

Report of: Executive Member for Housing & Development

Meeting of:	Date	Ward(s)
Executive	18 May 2017	All

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Appendix 1 to this report is exempt and not for publication

SUBJECT: Temporary Accommodation Contracts Award

1 Synopsis

- 1.1 This report seeks approval for the award of two Framework Agreements in respect of the Procurement and Management of Temporary Accommodation for homeless households.
- 1.2 The council seeks to award two Agreements, to procure a range of short term licensed and longer term leased temporary accommodation options to enable it to discharge its statutory homelessness duties, and its duties under the Care Act and Children’s Act.
- 1.3 The two framework agreements are:
 - a) Lot 1: Procurement and Management of emergency licensed Nightly Purchased Accommodation
 - b) Lot 2: Procurement and Management of longer term leased Temporary Accommodation
- 1.4 The total projected value of the two Framework Agreements (for licensed and leased TA) will be approximately £11.5m per year, i.e. £46m over the four year life of the framework.

2 Recommendations

- 2.1 To approve the award of a Framework Agreement for the Procurement and Management of emergency licensed Nightly Purchased Accommodation (Lot 1) to the 14 providers listed in Appendix 1.
- 2.2 To approve the award of a Framework Agreement for the Procurement and Management of longer term leased Temporary Accommodation (Lot 2) to the 12 providers listed in Appendix 1.
- 2.3 To approve the award of both Framework Agreements to the 16 providers listed in Appendix 1.

3 Background

3.1 Contracts

- 3.1.1 The contracts will enable the council to temporarily house homeless households it has a statutory duty to under the homelessness legislation as laid down in the 1985 and 1996 Housing Acts. Additionally the council will be able to fulfil its duties under the Care Act and Children's Act, through offering temporary accommodation to clients who have No Recourse to Public Funds (NRPF).
- 3.1.2 The new framework agreements will replace existing contracts which have recently expired. In addition there are a number of Service Level Agreements in place between the No Recourse to Public Funds service and a number of providers. This procurement exercise will consolidate all of the above into two newly procured 4 year Framework Agreements.
- 3.1.3 The two Framework Agreements will have the following function;
 - a) Agreement for the provision and management of emergency licensed Nightly Purchased Accommodation; will assist the council to temporarily house people whilst it conducts its investigations under the Housing Act 1985 and 1996, the Care Act and Children's Act.
 - b) Agreement for the leasing and management of longer term (3-5 years) temporary accommodation; will assist the council to accommodate people it has accepted a homeless duty for but is yet unable to house in permanent housing.
- 3.1.4 Properties will be mostly self-contained, procured in the private rented sector both in and out of the borough, and managed on the council's behalf for the purposes of housing its clients.
- 3.1.5 The Framework Agreements set out detailed and ambitious Accommodation Standards for all properties procured as temporary accommodation, ensuring they meet minimum standards set by the council.
- 3.2 The Service
 - 3.2.1 The council had 805 households placed in temporary accommodation as at 28/02/17. 79% of the accommodation was in the private rented sector. It is recognised that the use of private sector accommodation to house homeless clients is expensive. However, due to housing demand pressures and the shortage of social housing, the council is heavily reliant on the private housing sector to source temporary accommodation for those who present as homeless.
 - 3.2.2 The purpose of the service is to ensure homeless clients are housed in suitable, secure and safe accommodation that meets minimum standards. It is also about supporting clients to participate and (re-)engage with the community, tackle worklessness and contribute to the local community.
 - 3.2.3 The council will make every effort to place clients in accommodation that meets their needs, in terms of size, location and proximity to services and facilities. Priority criteria have been agreed to ensure clients' specific needs, including the needs to remain in borough, are accommodated subject to the availability of accommodation. For details please see the council's Temporary Accommodation Location policy https://www.islington.gov.uk/~/_media/sharepoint-lists/public-

3.2.4 Through the Framework the council will be able to appoint providers to provide additional services to No Recourse to Public Funds (NRPF) clients to allow them to resolve their immigration status quicker (which in the longer term will save the council money).

3.3 The Tender

3.3.1 A competitive tendering process was undertaken in accordance with the EU procurement rules, and was conducted in two stages, under the Restricted Procedure.

3.3.2 The tendering process took place during the period 12th August 2016 – 13th January 2017, seeking to select up to 25 providers to award each framework agreement to. Out of 32 submissions received, the 16 organisations listed in the exempt Appendix 1 are recommended for appointment to either one or both of the framework agreements as indicated in that appendix.

3.3.3 The assessment criteria were based on 80% cost and 20% quality.

Proposed approach to standard of accommodation

Acquisitions (weighting 2.5%)

Responsive Repairs (weighting 2.5%)

Routine Maintenance (weighting 2.5%)

Health and Safety (weighting 2.5%)

Service delivery and customer care

Welcome information (weighting 2.5%)

Client contact (weighting 2.5%)

Equality and Diversity (weighting 2.5%)

Challenging behaviour (weighting 2.5%)

3.3.4 16 tenders were received. The tenders were evaluated by the tender evaluation panel in accordance with tender evaluation model. The outcome of the evaluation is set out in exempt Appendix 1

4 Implications

4.1 Financial implications

There is currently (@Jan.17) around 420 households in nightly booked accommodation (reduced from around 480 households at the start of the year) & 70 households in private sector leasehold (PSL) accommodation.

The 2016-17 forecast cost (payments to landlords) of nightly booked & PSL accommodation is £10m. It is anticipated that this will broadly remain the same at around £10m in 2017-18, on the basis that the number of households in nightly booked accommodation is maintained at current levels and any increases in cost are managed. It is worth noting that while we are budgeting for a continuation in costs, the changes in legislation coming through could mean an increase in pressure on the TA. We do not yet have sufficient information to provide exact figures.

In addition, the anticipated annual cost of providing accommodation to clients with NRPF is in the region of £1m.

The total anticipated costs of the 2 framework agreements, is £11.5m annually & £46m (@current prices) over the 4 year life of the agreements.

The above costs are met from a combination of departmental budgets and general fund contingencies.

4.2 Legal Implications

4.2.1 The council has a duty to provide accommodation to certain categories of homeless persons under the Housing Act 1996. The council is also under a duty to meet clients' need for care and support which may include provision of interim accommodation for those with no recourse to public funds (Care Act 2014). Accordingly the council has power to enter into framework agreements to secure the provision of accommodation.

4.2.2 The procurement has been undertaken in accordance with the requirements of the Public Contracts Regulations 2015 using the restricted procedure. Tenders were subject to evaluation in accordance with the tender evaluation model. The sixteen organisations listed in [part 1 of] the exempt Appendix gained the highest evaluation scores and may therefore be appointed to the framework agreements.

4.2.3 In deciding whether to appoint the recommended organisations to the frameworks, the Executive should be satisfied as to the competence of the organisation's to provide the services and that the tender price represents value for money for the Council. In considering the recommendations in this report members must take into account the information contained in the exempt appendix 1 to the report.

4.3 Environmental Implications

4.4 The main environmental impacts associated with the provision of temporary are the same as with most residential dwellings. These include energy use for heating, fittings and appliances, water use in the kitchen and bathrooms, as well as waste generation. Efforts should be made to ensure the properties being leased have high energy and water efficiency, which will reduce their environmental impact and result in cost savings. Maintenance of the buildings will also have an impact, including material usage.

4.5 Resident Impact Assessment

4.5.1 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

4.5.2 A Resident Impact Assessment (RIA) was carried out on 14/03/2017. This did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks. The RIA is available on request.

5 Conclusion and reasons for recommendations

5.1 Local authorities have a legal duty to provide TA for certain groups of homeless households pending a decision on their homeless application. This ensures that homeless families are not forced to sleep on the streets.

The provision of carefully selected good quality temporary accommodation that meets minimum standards and is well managed, enables the council to fulfil its statutory duties.

5.2 The Framework Agreements for both short term licensed and longer term leased temporary accommodation options will enable the council to access a wide portfolio of accommodation options, and provide vulnerable clients with decent accommodation to suit their specific needs.

This will provide clients with a safe and secure base from which to develop other areas in their lives, and enable them to engage with local communities.

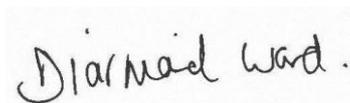
Appendices:

Exempt Appendix 1 – Tender evaluation

Appendix 2 – Property Standards

Final report clearance:

Signed by:

A handwritten signature in black ink that reads "Diarmuid Ward." The signature is written in a cursive style.

Executive Member for Housing & Development

10 May 2017

Date:

Report Author: Irna van der Palen

Tel: 0207 527 6079

Email: Irna.vanderpalen@islington.gov.uk