



Title	Procurement of Emergency Accommodation
Purpose of the report	To make a key decision
Report status	Public report
Report author (name & job title)	Selina Ma, Acting Rough Sleeping Initiatives Team Manager (Contracts and Commissioning)
Lead Councillor (name & title)	Cllr Emberson, Lead Councillor for Housing
Corporate priority	Thriving Communities
Recommendations	<ol style="list-style-type: none">1. That the Assistant Director of Housing and Communities, in consultation with the Lead Councillor for Housing and the Director of Finance be given delegated authority to approve the establishment of a pseudo-Dynamic Purchasing System (DPS) under the Light Touch Regime for the provision of emergency accommodation for a period of five years.2. That the Assistant Director of Housing and Communities is authorised to (i) enter into call-off contracts with the successful providers and (ii) directly award placements on a spot contract basis where suitable arrangements cannot be made via the DPS; or where crisis or emergency circumstances dictate that it is not possible to do so via the DPS during its lifetime for the provision of emergency accommodation.

1. Executive Summary

- 1.1. This report recommends the establishment of a pseudo-Dynamic Purchasing System (DPS) under the Light Touch Regime to deliver emergency accommodation for families and vulnerable people placed by the Council's Housing Needs department. This will replace existing processes and formalise arrangements between the Council and Providers.
- 1.2. The aim of the DPS is to ensure a continuity of supply of good quality privately managed properties for households placed into emergency accommodation by the Housing Needs department. Whilst guaranteeing that the Council is meeting its legal requirement in the procurement of its services and delivering of value for money.

2. Policy Context

- 2.1. Part 7 of the Housing Act 1996 and the Homelessness Reduction Act 2017 set out a Local Authority's responsibilities in respect of homeless households who approach the Local Authority for assistance. The legislation specifies that all Local Authorities have a duty to provide interim accommodation to certain households whilst investigating their circumstances and temporary accommodation to applicants who are homeless, eligible for assistance, in priority need and not intentionally homeless. In addition, the Council holds discretionary powers which can be used for the provision of emergency

accommodation to individuals and couples who are not owed a statutory duty, in certain circumstances, such as during periods of severe weather as part of the Council's Severe Weather Emergency Protocol (SWEPE) or in response to an emergency or disaster that is a danger to life as seen during the Covid pandemic.

- 2.2. The Council currently uses a range of accommodation to meet both the interim and temporary accommodation needs for those placed into emergency accommodation, including designated blocks of flats, purpose constructed modular units, permanent stock and paid nightly emergency accommodation.
- 2.3. Wherever possible the Council avoids the use of paid nightly accommodation provided by an external landlord, including Bed and Breakfast (B&B), however, due to ongoing demand there remains a need for its use as emergency accommodation for homeless households.
- 2.4. The Council has achieved a sustained reduction in the use of paid nightly accommodation from July 2016, reducing to a low of 11 households in March 2020. However, the number of households in this type of accommodation increased during the period following the emergence of COVID-19, which can be attributed to a number of factors.
- 2.5. Emergency measures put in place to protect tenants during the coronavirus pandemic were lifted in 2021, subsequently, there has been a steady increase in the number approaching following a notice being served. This has been further impacted by the cost-of-living increase, fuel prices and rising interest rates, putting significant financial pressures on owner occupiers, landlords and tenants. Nationally, we are seeing that the reason landlords are issuing notices to tenants is due to them wishing to sell or relet their property, normally with an increased rent. The rise in approaches from the private sector only gives part of the picture - the private rented sector is also the Council's main tool to prevent and relieve homelessness. Therefore, a lack of affordable accommodation in the private sector is having a two-fold impact on the numbers of people facing homelessness. Households are becoming homeless from the sector and are unable to find alternative accommodation, and there are fewer options to assist households in crisis which has led to an increase in placements.
- 2.6. Further, lockdowns were a pivotal time for domestic abuse survivors, as highlighted in the media during this time. The Domestic Abuse Act 2021, which came into force following lockdowns, made changes to provisions available to protect survivors and expanded the definition of domestic abuse. It also made those approaching as homeless as a result of domestic abuse automatically priority need, and therefore entitling them to interim accommodation duties.
- 2.7. More recently, one of the most significant emerging needs is the increase in approaches from those fleeing conflict. There are currently two Ukraine schemes, one is a known quantity which we can address in the short term with pre-emptive planning and support however the family scheme is an unknown quantity for which figures are not obtainable and so the need is hard to define and homelessness presentations from this cohort has applied further pressure.
- 2.8. Finally, there has been increased grant provision from DLUHC to specifically offer short term discretionary paid nightly accommodation for those who sleep rough to encourage engagement with supported accommodation as well as reconnections to other areas with the overarching aim of reducing rough sleeping numbers in the Reading borough.
- 2.9. The Council maintains the aim to move away from the use of this accommodation as far as possible, however, there is a recognition of an ongoing requirement for some nightly paid accommodation for short term placements and to help manage fluctuations in demand.
- 2.10. Wherever the Housing department uses externally sourced accommodation it is subject to a programme of initial checks by the Housing Needs Department to provide assurances for the safety and wellbeing of tenants, however, there are currently no formal contractual

arrangements in place between the Council and providers to manage the procurement and ongoing monitoring of the accommodation.

3. The Proposal

Current Position:

- 3.1. Arrangements for procuring and managing emergency accommodation have emerged over time and whilst they are robust, they have not been subject to formal procurement processes. The Council considers that formalising the process of procurement of accommodation is important for the following reasons.

Standards of accommodation

- 3.2. A formal procurement arrangement will allow the Council to more easily approve a cohort of landlords who are competent to provide accommodation to meet minimum standards regarding property condition, maintenance, and management. The arrangement will ensure that providers are contractually required to provide initial and ongoing assessments against a range of standards, including health and safety, management criteria and supply of services, providing a framework for monitoring rectification of any areas of concern. The DPS will aid the Council to manage any quality through proportionate entry standards of providers and through ongoing contract monitoring.

Supply of accommodation

- 3.3. Currently the Council sources accommodation on an ad-hoc basis as required. The proposed procurement process will allow the Council to establish a pool of providers who are able to provide accommodation as demand dictates. There will be no limit on the number of providers joining the DPS and no obligation on the Council to use any unrequired accommodation. This will allow the Council to manage fluctuations in demand providing flexibility in sourcing and reducing the use of accommodation as required.
- 3.4. In addition, a formal system will allow the Council to direct the market in terms of type and location of accommodation and provide greater clarity to providers regarding projected need.

Legal requirement

- 3.5. This procurement process will replace and formalise current arrangements, ensuring that the Council is compliant with the Council's Contract Procedure Rules, EU regulations for the procurement of services and the Public Contracts Regulations 2015.

Value for money

- 3.6. Currently there is no formal framework for the pricing of individual placements; costs of placements are agreed on an individual basis. The arrangement will provide a prescribed pricing schedule that will act as a guide for providers to encourage them to set their rates competitively and in line with other landlords. This will set expectations for providers in terms of charges and will ensure that the market remains more stable if there are times of increased demand.
- 3.7. Currently processes relating to the procurement, management and monitoring of B&B accommodation are time consuming. It is intended that this system will also improve operational process and efficiency, saving officer time and making better use of Council resources.

Options proposed:

- 3.8. For the reasons outlined above it is proposed that the Council seeks to procure accommodation via a pseudo-Dynamic Purchasing System (DPS) under the Light Touch Regime (LTR), allowing for the sourcing and management of emergency accommodation placements in line with all relevant regulations.
- 3.9. The DPS will ensure that all providers have met minimum standards in relation to accommodation and facilities provided, ensuring that there is consistency in the quality of

accommodation secured for households placed in emergency accommodation. The DPS will provide a mechanism for any providers that fall short of the expected standards to be suspended whilst quality issues are addressed.

- 3.10. It is proposed that the DPS is established and run for the period of five years allowing the Council to call-off from the DPS over this time based on a range of pre-determined criteria.
- 3.11. It is proposed that the DPS is established in early 2024 to allow for the purchasing of placements through this method from that time. The DPS operates by running a fully compliant open tender procedure to accredit and enrol Providers onto the DPS to ensure that only Providers that meet the Council's standards can join.
- 3.12. New Providers can apply and be enrolled at pre-set intervals during the DPS' period of operation providing they can meet the required standards. During this process, the Council will retain the ultimate decision as to which Providers to secure accommodation for individual placements, based on individual homeless household's needs, considering price, suitability and location.
- 3.13. There will be a transition period of up to 6 months providing time for existing placements to be moved onto Providers within the new Scheme.

Other options considered:

- 3.14. The option to continue securing accommodation in the current way is not recommended. The Council needs to move to a formalised and transparent method of securing emergency accommodation to improve value, standards and to ensure that it is compliant with EU procurement regulations.

4. Contribution to Strategic Aims

- 4.1. The proposal will contribute to the Council's Corporate Plan theme of Thriving Communities by:
 - Tackling inequality in our society, to ensure everyone has an equal chance to thrive regardless of their economic, social, cultural, ethnic or religious background

5. Environmental and Climate Implications

- 5.1. The Climate Impact Assessment tool indicated there will be net nil impact as a result of this proposal. This impact is due to providers using existing properties/hotels/B&Bs for this provision and will not involve the creation of new properties. In line with Reading's net zero carbon by 2030 commitment providers will be encouraged to take steps to reduce their carbon footprint through various measures.

6. Community Engagement

- 6.1. Current providers of emergency accommodation have been informed of the proposed changes and provided with the opportunity to comment. Providers will be given appropriate information ahead of the initiation of the tender process to ensure those who wish to apply to the DPS can do so.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 7.2. An Equality Impact Assessment (EqIA) has been undertaken for this report and is attached as Appendix A. The implementation of this procurement process is formalising current arrangements and is required to ensure the Council's compliance with procurement law. There is no material change to the process for accessing emergency accommodation. In light of this, it is considered that there is no indication that any groups would be adversely impacted by this new formal procurement process. As stated earlier in this assessment, Housing Advice is open to all who are eligible under Part 7 of the Housing Act 1996 and those who are assessed as being eligible for emergency accommodation will be provided with this support.

8. Legal Implications

- 8.1. The Housing Act 1996 (as amended by the Homelessness Reduction Act 2017) sets out a Local Authority's responsibilities in respect of homeless households who approach the Local Authority for assistance. Where certain criteria are met the Local Authority is required to provide interim or temporary accommodation.
- 8.2. Properties procured through the DPS will meet property standards as set out in the Homelessness Code of Guidance and the Housing Act 2004.
- 8.3. The procurement process must be conducted in line with the 2015 Procurement Regulations and the Council's own procurement rules. Legal services will advise and assist officers with regard to the conduct of the procurement process and the resulting contractual arrangements.

9. Financial Implications

- 9.1. The length of the proposed DPS is five years. The numbers of households accommodated in emergency accommodation fluctuates and is influenced by a number of factors as described earlier in this report. Actual spend on emergency accommodation for the last five years is shown below:

	2018-19	2019-20	2020-21	2021-22	2022-23
Gross Spend (£)	711,394.71	310,443.39	2,451,928.99	1,037,028.54	2,952,197.30
Cumulative (£)		1,021,838.10	3,473,767.09	4,510,795.63	7,462,992.93

- 9.2. It must be noted that during this five-year period the number of placements increased as part of the response to the pandemic and that numbers have risen in the last year due to the aforementioned cost of living crisis.

Value for Money

- 9.3. Currently there is no formal framework for the pricing of individual placements. Costs of placements are negotiated on an individual basis. The new arrangement will provide a pricing schedule that will act as a guide to providers setting expectations for providers to set their rates competitively and in line with other landlords, support the market to remain more stable at times of increased demand.

10. Timetable for Implementation

- 10.1. It is anticipated that the new approved list of suppliers will be implemented in early 2024 to allow for the purchasing of placements through this method from that time. The approved list will be established by running a fully compliant open tender approach to enrol providers onto the list – this activity will take place from October 2023. There will be

a transition period to allow for any placements to be moved from providers that do not secure a place on the approved supplier list.

11. Background Papers

11.1. There are none.

Appendices – delete if there are none

1. Equality Impact Assessment (EqIA)

