

<b>Subject:</b>	<b>Procurement of Temporary Accommodation - Framework Agreements and Approved List of Providers – Update Report</b>		
<b>Date of Meeting:</b>	<b>Housing Committee 10<sup>th</sup> September 2014</b>		
<b>Report of:</b>	<b>Geoff Raw</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Martin McCurdy</b>	<b>Tel: 29-3786</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report sets out the progress that has been made with respect to the procurement of framework agreements and an approved list of providers for the provision and management of temporary accommodation.

**2. RECOMMENDATIONS:**

- 2.1 That Housing Committee note the contents of this report.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 On 29<sup>th</sup> November 2012, P&R Committee granted delegated authority to the Executive Director Environment, Development & Housing in consultation with the Executive Director, Finance & Resources to set up:

- (i) a framework agreement for the provision of B&B type accommodation, for a duration of four years.
- (ii) a framework agreement for the provision of managed leased accommodation, for a duration of four years and
- (iii) an approved list of providers of blocks of leased accommodation that can be managed by the council for a duration of up to four years.

- 3.2 Delegated authority was also granted to the Executive Director Environment, Development & Housing to call off from those framework agreements and the approved list in order to award contracts as required following the recommendations of the evaluation panel and the results of the tendering process.

3.3 Further to the P&R Committee on 29<sup>th</sup> November 2012, Housing officers have embarked on a major procurement exercise to establish framework agreements and an approved list as set out below.

#### **4. PROGRESS TO DATE**

##### **(i) Framework agreement for the provision of B&B type accommodation.**

4.1 It has not been possible to set up a framework agreement for the provision of B&B accommodation because of the difficulties in establishing a common specification to cover all types of B&B accommodation on offer throughout the city - as it is so varied. Therefore, Housing officers are now working to set up an approved list of providers instead. A list will be established of pre-qualified providers so that Housing officers can then approach the providers on the list as and when a specific need for B&B accommodation arises. An evaluation of the property offered by the providers on the list will then be undertaken in line with set criteria to demonstrate that the council can obtain value for money.

4.2 The tender documents for this list are currently being drafted and developed by officers and the current target is to have this list in place by January 2015.

##### **(ii) Framework agreement for the provision of managed leased accommodation.**

4.3 At the time of the 29<sup>th</sup> November 2012 P&R report, it was envisaged that this framework agreement would cover the provision of both long term and short term temporary accommodation. This added complexity to the documentation and in an effort to save time, Housing officers decided to tender two framework agreements instead of one (one for the provision and management of long term temporary accommodation and another for the provision and management of short term accommodation) with the plan that they could get at least one framework agreement (for the provision and management of long term temporary accommodation) up and running as soon as possible.

4.4 The framework agreement for the provision and management of long term temporary accommodation has been tendered and three successful providers (Orchard & Shipman Group PLC, A.A. Homes and Housing Limited, West Pier Services Limited) have been awarded a place on this framework agreement.

4.5 An initial order has been executed with Orchard & Shipman Group PLC requiring them to procure and manage one hundred properties for the council. The leases and management for properties that Orchard & Shipman procure for the council could be as long as seven years. Officers are in the process of getting orders for the provision and management of ten properties approved by the Executive Director Environment, Development & Housing and then executed with A.A. Homes and Housing Limited and West Pier Services Limited respectively.

4.6 The framework agreement for the provision and management of short term temporary accommodation has been tendered. Officers have already shortlisted and interviewed tenderers and the tender evaluation report is currently being

drafted. This framework agreement is due to be awarded and executed with successful contractors in September 2014.

**(iii) Approved list of providers of blocks of leased accommodation that can be managed by the council.**

4.7 Upon reflection, and given the state of the housing market in Brighton where demand outstrips supply, it was not considered appropriate to procure an approved list of providers of blocks of leased accommodation that can be managed by the council especially as in 2009 delegated authority was given to the Executive Director Environment, Development & Housing to negotiate the final Heads of Terms for leases up to 10 years with each landlord in consultation with the council's Valuer, the Head of Law and Finance and Property (further to Housing Cabinet Member meeting on 29<sup>th</sup> April 2009 – see report attached).

4.8 To ensure that such leases are good value for money, details of the lease and price are referred from Housing officers to Property & Design valuation officers for consideration and ratification, prior to entering into a lease.

**(iv) Waiver for extension of existing agreements for short term and B&B temporary accommodation**

4.9 As existing agreements for the principal blocks of short term temporary accommodation and B&B were/are due to expire during May to September 2014, a waiver has been authorised to approve new agreements with the existing providers until 31<sup>st</sup> March 2015. The extended terms of the new agreements should allow time for Housing officers to complete the procurement of the framework agreement for short term temporary accommodation and the approved list of B&B providers. The intention is for the properties and services supplied under the framework agreement and the approved list to then replace the accommodation currently provided under the existing agreements.

**5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

5.1 Not applicable

**6. COMMUNITY ENGAGEMENT & CONSULTATION**

6.1 Part VII of the Housing Act 1996 imposes a duty on the Council to secure that accommodation is available for some categories of homeless persons.

**7. CONCLUSION**

7.1 The report is for information only

**8. FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications:

8.1 The total value of the Long Term Temporary Accommodation Framework is in the region of £18.5m to a maximum of £23.1m based on a projected demand of 343 properties over the 4 years of the framework. The initial order of 100 properties with Orchard & Shipman Group PLC, as mentioned in the body of the

report, has a framework value of £4.6m over 4 years. The value of the two orders of 10 properties with A.A. Homes and Housing Limited and West Pier Services Limited, as mentioned in the body of the report, will be approx. £1.1m over 4 years, subject to final approval and issue of the orders.

- 8.2 The total value of the Short Term Temporary Accommodation Framework is in the region of £13.4m to a maximum of £14.8m based on a projected demand of 220 properties over the 4 years of the framework.
- 8.3 The value of approved list of providers for Bed and Breakfast accommodation and blocks of lease accommodation is to be finalised and we will be seeking suppliers which offer the most economic advantage in the current challenging climate.

*Finance Officer Consulted: Neil Smith*

*Date: 27/08/14*

Legal Implications:

- 8.4 The legal implications set out in the report to P&R Committee dated 29<sup>th</sup> November 2012 continue to apply.
- 8.5 The setting up of an approved list for the provision of B&B type accommodation is deemed more suitable than a framework agreement for the reasons set out in the body of the report.

*Lawyer Consulted:*

*Name Isabella Sidoli*

*Date: 21.08.14*

Equalities Implications:

- 8.6 An EIA was submitted with the original P&R report in November 2012. This EIA was updated in April 2014 and is included at Appendix 1

Sustainability Implications:

- 8.7 The framework agreements support the commissioning of accommodation locally and working in partnership with the private sector to provide good quality accommodation to meet the corporate needs of the Council. The focus on long term temporary accommodation will enable people to become settled.

Crime & Disorder Implications:

- 8.8 None

### Risk and Opportunity Management Implications:

- 8.9 It is hoped that accommodation procured through the framework agreements and the approved list will assist by providing accommodation for homeless people whom the council has a duty to house who would otherwise be housed in more expensive nightly booked B&B accommodation. Therefore officers will continue to work hard to meet the timescales set out above with respect to the outstanding award of the framework agreement for short term temporary accommodation and the procurement of an emergency accommodation providers list.

### Public Health Implications:

- 8.10 The contract documentation sets a minimum standard for all properties that are procured under the framework agreements. In this way the framework agreement should have a positive impact upon the health and wellbeing of the clients.

### Corporate / Citywide Implications:

- 8.11 We are anticipating an increase in homelessness over the next few years as a result of the economy, housing market and welfare reforms. We have a statutory duty to provide accommodation for those qualifying homeless households and so will need to procure additional accommodation to meet this increasing demand and as it is becoming more difficult to access the private rented market

## **SUPPORTING DOCUMENTATION**

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. Procurement of Temporary Accommodation – Framework Agreements and Approved List of Providers. P&R Committee Report, 29<sup>th</sup> November 2012.
2. 10 year leasing – Temporary Accommodation – Housing Cabinet Member Meeting Report – 29<sup>th</sup> April 2009.