

<b>11 March 2020</b>		<b>ITEM: 13</b>
<b>Cabinet</b>		
<b>Contract for Short Term Temporary Accommodation</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Councillor Barry Johnson – Portfolio Holder for Housing		
<b>Accountable Assistant Director:</b> Carol Hinvest - Assistant Director of Housing		
<b>Accountable Director:</b> Roger Harris, Corporate Director of Adults, Housing and Health		
<b>This report is Public</b>		

## **Executive Summary**

Thurrock Council is seeking authority to procure and establish a contract with letting agents and landlords to provide, and manage short term temporary accommodation for single persons, families at risk of homelessness, and former Looked After Children transitioning into adulthood.

The aim of this procurement is to establish a pool of accredited agents and landlords, set minimum property standards that homes shall meet before they can be accepted by the Council and standardise property charges for each property type. The Council's preference is for accommodation to be within Thurrock to accommodate current education, social, support needs and family connections.

Currently the Council uses various forms of accommodation to house around 535 households per year, including private rented properties, council stock, hostels and in some cases Bed and Breakfast where there is no alternative, although this is not the preference.

Under this contract accommodation is required under two separate lots:

Lot 1 – Aftercare Accommodation. Providing accommodation to young people aged 18- 25 years.

Lot 2 - Temporary Accommodation. Providing accommodation to single applicants and families with children.

The combined cost of the contracts over a period of four years is expected to be in the region of £6,000,000 and therefore Cabinet approval is sought to authorise the

procurement process. The anticipated contract value includes the direct costs of property rentals.

## **1. Recommendation(s)**

**1.1 That Cabinet approves to proceed to tender for a contract for Letting Agents and Landlords for short term accommodation and agrees to delegate authority for award of the contract to the Director of Adults, Housing and Health in consultation with the Portfolio Holder for Housing.**

## **2. Introduction and Background**

2.1 Thurrock Council has a statutory duty under the Housing Act 1996 Part VII, (as amended by the Homelessness Act 2002) where the homeless duty is owed to secure accommodation for applicants.

2.2 There are additional statutory powers and duties placed on Authorities to provide help and assistance to other categories of people including certain young people leaving care and families at risk of homelessness following an adverse decision that they are intentionally homeless.

2.3 In order to help meet this continuous need, the Council currently has use of a range of temporary accommodation, including hostels and its own stock. However, there are significant pressures in securing affordable accommodation in Thurrock as demand exceeds supply.

2.4 There is currently no formal contract in place between the council and private agents and landlords in providing temporary accommodation. Provision on an ad hoc basis increases the risk that sufficient accommodation within Thurrock will not be forthcoming when required.

### **Aftercare Accommodation**

2.5 The Council's Head Start Housing programme offers accommodation to young people eligible for an after care service. Head Start Housing is responsible for managing a portfolio of suitable accommodation to support young people as they transition into adulthood and successful independent living.

2.6 As part of the Head Start, the Council spot purchases aftercare accommodation through a number of lettings agents, who manage the accommodation at an agreed weekly price. The majority of the accommodation used to accommodate young people is furnished shared accommodation (although self-contained units, hostels and, very occasionally, Bed and Breakfast are used). The aftercare accommodation are located within and outside of Thurrock.

- 2.7 The table below shows the number of placements made within each type of aftercare accommodation, as at December 2019.

**Table 1- Aftercare Placements**

Type	Out of Borough	In Borough	Grand Total
B&B	-	1	1
Furnished Let	22	21	43
Hostel	-	15	15
Grand Total	22	37	59

**Temporary Accommodation- Housing duty**

- 2.8 The Council provides temporary accommodation in order to discharge its interim duty to house homeless households who are assessed as in priority need, pending the decision regarding any long term duty. Temporary accommodation is arranged by Housing or Children's Services, depending on the household's situation.
- 2.9 When applicants are placed in temporary accommodation they can claim Housing Benefit (HB) to cover some of the cost of the accommodation. The temporary accommodation charge is set in line with the 2011 LHA rates. Local Authorities can only claim 90% of the above rates.
- 2.10 The table below shows the number of temporary accommodation placements made by the Housing service, as at the end of December 2019.

**Table 2- Housing Placements**

December 2019			
	Out of Borough	In Borough	Grand Total
B&B	1	3	4
Furnished Let ( Council Stock)		61	61
Hostel		41	41
Private Let	51	55	106
<b>Grand Total</b>	<b>52</b>	<b>160</b>	<b>212</b>

- 2.11 The table below shows the number of families Children's Social Care have placed in temporary accommodation as at 31 October 2019. There may be an overlap with the below as the duties owed to individuals by the different departments may change within the same period. Essentially, households may initially be owed a duty by the Housing Department, the provision of accommodation would be transferred to Children Social Care if a decision was made that they are intentionally homeless.

**Table 3- Children Service- Families Placement**

Homeless	11
At risk of homelessness	4
No recourse to public funds	15
<b>Grand Total</b>	<b>30</b>

### **3. Issues, Options and Analysis of Options**

- 3.1 Aftercare Accommodation was originally going to be procured as a standalone contract, but, on identifying and reviewing the spend on accommodation across the Council it was proposed that it should be procured as part of one larger exercise covering all short and long term accommodation requirements, both in Housing and Children's Services.
- 3.2 Currently, accommodation is scarce in Thurrock, resulting in the marketplace being positioned in favour of the provider. Part of the reason for the heightened demand is due to London authorities leasing properties in Thurrock to house their residents. This buoyancy from the provider's prospective means landlords and agents often have their choice of customers and command of the required rent levels.
- 3.3 Due to a shortage in suitable move-on accommodation, people are staying in short term temporary accommodation for longer than is desired. This has financial implications and also affects the health and wellbeing of individuals being accommodated. Authorities are legally required to limit the use of bed and breakfast or shared accommodation for families to a maximum term of 6 weeks.
- 3.4 The proposed procurement exercise is seeking to establish a pool of accredited and reputable providers, working to agreed delivery standards. This is expected to result in a reduction in the use of emergency Bed and Breakfast accommodation and the provision of poor quality properties.
- 3.5 There is a struggle to find suitable accommodation at short notice for families that are homeless, this is not only very costly but the standard is not always acceptable when having to source private accommodation.
- 3.6 There have been some ambiguity around the terms proposed by some agents, which resulted in huge costs to the Council. Children Social Care holds a monthly Homeless Tracker Panel and is supported by the Housing Solutions Team to find suitable accommodation for families. Due to the limited

availability and costs, the properties are usually sourced outside of the borough intense work has been undertaken to reduce the number of cases on the Homeless Tracker panel however, most of these families would prefer to remain within Thurrock but this is most often not feasible due to availability of housing.

- 3.7 Continuing to spot purchase is not recommended, as the services would still need to negotiate ad hoc arrangements with providers often resulting in higher costs. It is possible that this option would increase the potential for further withdrawals from providers and increase the risk of a lack of suitable temporary accommodation, with the risk of having to rely on the use of bed and breakfast accommodation for homeless households, with associated costs to the council.
- 3.8 The contract will establish a preferred provider framework which will allow the Council to call off properties which are available for applicants in need of accommodation and regularise the current spot purchase arrangement.
- 3.9 This arrangement will firm up the obligations of the council, landlords and agents, and households by ensuring:
- The council fulfils its responsibilities in making payments to the landlords and agents in a timely fashion.
  - Agents and landlords provide properties in good condition, keep these maintained and manage evictions.
  - Households to occupy the accommodation and abide by the licence terms.

#### **4. Reasons for Recommendation**

- 4.1 The reason for the recommendation is to ensure the Council meets its statutory duty to provide accommodation to eligible people. The purpose of the contract is to ensure homeless clients are housed in suitable, secure and safe accommodation which meets minimum statutory standards and reduces the risk that it will be necessary to use costly bed and breakfast accommodation to house homeless households to whom the council has a duty.
- 4.2 The lack of formal contracts with providers has potential to create operational tension, confusion or lack of confidence between the council and landlords and agents.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 To further develop the proposals contained in this report, the council will have consulted with some housing providers through a soft market exercise. This will be used to inform the contract specification.

#### **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The provision of accommodation will touch upon each of the Council's vision and priorities (i.e. **People, Place and Prosperity**).
- 6.2 In addition, the service will support the goals of the Health and Wellbeing Strategy, in particular:
- A4. Fewer children and adults in poverty
  - C1. Give parents the support they need
  - D2. When services are required, they are organised around the individual
- 6.3 The service will support Core Priority 1 of the Housing Strategy, in particular, by enhancing the quality of housing in the private sector.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Michael Jones**  
**Strategic Lead - Finance**

The procurement of temporary accommodation which limits the use of expensive bed and breakfast provision will result in financial efficiencies in the provision of temporary accommodation solutions. The 2019/20 housing general fund budget is forecasting an adverse deficit at the end of the financial year, and therefore alternative ways in which the service is provided, as well as a review of the long-term financial implications are under consideration as part of the Councils 2020/21 budget setting process and medium term financial strategy.

### **7.2 Legal**

Implications verified by: **Martin Hall**  
**Housing Solicitor/Team Leader**  
**Courage Emovon**  
**Acting Strategic Lead, Deputy Head of Legal & Deputy Monitoring Officer**

The provision of temporary accommodation is a legal requirement and is detailed within the Housing Act 1996 as amended and Childrens Act 1989. The authority is required to have such accommodation which is suitable to accommodate households where a duty is triggered. Failure to comply would leave the council open to criticism and potential legal challenge. It is therefore necessary that the council has access to suitable accommodation to fulfil its legal obligations.

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Lee**  
**Team Manager - Community Development and Equalities.**

As outlined within this report the provision of temporary accommodation is required to meet the needs of residents in order to meet the legal requirements. The procurement of the management and supply contract will enable the authority to fulfil its duties to a range of people including those with protected characteristics. The allocation of this type of provision would be subject to detailed assessments informed through a community equality impact assessment to identify and address any issues affecting those with the protected characteristics.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

Appendix 1: Stage 1 Form

**Report Author:**

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Housing Solutions Lead