

# Brighton & Hove City Council

## Leader of the Council

**Subject:** Direct Award of Contracts to Temporary Accommodation Provider

**Date of decision:** 31 December 2025

**Report of:** Corporate Director – Homes & Adult Social Care

**Lead Officer:** Name: Genette Laws, Corporate Director – Homes & Adult Social Care

**Contact Officer:** Name: Harry Williams, Director of Housing People Services

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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.

### For general release

Note: Reasons for urgency

Due to the special circumstances outlined below, and in accordance with Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, compliance with the requirement to provide 28 days' notice has not been possible. The urgency of the matter has been agreed upon by the Chair of the relevant Overview and Scrutiny and it is deemed necessary to consider this item without delay, due to the urgency to award a contract.

### 1. Purpose of the report and policy context

- 1.1 The purpose of this report is to seek the approval of the Leader to the Direct Award of a contract to a selected Temporary Accommodation provider. This action is necessary to help address an anticipated in-year overspend of £4.8 million on nightly paid Temporary Accommodation whilst maintaining continuity of service for Brighton & Hove residents experiencing homelessness

### 2. Recommendations

- 2.1 That the Leader of the Council agrees to award a contract to Base One for the provision of Temporary Accommodation on the terms as set out in this report.

- 2.2 That the Leader of the Council delegates authority to Corporate Director – Homes & Adult Social Care to finalise contract terms and enter into the contract with Base One together with all ancillary legal documentation.

### **3. Context and background information**

- 3.1 Brighton & Hove is facing a deepening homelessness crisis, with rising numbers of people experiencing homelessness, increasing levels of support need, and escalating financial pressures on the local authority.
- 3.2 According to Shelter's 2024 analysis, approximately 1 in every 77 residents in the city is homeless - a total of 3,580 people, or 1.3% of the population. Further, out of the 3,580 people, 1,411 are estimated to be children - nearly 40% of the total homeless population.
- 3.3 The council has a legal duty to provide temporary accommodation to households where it has reason to believe they are eligible, homeless, and may have a priority need, while taking reasonable steps to relieve their homelessness. In addition, the council is legally required to provide accommodation to households for whom it has accepted a full housing duty
- 3.4 The council's use of Temporary Accommodation is increasing, with 2,150 households placed in such accommodation at the end of November 2025. This includes a growing number of single adults, who make up over 20% of all households in Temporary Accommodation - a proportion significantly higher than the national average and reflective of the city's unique demographic and housing pressures.
- 3.5 The financial cost of providing temporary accommodation is significant. The council has allocated £28 million for this purpose in 2025/26. However, current projections indicate an overspend of £4.8 million this year, driven by an increasing reliance on costly nightly-paid temporary accommodation to meet statutory duties. The number of nightly-paid units has risen sharply – from 114 in 2022 to 520 by November 2025 – resulting in substantially higher nightly rates when compared to longer-term contracted rates of similar accommodation.

### **4. Reason for seeking Direct Award**

- 4.1 The council is required to take urgent action to address the anticipated in-year overspend of £4.8 million on nightly paid Temporary Accommodation and is taking a series of different actions to ensure its short- to long-term financial sustainability, including the purchasing of council-owned Temporary Accommodation.
- 4.2 By making the proposed Direct Award to the provider outlined in paragraph 5.2 the council can secure lower nightly rates through a longer-term arrangement and achieve an annualized saving of £1.127m. It is a provider already providing Temporary Accommodation to homeless households via the council. The approach allows for continuity of service to these

households whilst helping to address the financial challenges facing the council.

## 5. Procurement Approach

5.1 Direct awards can be made in limited circumstances under the Procurement Act 2023, as outlined in Schedule 5 of the Act. The justification for this direct award is set out in section 7 and allows the award to an existing supplier where a change in supplier would result in different services being provided and such a difference would lead to technical difficulties. The properties currently being used as temporary accommodation are located within the Brighton & Hove area. Moving these properties from ad hoc arrangements to a block-booked arrangement will ensure continuity of provision for the households currently residing there.

5.2 The contract to be awarded is:

<b>Name of provider</b>	<b>Number of units (households)</b>	<b>Term of contract</b>	<b>Annual value of contract</b>	<b>Total value of the contract</b>
Base One	209	6-years	£3,143,488.40	£18,860,930.40

5.3 The 209 properties are exclusively available to the council and consist of individual rooms with either shared or self-contained kitchen and sanitary facilities. All accommodation is to comply with planning regulations and detailed property and furnishing standards, including accessibility requirements where needed. The provider must ensure 24/7 staff coverage, rapid response to allocation requests, weekly room inspections, and effective enforcement of occupier agreements and anti-social behaviour policies. The provider is responsible for maintaining the safety, cleanliness, and condition of the property, supporting vulnerable tenants, and adhering to fire safety and safeguarding protocols. Comprehensive record-keeping, transparent complaints handling, and regular communication with the council are also mandated to ensure high-quality service delivery and compliance throughout the contract period.

5.4 The provider has a proven track record of meeting the property and management standards outlined above under existing ad hoc arrangements. Under the new contract, enhanced management provisions will be introduced to ensure value for money. These will cover areas such as:

- Property inspections
- Lettings and occupancy management
- Repairs and maintenance responsiveness
- Complaint handling and resolution

5.5 Properties will be secured on a contractual basis with the provision of property via leasing or licensing arrangements together with property management services.

- 5.6 A Transparency Notice was published on 16<sup>th</sup> December 2025, notifying the market of the proposed Direct Award, and ensuring compliance with procurement legislation.
- 5.7 Following the Direct Award, it is proposed that further procurement exercise will be undertaken to identify additional suppliers in order to fulfil the aim of continuing to reduce the council's reliance on ad hoc nightly-paid temporary accommodation arrangements. The procurement should take place in for 2026/27.

## **6. Analysis and consideration of alternative options**

- 6.1 Given the urgent need to address an anticipated in-year overspend of £4.8 million on nightly-paid temporary accommodation, the option set out in this report is considered the preferred approach. The only alternative would be to undertake a further procurement exercise to identify new accommodation providers.
- 6.2 However, this approach would be time-consuming and not achievable within the remainder of the financial year. In addition, as households are already residing in the accommodation provided by the current provider, pursuing this option could have a negative impact – potentially requiring households to move, causing disruption.
- 6.3 As noted earlier in this report, a further procurement exercise is planned for 2026/27 to reduce the council's reliance on ad hoc nightly-paid temporary accommodation.

## **7. Community engagement and consultation**

- 7.1 The Cabinet Member for Housing has been kept informed of the increasing cost of Temporary Accommodation and anticipated in-year overspend and is aware of the intended approach.

## **8. Financial implications**

- 8.1 The current spot-purchase arrangements are unsustainable and have led to substantial costs. Direct award will enable the Council to reduce nightly rates and deliver significant savings. It is estimated that this approach will generate annual savings of £1.127m (full year effect), although this figure does not consider potential dilapidation costs or and makes no allowance for any void period.
- 8.2 These projections assume that households currently in costly spot-purchased accommodation will transfer to Base One block-booked accommodation, which averages £41 per night. The anticipated savings will be incorporated into the Medium-Term Financial Plan and will support the Council's broader financial recovery strategy.

**Name of finance officer consulted:** Sophie Warburton – Head of Finance for Homes & Adult Social Care

**Date consulted:** 18/12/2025

## **9. Legal implications**

- 9.1 Under the Procurement Act 2023 there are certain limited circumstances in which direct awards of public contracts can be made to service providers. One of these grounds (which is set out in section 7 of Schedule 5) applies in these circumstances. This ground states that a contract can be awarded to an existing supplier where a change in supplier would result in the contracting authority receiving services different from or incompatible with the existing services; and also, where that difference or incompatibility would result in disproportionate technical difficulties in operation or maintenance of the contract.
- 9.2 Further comments are contained within the Part 2 report.

**Name of lawyer consulted:** Eleanor Richards

**Date consulted:** 19/12/2025

## **10. Risk implications**

- 10.1 The providers selected for direct award have a proven track record of delivering services locally, which reduces the risk associated with entering into leasing and contractual arrangements. In addition, the contracts will include robust performance monitoring and compliance requirements to ensure service quality and value for money.
- 10.2 These risks are balanced against the significant risk of the council being unable to meet its statutory obligations under the Housing Act 1996 (as amended) to provide temporary accommodation to homeless households, as outlined in paragraph 3.3 of this report. They are also weighed against the financial risk of the council failing to deliver a balanced budget and manage the escalating costs of providing these services.
- 10.3 Lastly, the publication of a Transparency Notice to notify the market of the direct award will limit the time period in which other parties may seek to challenge the award.

## **11. Equalities implications**

- 11.1 This decision ensures the continued provision of Temporary Accommodation for vulnerable households. No adverse equalities impacts are anticipated as a result of this decision, as the services currently provided to these households will not change

## **12. Sustainability implications**

- 12.1 The direct award of the contract to Base One has several positive sustainability implications. It will help to reduce travel emissions as the majority of accommodation is located within Brighton & Hove, minimising the need for residents and council officers to travel to other parts of Sussex for inspections, repairs, and tenancy management.
- 12.2 Further, keeping households within Brighton & Hove enables residents to remain close to established support networks, schools, healthcare services, and employment opportunities. This reduces disruption and promotes social cohesion.
- 12.3 Lastly, engaging a provider with properties in Brighton & Hove helps sustain local businesses and employment, contributing to the area's economic resilience.

### **13. Health and Wellbeing Implications:**

- 13.1 Base One's services are designed to support the health and wellbeing of homeless households, improving outcomes for residents. The lease/licence and contract management arrangements will ensure high-quality accommodation, which evidence shows has a significant positive impact on overall health and wellbeing. These measures also help the council address homelessness, a factor that strongly influences health outcomes.

### **Other Implications**

#### **14. Procurement implications**

- 14.1 A transparency notice has been issued stating our intent to issue a direct award for this contract.
- 14.2 Once this urgent contract has been established, the Procurement team will collaborate with Housing colleagues to facilitate contracts for the remaining services through an openly tendered process.

#### **15. Crime & disorder implications:**

- 15.1 The required services from the provider include 24/7 staff coverage and effective enforcement of occupier agreements and anti-social behaviour (ASB) policies, helping to manage and address any ASB associated with the accommodation, and reducing any impact on the wider community.

#### **16. Conclusion**

- 16.1 It is imperative to take action to address the anticipated in-year overspend of £4.8 million on nightly paid Temporary Accommodation and ensure the council's financial sustainability.
- 16.2 Utilising a Direct Award to Base One to move existing ad hoc nightly paid Temporary Accommodation to a more contractual arrangement is estimated to generate annual savings of £1.127m (full year effect). It also provides

greater security and consistency of service to homeless households already living in the accommodation provided by Base One.

**Supporting Documentation**

**Not applicable**