

Brighton & Hove City Council

Cabinet

Agenda Item 14

Subject: Emergency Accommodation Management Services Pilot

Date of meeting: 27 June 2024

Report of: Cabinet Member for Housing & New Homes.

Contact Officer: Name: Martin Reid
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Ward(s) affected: All Wards

Key Decision: Yes

Reason(s) Key: Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and it is significant in terms of its effect on communities living or working in an area comprising two or more wards.

For general release

1. Purpose of the report and policy context

1.1 It is a Council Plan (2023-27) and Housing Budget Strategy priority to reduce the cost and the number of households in Temporary Accommodation (TA). Additionally, the Council Plan commits to improving housing support for residents ensure these meet the diversity of people's needs.

1.2 This report seeks authority to separate the procurement of Emergency Accommodation (EA) from the management of the properties for a pilot 18-month period, consisting of approximately 340 'block booked' dwellings.

2. Recommendations

2.1 Cabinet delegates authority to the Acting Corporate Director Housing, Care & Wellbeing (Housing Lead), in consultation with the Lead Cabinet Member, to take all necessary steps to procure and award in an 18-month contract for a pilot scheme for the provision of management and support services to residents of Emergency Accommodation.

3. Context and background information

3.1 Landlords who lease EA to the Council currently also provide management services under a separate agreement. How those services are provided varies between providers, with some better able than others to tailor their services to the context of EA.

- 3.2 In line with Council Plan and Budget Strategy, Cabinet approval is sought to separate the provision of properties for EA from the provision of management and support services for those dwellings by entering into 6-year leases with landlords and further entering into an 18-month contract for a pilot scheme for management and support services. These would be tiered based on need and would be commissioned from providers with experience of successfully providing such services within EA.
- 3.3 It should be noted, authority to enter into leasing agreements with owners to provide temporary accommodation up to a 10-year period already exists, following a decision made by Housing Cabinet Member on 30 April 2009¹.
- 3.4 The proposed pilot would cover delivery of a floating support service for 3-4 providers to manage the Council's block-booked temporary accommodation. The landlord of each property currently manages this accommodation as well as providing the properties. The portfolio is located across the city and neighbouring authorities. It comprises circa 340 properties, ranging from dwellings within houses in multiple occupation to 4-bedroom houses.
- 3.5 The service would comprise a "Core Service" of:
- key management and placement support
 - regular checks that the placement is still in use
 - property condition and light-touch welfare check (varying by need)
 - empty property (void) management (cleaning, inventory, and rectification of any damage)
- and a "Supplementary Service" of:
- move-on support as identified through the Personalised Housing Plan (including access to specialist support services, securing alternative accommodation, etc).
 - service user resilience and functional skills building; and
 - support with preventing loss of accommodation.
- 3.6 Tailoring services is designed to improve the management and support services for those in EA as successful providers would need to have demonstrated expertise in this area.
- 3.7 Other benefits of the proposed pilot would potentially include:
- annual cost reductions on current management fees of between £250,000 and £500,000; and
 - landlords enjoying greater security of longer-term, 6 year leases.
- 3.8 If the pilot is successful, the services would subsequently go out to tender. Successful providers could therefore be providers of management services only and/or of management services for their own accommodation and/or of management services for accommodation provided by other landlords.
- 3.9 The pilot will be evaluated across three parameters: (1) Cost; (2) Impact on payments to providers, including for damages, dilapidations and void periods; (3) Quality of management and support. An assessment will be made against each of these prior to the new arrangements being in place and then reassessed at the end of the pilot to establish whether the anticipated improvements have been achieved, and at what scale.

- 3.10 Some Emergency Accommodation may be suitable for longer-term TA, meaning once a main duty is issued, the household doesn't have to move again. Longer-term leases allow some self-contained EA to be redesignated as TA (i.e. where the Council has a duty to provide interim accommodation under s188 or s189(b) of the Housing Act 1996, this accommodation is then offered under s193 of the same Act).

4. Analysis and consideration of alternative options

- 4.1 An alternative option would be to retain the status quo. This remains an option, should the 18-month pilot not deliver the expected outputs and outcomes.
- 4.2 Another alternative option would be to provide management and support services in-house. The Housing, Care and Wellbeing directorate does not currently have the necessary resource, or experience of providing this service at scale. Multiple, specialist providers also offer additional contingency cover and greater ability to be flexible to meet periods of high demand. However, this will be reviewed at the end of the 18-month contract.

5. Community engagement and consultation

- 5.1 Feedback from residents living in EA (including through complaints and Member Enquiries) often indicate dissatisfaction with the management of these properties.
- 5.2 Further feedback from both residents and stakeholders as part of the recent Housing Strategy consultation re-enforces these levels of dissatisfaction. This supports the view that retaining the 'status quo' is not an acceptable option. Running a proposed pilot for an 18-month period will provide insight into whether the approach of separating property procurement from the management of these dwellings results in improvements to the service.
- 5.3 Potential providers of services have been consulted on the development of the service specification. Residents of EA have not been directly consulted at this time but will be encouraged to compare any previous experience of EA with their experience of the pilot scheme once it is in place.
- 5.4 The purpose of the pilot scheme is to highlight areas where this approach can add value prior to committing to a longer-term service redesign. Once the pilot scheme has delivered data on the change of approach, we will consult more widely on any longer-term proposals.

6. Financial implications

- 6.1 For 2024/25, the management fees paid for 340 properties is £1.070m. The budgets for EA are already under pressure in 2024/25 as the number of households remain higher than budgets allow due to the increasing demands on the homelessness service. Indications are that, if successful, the pilot could see costs reduce by between £0.250m and £0.500m in a full year, or between 0.021m and £0.042m per month once the pilot is up and running. As the management fee will be tailored to the needs of the resident, any cost reductions will depend on the level of management support required by each resident.

- 6.2 In order to get a true comparison, an important part of the pilot will be to track any payments to providers for damages, dilapidations and void periods and any other items over and above the management fee and to compare these costs to the current model.

Name of finance officer consulted: Monica Brooks

Date consulted: 29/5/24

7. Legal implications

- 7.1 The Council is required to comply with all relevant procurement legislation in relation to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works, and this would include Management Agreements for Emergency Accommodation Management Services. The Council's Contract Standing Orders will also apply.

Name of lawyer consulted: Daniel Mattess.

Date consulted: 03/06/24

8. Equalities implications

- 8.1 The current model of EA provision leaves the management of residents of EA in the hands of the property providers. The pilot scheme will aim to address issues around support, property management and cancellation of accommodation through separately commissioned management to ensure alignment to the values of the Council. The pilot scheme will look to identify equalities impacts to inform whether the scheme is extended at the end of the pilot, evaluating the benefits and risks which have been identified through this process. The pilot specifically has the aim of improving the housing management elements of EA which have previously caused concern.

9. Sustainability implications

- 9.1 There are no sustainability implications arising from this report.

10. Health and Wellbeing Implications:

- 10.1 The pilot scheme is intending to improve the property management and support for residents living in EA, and through this have a positive impact on residents' health and wellbeing.

Other Implications

11. Procurement implications

- 11.1 The Public Contracts Regulations 2015 do not apply to the acquisition or rental of land (Regulation 10(1)(a)). This means entry into the proposed six-year leases is exempt from any requirement for a tender procedure. Entry into the proposed pilot will be below the threshold for light-touch (Part B) contracts for services so the contract may be directly awarded. Any subsequent procurement of management services would need to comply with the Procurement Act 2023 which is due to come into effect in October 2024.

12. Crime & disorder implications:

- 12.1 The procurement of separate management services will allow the Council greater oversight and support of homeless people accommodated by the Council and it is expected that any issues of crime and disorder will be identified and dealt with by the contracted management provider.
- 12.2 The intention of the pilot scheme is to ensure that crime and disorder issues are clearly identified and dealt with in a holistic manner through support and sign posting to appropriate services rather than just through punitive measures such as the cancellation of accommodation. The Council will expect our management providers to develop relations with local area Policing teams, and Joint Action Groups in the communities in which the properties are located.

13. Conclusion

- 13.1 Reducing the costs and use of TA and EA are a Council Plan and Housing Budget Strategy priority. The cost of current acquisition activity under the Dynamic Purchasing Scheme for Emergency Accommodation has exceeded initial budget projections. The proposed pilot scheme would address this budgetary challenge whilst at the same time providing appropriate, and in some cases enhanced, support to residents of EA.

