary accommodation to meet demand.
- Provide a period of stabilisation in the costs of providing this service to allow longer term budgetary planning and security for the Local Authority in operating within its budgetary constraints.
- Ensure that the resource of the team is focused on assisting individuals especially around prevention activity rather than sourcing accommodation to meet an emergency need.
- Ensure that our spend associated with delivering this service is contract compliant and securing 'Best Value'

2. Options under consideration

2.1 The option being proposed is to undertake an open market procurement to secure the required number of units required for the delivery of our temporary accommodation service. We also want to have a list of approved providers from which we can purchase additional units from on an 'as required' basis. This will also support any accommodation requirements as part of a response to an emergency incident.

2.2 Through the pre-engagement work we have undertaken we have been able to confirm the need to progress with a 'hybrid' model of service delivery for TA. This need is underpinned by findings that we are unlikely to secure sufficient units of accommodation for our preferred service model (that being one where the provider is responsible for providing the accommodation and management of it e.g., providing household essentials, cleaning, change overs, maintenance) at a reasonable market rate. Our work also identified that with only this model of delivery we will struggle to access larger family-based accommodation (3-5 beds). We will therefore also need to lease several units of accommodation and provide the additional management services alongside this. This may also require the purchase of accommodation but is a longer term strategy past April 2022.

2.3 This procurement will be structured as a Framework Agreement with three lots within it:

- Lot 1 – Temporary Accommodation Units with associated management services (from which we will draw down block bookings)
- Lot 2 – Leased Accommodation (from which we will draw down block bookings)
- Lot 3 – Spot Purchasing (to manage accessing accommodation to meet fluctuating demand)

These lots will provide the following accommodation:

	Single Person Accommodation				Family Accommodation			
Number of units required	40				22	4	10	1
	Single bed shared	Single bed self-contained	Single bed (adapted)	Single bed (Additional needs/risks)	2 beds	3 beds	4 beds	5 beds

2.4 Through the procurement we will also be looking for providers who are able to provide adapted accommodation to meet the needs of citizens with physical disabilities, accommodation that will provide placements for those with additional needs and/or risks.

2.5 The current proposed timeline for this procurement is:

Supplier consultation period (Completed)	5 th July – 30 th September 2021
Invitations to tender issued	6 th December 2021
Tender Return Deadline	14 th January 2022
Evaluation of tenders completed	18 th February 2022
Standstill Period	7 th March – 18 th March 2022
Contract awarded	21 st March 2022
Contracts commence	5 th April 2022 onwards

2.6 As a non-stock holding Local Authority, we do not have any options to consider in relation to bringing this service ‘in-house’ and therefore must pursue looking for options within the open market.

2.7 We have explored options with Tor Vista Homes to provide this service. Whilst this does remain a longer-term option, they do not yet have sufficient properties (or the capacity to look at taking these on within the time frame required) to provide the services required at present. We are continuing to work with Tor Vista and TDA in exploring models for move-on accommodation as part of the overall Housing Strategy as well as providing building management services for any leased properties we take on for temporary accommodation.

3. Financial Opportunities and Implications

3.1 Our market engagement work has been used to inform a predictive costing model for 2022/23. This is based upon a number of market assumptions and that the contract length offered will provide security to suppliers and therefore reduce costs.

3.2 So as not to influence the market and procurement process, the financial assessment undertaken is separate to this report.

- 3.2 Our financial planning has also included the appropriate level of resourcing within the Housing Options team to enable us to manage demand, undertake prevention activity with partners and facilitate accommodation.
- 3.3 The provision of TA is part funded through the claiming of Housing Benefit paid directly to the local authority. The rate at which this can be claimed is dependent on the type of accommodation, the level of support and who provides the accommodation.

4. Legal Implications

- 4.1 The Housing Act 1996 as amended, sets out the responsibilities of the Council to persons threatened with homelessness. There are various sections of the act which trigger a temporary accommodation duty. The Homelessness Code of Guidance sets out how these responsibilities should be met:
- S188 – the duty to provide temporary accommodation to anyone we have reason to believe may be homeless and believe may be in priority need.
 - S190 – in the event of an adverse decision, we have a duty to provide temporary accommodation for a reasonable period of time in order to give clients the opportunity to make their own arrangements.
 - S193 – following acceptance of what we call the main housing duty, we are required to continue to provide temporary accommodation until suitable, affordable alternative accommodation can be found.
- 4.2 Temporary accommodation is exempt from the Protection from Eviction Act and has no security of tenure; households only having basic protection afforded to them by means of an excluded licence. This means that we retain the power of entry without notice on units of accommodation, the right to move people at short notice and the accommodation can be brought to end by the serving of a notice to quit. This is crucial to ensure we can safeguard against risk and ensure the prompt turnaround of properties.
- 4.2 If sufficient and appropriate accommodation is not provided the local authority will be open to legal challenge and scrutiny from central government.

5. Engagement and Consultation

- 5.1 Stakeholder engagement has been undertaken with market providers to inform our approach to this procurement and inform the design and content of the specification.
- 5.2 The progression of the TA procurement is being overseen by a steering group with Council representatives from Housing Options, Commissioning, Community Safety, Planning, Children's Services, Commissioning and Procurement to ensure broad internal engagement and consultation.
- 5.2 In July 2021 we undertook a survey with accommodation providers (current providers, letting agents & private landlords, landlord associations, professional networks and

available on social media). All 19 respondents had never provided TA services in Torbay before. 63% were interested or may be interested in providing TA in the future. Of priority to providers were good financial packages with regular, on time payments, having a named contact and access to support when things went wrong. It also identified that we needed to provide more detailed information on what was expected in providing TA as the process progressed.

5.3 This survey was followed up with a formal Expression of Interest published on Supplyingthesouthwest.org.uk open over Aug-Sept 2021. In total 13 organisations expressed an informal interest in the proposed procurement opportunity with 7 submitting detailed written responses. Overall, the responses provided a positive indication that proceeding with a procurement exercise was likely to be successful.

5.4 Key points:

- All responses were from organisations with experience of providing temporary accommodation – either in Torbay or other areas.
- The submissions received indicate that there is interest in providing the traditional TA model of service delivery (Accommodation & Management.) However from the number of units indicated available, it is not likely there would be sufficient availability at reasonable market rates to meet the full sufficiency required (therefore indicating the need for a leasing model to run alongside this).
- We know from the initial survey and regular communication with private landlords there is sufficient interest in leasing only models, to ensure we can meet sufficiency across both proposed lots.
- Proposed pricing submissions varied widely but indicated that value for money submissions were likely to be submitted by providers.
- All but one response indicated the need for a longer contract term than originally proposed (2yrs + 2yrs) to make the model financially viable – this has led to a change in the proposed contract duration to 4yrs, providing security and financial viability for both providers and the Local Authority.
- Many providers enquired as to the provision of additional support for residents. This is currently being explored both in the form of floating support and through the form of specialist accommodation working within the bounds of Housing Benefit framework.
- In the final specification we need to provide greater clarity on how properties will be allocated by the Housing Options team, how risk information will be shared, how intentional and deliberate damages to property will be rectified and how block bookings will operate within the framework agreement.

5.5 We feel it is essential to keep providers engaged in this process and informed of our intentions. We will publish a Prior Information Notice at the end of October 2021 to feedback to the market on how their engagement has shaped the service specification and inform them of how and when we plan to proceed with the tender process.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 In line with current Council Policy, 10% of the scoring evaluation will be attributed to Social Value.
- 6.2 Bidders will be invited to submit offers of Social Value from the draft Social Value Framework for Torbay Council and evaluated and scored on their responses.
- 6.3 Any bidders awarded contracts from the frameworks will have their Social Value offers incorporated into their contracts and included as part of routine contract monitoring and reporting on KPI's.
- 6.4 Due to the significant challenges within this market (availability and affordability being the most significant influencing factors) we will not be prioritising any particular themes, outcomes or measures within the scoring evaluation.
- 6.5 As part of the tender launch process additional information and guidance on Social Value will be provided to bidders to encourage them to understand our priority areas for Social Value in Torbay and how this will operate within both the procurement and contract management process.

7. Tackling Climate Change

- 7.1 There will be a requirement within the procurement process for all providers to supply EPC information and efficiency of properties in line with Housing legislation. We will work with providers to increase the overall energy efficiency and EPC rating to that which is in excess of the legal minimum requirements.

8. Associated Risks

- 8.1 Continued use of our current spot purchasing model exposes the Authority to several significant risks including:
 - Lack of financial control and increasing costs
 - Lack of assurance on quality and contract management
 - Lack of access to suitable accommodation
 - Unable to meet our statutory duties
 - Increased workload for Housing Options Team
 - Legal challenge through lack of contract regulation compliance
 - Lack of engagement & relationship building with the market, which will diminish market growth and creative solution development.
- 8.2 If delegated authority is not passed to the Divisional Director for Community & Customer Services to award the required contracts, we will need to return to Cabinet for final award approval in March 2022 – the governance timeline will defer the start of contracts until mid-May 2022 (assuming a minimum 6-week timescale for report progression and approval).

8.3 A wider risk around the supply of TA not meeting demand, may result if the following are not addressed or circumstance outside of our control occur:

- Lack of preventive measures to save tenancy's
- Continuing increase in the rental costs in PRS resulting in lack of move on accommodation.
- Wider economic impact for residents through increased expenditure and inability to meet accommodation cost.
- Additional lockdown measures due to the pandemic, resulting in restrictions in the housing market or additional statutory duties to accommodate.

Mitigation measures for some of the risks within our control have been addressed in appendix A.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			No differential impact
People with caring Responsibilities			No differential impact
People with a disability	Intention ensure we have adequate access to adapted accommodation to improve provision of TA to those with a physical disability.		
Women or men			No differential impact
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			No differential impact
Religion or belief (including lack of belief)			No differential impact
People who are lesbian, gay or bisexual			No differential impact

People who are transgendered			No differential impact
People who are in a marriage or civil partnership			No differential impact
Women who are pregnant / on maternity leave	Access to sufficient TA should ensure that we do not need to temporarily house pregnant women or families with children in B&B accommodation.		
Socio-economic impacts (Including impact on child poverty issues and deprivation)	Access to a good standard of family-based accommodation with cooking and laundry facilities will reduce the negative socio-economic impacts on families.		
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Access to secure, quality temporary accommodation will improve the mental wellbeing of residents.		

10. Cumulative Council Impact

- 10.1 Homelessness affects everyone, but severely affects families and children. Having access to stable TA for as short a period as possible enables all support services from Universal to Safeguarding services to provide the appropriate support required for children and families. We need to ensure that we provide TA services that enable families to prioritise the health & wellbeing of their children without the stress and complications of repeated moves and uncertainty as to living arrangements. This will reduce the need for higher level interventions being required from Children's services to protect and safeguard children.
- 10.2 The lack of access to secure, stable, quality temporary accommodation can have wider cost implications within the Health & Social Care System. For example, it can lead to the need for higher cost placements within Children's services for 16–25-year-olds and children and families in instances where having stable accommodation is crucial in them implementing and prioritising interventions aimed at safeguarding them and keeping family units together. The same cost pressures can be found in delayed hospital discharges and in Adult Social Care.

11. Cumulative Community Impacts

- 11.1 It is recognised that there may be community tension around the placement of temporary accommodation. Most accommodation provided within our community has minimal if no impact. Well managed and contracted accommodation will reduce the risk of any impact further and therefore forms part of the procurement process.
- 11.2 Any accommodation provided through this process will need to comply with the relevant legislation including any planning requirements.