

Agenda

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Delegated Decisions of the Board Member, Housing Needs

Date: **Thursday 3 November 2011**

Time: **2.00 pm**

Place: **Town Hall, St Aldate's**

For any further information please contact:

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Delegated Decisions of the Board Member, Housing Needs

Board Member

Portfolio

Councillor Joe McManners

Housing Needs

HOW TO OBTAIN AGENDA

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AGENDA

PART ONE PUBLIC BUSINESS

Pages

1 DECLARATIONS OF INTEREST

Guidance on personal and prejudicial interests is attached to these agenda pages.

2 PUBLIC ADDRESSES

Members of the public may, if the Board Member agrees, ask a question of the Board Member on any item for decision on this agenda (other than on the minutes). The full text of any question must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by the public will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted.

The total time permitted for this item will be 15 minutes.

3 COUNCILLOR ADDRESSES

City Councillors may, at the Board Member's discretion, ask a question or address the Board Member on an item for decision on the agenda (other than on the minutes). The full text of any question and the nature of any address must be notified to the Head of Law and Governance by no later than 9.30 am two clear working days before the meeting. Questions by councillors will be taken as read and, at the Board Member's discretion, responded to either orally or in writing at the meeting. No supplementary question or questioning will be permitted. If an address is made, the Board member will either respond or have regard to the points raised in reaching her or his decision. If the address is by the Chair of a Scrutiny Committee or her or his nominee then the Board member will be required to say as part of their decision whether they accept the Scrutiny recommendations made.

4 54 BALFOUR ROAD, 9 BEARS HEDGE, 5 NICHOLSON ROAD AND 1 OUTRAM ROAD - PROPOSED EXTENSIONS

1 - 6

Lead Member: Councillor McManners

Report of the Head of Corporate Assets

This report recommends the Board Member to approve the use of the Aids and Adaptations Capital Budget for the provision of rear extensions at 54 Balfour Road, 9 Bears Hedge, 5 Nicholson Road and 1 Outram Road in order to provide suitable accommodation for tenants with disabilities. Each extension will cost more than £25,000 and so need Executive approval.

5 21 FARMER PLACE - EXTENSION TO PROPERTY

7 - 12

Lead Member: Councillor McManners

Report of the Head of Corporate Assets

This report recommends the Board Member to approve the entry by the Council into a formal agreement with the County Council to part fund an extension to 21 Farmer Place for the purposes described in the report.

6 TEMPORARY HOUSING ACCOMMODATION - SUPPLY - CONTRACT

13 - 20

Lead Member: Councillor McManners

Report of the Head of Housing and Communities

This report recommends the Board Member to:-

- (1) Agree to the commencement of the procurement project as set out in the report for the supply and management of temporary accommodation effective from 1st April 2012;
- (2) Delegate authority to the Head of Service, Housing and Communities, to approve the award of a contract (under a Temporary to Permanent model) to the supplier providing the most economically advantageous tender, following the evaluation of tender submissions, for a contract term of up to 15 years;
- (3) Authorise the Head of Service, Housing and Communities, to further extend the Oxford Social Lettings Agency contract for a wind-down period up to 31st March 2013, if required;
- (4) Delegate authority to the Head of Service, Housing and Communities, to award the contract (under a Housing Association leasing scheme model) to the next most successful bidder, for a contract term of up to 5 years, should contracts not be agreed between the Council and the preferred bidder by January 2012.

7 MATTERS EXEMPT FROM PUBLICATION

If the Board member wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Board member to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information)

(England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

The Board member may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

DECLARING INTERESTS

What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or people with whom you have a close personal association more than it would affect the majority of other people in the ward(s) to which the matter relates.

A personal interest can affect you, your relatives or people with whom you have a close personal association positively or negatively. If you or they would stand to lose by the decision, you should also declare it.

You also have a personal interest in a matter if it relates to any interests, which you must register.

What do I need to do if I have a personal interest?

You must declare it when you get to the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you. You may still speak and vote unless it is a prejudicial interest.

If a matter affects a body to which you have been appointed by the authority, or a body exercising functions of a public nature, you only need declare the interest if you are going to speak on the matter.

What is a prejudicial interest?

You have a prejudicial interest in a matter if;

- a) a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgment of the public interest; and
- b) the matter affects your financial interests or relates to a licensing or regulatory matter; and
- c) the interest does not fall within one of the exempt categories at paragraph 10(2)(c) of the Code of Conduct.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest you must withdraw from the meeting. However, under paragraph 12(2) of the Code of Conduct, if members of the public are allowed to make representations, give evidence or answer questions about that matter, you may also make representations as if you were a member of the public. However, you must withdraw from the meeting once you have made your representations and before any debate starts.

To: Delegated Decisions of the Board Member, Housing Needs

Date: 3rd November 2011

Item No:

Report of: Head of Corporate Assets

Title of Report: Proposed Extensions for the Disabled at 1 Outram Road, 9 Bears Hedge, 74 Balfour Road and 5 Nicholson Road.

Summary and Recommendations

Purpose of report: To seek approval for the proposal to erect single storey rear extensions to four Council houses for the use of disabled persons.

Key decision? Yes

Single Member decision: Councillor Joe McManners ~ Housing Needs

Report approved by:

Finance: Yes

Legal: Yes

Policy Framework: Meeting housing need

Recommendation(s): The Executive Member for Housing (Councillor McManners) is RECOMMENDED to:

1. Approve the use of the Aids and Adaptations Capital budget for the erection of rear extensions to 1 Outram Road (estimated cost £50,000), 9 Bears Hedge (lowest tendered sum £39,635), 74 Balfour Road (lowest tendered sum £45,883) and 5 Nicholson Road (lowest tendered sum £29,562) for the existing disabled tenants and otherwise on terms to be agreed by the Head of Corporate Assets.

Appendices

1. Risk Register.

Background

1. The properties concerned are:-
 - a) 1 Outram Road - a four bedroom pre-war semi-detached house of traditional brick/render construction, under a tiled roof. The Occupational Therapist's (OT) recommendation is to provide a ground floor double bedroom to enable the carer to be in the same room and an adjacent wet room with wc. An application for Planning approval will be submitted in due course.
 - b) 9 Bears Hedge - a two bedroom post war house of traditional brick construction under a concrete tiled roof. The OT has recommended a ground floor bedroom with adjacent wet room and wc. Planning approval has been obtained for this project.
 - c) 74 Balfour Road – a three bedroom easiform non-traditional semi-detached house. The OT has recommended a ground floor bedroom with adjacent shower room and wc. Planning approval has been obtained for this project.
 - d) 5 Nicholson Road – a three bedroom post war house of traditional construction. The OT has recommended a ground floor bedroom with shower and wc room. This work is for a disabled child and the family are happy for the existing dining room to be used as a bedroom with a small extension for the shower room/wc. This extension is classed as permitted development and Planning permission is not required.
2. All are secure tenancies and have the support of family and friends in the area who help out and consequently they do not wish to move to another area. Often the trauma of moving home has a detrimental affect on the disabled person's medical condition.
3. Owing to the difficulties that the existing disabled tenants have with using the stairs and first floor bathroom, the Occupational Therapist (OT) and the Council's Housing Projects team have sought to find a cost effective solution to suit the tenants' needs.
4. In all cases the position of the stairs and the room layout, precludes the installation of a stair-lift and through-floor lift. This has meant that in all cases the only realistic way of meeting their needs is to build a single storey extension at the rear of the property which will provide a bedroom and wet room at ground floor level. In the case of 5 Nicholson Road, the existing dining room is to be used as a bedroom and a smaller extension built for the wet room in order to save costs.
5. The Executive Board agreed, in February 2008, an approach to this type of Aids and Adaptations work, which required a report to the Executive where the works cost in excess of £25,000 per property. Competitive tenders have been invited for three of these projects, the results off which are shown in the Financial Implications section. 1

Outram Road is currently being designed in conjunction with the OT and the cost is estimated.

Options

6. Because of the limitations with the existing properties, there are only two viable options. The first option is to build single storey rear extensions as described above, which will fully meet the tenant's needs and enables family and friends in the near locality to help out when required.
7. The alternative is to find more suitable, ideally already adapted, accommodation. Officers and the OT have explored this option but as is normally the case, suitable accommodation has not been found and, with the tenants' condition deteriorating, it is now important that the works proceed without undue delay. The Choice Based Lettings scheme does not help this process and officers are seeking to find ways to improve the situation by consulting with other authorities and reviewing the processes.

Staffing Implications

8. Corporate Assets Housing Projects staff have designed, and will manage, the proposed works within their existing workload.

Environmental Implications

9. The extension are being built in accordance with the current Building Regulations and double glazed category A PVCu windows will be installed. Showers, aerated basin taps and dual flush wc's are specified to reduce water consumption.

Risks

10. Failure to carry out these works will result in one or more of the following:
 - An increase in the difficulties experienced by the disabled tenants as their condition deteriorates.
 - Possible injury to the tenant due to the difficulty in climbing the existing stairs.
 - Increased pressure on the carers within the family.

Financial Implications

11. The Capital budget sum of £900,000 was approved by Council in February 2011 for carrying out disabled adaptation work for Council tenants. The level of spend at 31 August 2011 was £554,866. As this budget is a responsive one, based upon OT recommendations, close monitoring of referrals will be undertaken as, if spend continues at the current rate, it is predicted that there will be an overspend of the budget.

This will result in projects being delayed or the approval of additional funding.

12. Competitive tenders have been sought for three of these projects, as outlined below:-
 - a) 9 Bears Hedge, the lowest tender sum being £39,635.06. The other tenders received were for £41,308.00 and £44,778.00.
 - b) 74 Balfour Road, the lowest tender sum being £45,883.00. The other tender received was for £58,636.00.
 - c) 1 Outram Road is estimated to cost £50,000.
 - d) 5 Nicholson Road, the lowest tender sum being £29,562. The other tenders received were for £46,853 and £60,300.

Legal Implications

13. There is no statutory duty on Oxford City Council to fund aids and adaptations work. If the Council did not use its Aids and Adaptations budget, the tenant could make a statutory Disabled Facilities Grant (DFG) application to fund up to £30k (the maximum allowed) but as this would also have to be funded from the HRA (as it is for Council tenants), the use of the Aids and Adaptations budget is the most appropriate way of addressing this.
14. The projects were competitively tendered in accordance with the City Council's constitution.

Equalities Implications

15. Carrying out this work will enable the disabled tenant to stay in their own home and will meet their disability need as assessed by the Occupational Therapist.

Name and contact details of author: Chris Pyle
cpyle@oxford.gov.uk
Extension: 2330

List of background papers: Occupational Therapist's referral (Confidential).
Tender returns.

Version number: 4 (14.10.2010)

Single Member Decision Report Risk Register – Council Wider Property Repair and Maintenance

Risk Score Impact Score: 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain															
No.	Risk Description	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
		I	P			I	P	Action	Outcome	Q	Q	Q	Q	I	P
1.	Delays cause increase in costs	1 2	P 2	Recommendations not approved, causing delays and contractor will not stand by price.	Mitigating Control: Keep contractor in touch with process. (M)	1 2	P 2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Approval Milestone Date: 21 August 2011	Q 1	Q 2	Q 3	Q 4	I	P
2.	Delays and increase in costs	2	2	Contractor goes into administration	Mitigating Control: Approach next lowest contractor Level of Effectiveness: (M)	2	2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						
3.	Poor quality of work	1 2	P 2	Contractors operatives poor	Mitigating Control: strong contract management procedures ensures early identification of faults (M)	1 2	P 2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Approval Milestone Date: 21 August 2011	Q 1	Q 2	Q 3	Q 4	I	P
4.	Delays and increase in costs	2	2	Contractor capacity issues	Mitigating Control: seek compensation and approach next lowest tenderer. Level of Effectiveness: (M)	1	1	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						

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To: Delegated Decisions of the Board Member, Housing Needs

Date: 3rd November 2011

Item No:

Report of: Head of Corporate Assets

Title of Report: Extension, 21 Farmer Place, Oxford

Summary and Recommendations

Purpose of report: To seek approval to enter into an agreement with Oxfordshire County Council to part fund an extension to provide additional accommodation for foster children.

Key decision? No

Single Member decision: Councillor Joe McManners ~ Housing Needs

Report approved by: David Edwards, Executive Director Regeneration and Housing.

Finance: David Watt

Legal: Lindsay Cane

Policy Framework: Meeting housing need

Recommendation(s): The Executive Member for Housing (Councillor McManners) is RECOMMENDED to:

Approve the Council's entry into a formal agreement with Oxfordshire County Council to part fund an extension at 21 Farmer Place, to enable the fostering of additional children as detailed in the report, and otherwise on terms and conditions to be agreed by the Head of Corporate Assets.

Appendices

1. Risk register. Appendix 1.

Background

1. 21 Farmer Place is a three bedroom end terrace property which has been occupied by the current tenants for seventeen years. During this time they have been very successful foster parents to a number of children.
2. Owing to the current acute shortage of foster parents, the County Council Social Services Foster Team approached Oxford City Homes with a proposal which would enable this family to foster additional children. This type of arrangement has been used with foster parents who are owner occupiers but not with Local Authority tenants.
3. The proposal is for Oxfordshire County Council to fund the building of a two bedroom, two storey rear extension and for the Council to pay back, over five years, the predicted increase in asset value that the extension will provide.
4. Planning permission has already been applied for and granted.

Legal implications

5. A formal agreement will be entered into between the parties which will identify the costs involved, the responsibilities of both parties and the timescale for repayment. The County Council will not hold any legal interest in the City Council's asset.

Financial implications

6. The City Council has commissioned an independent valuation of the property in its current condition and an estimation of its value on completion of the extension. The Market Value being £225,000 and the value subject to the extension being built being £275,000.
7. It is therefore proposed that, under the agreement, the City Council will payback the County Council the sum of £50,000, the increase in asset value, over a five year period at a rate of £10,000 per annum. No interest will be charged. The first instalment will be due 12 months after the Practical Completion of the works, which is estimated to be in March/April 2012. It is proposed that the £10,000 annual payment to the County Council will be funded from the HRA Capital budget with the first payment estimated to be due in April 2013.
8. The works have been tendered and the lowest tender received is the sum of £66,093. The County Council will initially fund the full

building costs with the City Council paying back £50,000 of this. This sum being the increase in asset value. The County Council will not be reimbursed for the remaining sum of money, £16,093, this is their contribution to the partnership.

9. It has been agreed that the City Council (Oxford City Homes) will design, tender and supervise the works at a cost to the HRA. This will be absorbed into the existing workload of the Housing Projects Team.
10. The increase in the number of bedrooms will result in the tenants paying an additional rent of £6.89 per week or £358.28 per annum. This sum is held at this level due to the rents convergence policy.

Staffing Implications

11. Corporate Assets Housing Projects staff have designed, and will manage, the proposed works within their existing workload.

Environmental Implications

12. The extension is being built in accordance with the current Building Regulations and double glazed category A PVCu windows will be installed.

Equalities impact

13. This extension will help to ease the acute shortage of foster care places and will give a secure home to two children currently in care.

Level of risk

14. Both parties are in full agreement and legal teams have approved the wording of the proposed agreement and the County Council will hold no legal interest in the City Council's asset.
15. The financial risk is also low with the County Council funding the initial build cost and the City Council repaying £50,000 over a five year period at 0% interest.

Name and contact details of author:

Chris Pyle
cpyle@oxford.gov.uk
Extension: 2330

List of background papers:

Formal Agreement
Tender returns.

Version number: 1

APPENDIX 1. Single Member Decision Report Risk Register – Extension, 21 Farmer Place

Risk Score															
Impact Score: 1 = Insignificant; 2 = Minor; 3 = Moderate; 4 = Major; 5 = Catastrophic															
Probability Score: 1 = Rare; 2 = Unlikely; 3 = Possible; 4 = Likely; 5 = Almost Certain															
No.	Risk Description	Gross Risk		Cause of Risk	Mitigation	Net Risk		Further Management of Risk: Transfer/Accept/Reduce/Avoid		Monitoring Effectiveness				Current Risk	
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2.	Delays and increase in costs	2	2	Contractor goes into administration	Mitigating Control: Approach next lowest contractor Level of Effectiveness: (M)	2	2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						
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5.	Funding by Oxfordshire CC not forthcoming.	5	2	Project dependent on funding therefore will not go ahead.	Mitigating Control: None Level of Effectiveness: (L)	5	2	Action: Accept Action Owner: C Pyle Mitigating Control: Accept Control Owner: C Pyle	Outcome required: Milestone Date:						

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To: Delegated Decisions of the Board Member, Housing Needs

Date: 3rd November 2011

Item No:

Report of: Head of Service, Housing & Communities

Title of Report: Award of Contract for the Supply and Management of Temporary Accommodation

Summary and Recommendations

Purpose of report: To authorise the award of a contract to supply and manage temporary accommodation, on behalf of Oxford City Council

Key decision? No

Executive lead member: Councillor Joe McManners

Policy Framework: Meeting Housing Need and an Efficient and Effective Council

Recommendation(s): The Board member is asked to:

- (1) Agree to the commencement of the procurement project as set out in this report for the supply and management of temporary accommodation effective from 1st April 2012
- (2) Delegate authority to the Head of Service, Housing & Communities, to approve the award of a contract (under a Temporary to Permanent model) to the supplier providing the most economically advantageous tender, following the evaluation of tender submissions, for a contract term of up to 15 years
- (3) Authorise the Head of Service, Housing & Communities, to further extend the OSLA contract for a wind-down period up to 31st March 2013, if required
- (4) Delegate authority to the Head of Service, Housing & Communities, to award this contract (under a Housing Association Leasing Scheme model) to the next most successful bidder, for a contract term of up to 5 years, should contracts not be agreed between the Council and the preferred bidder by January 2012

Appendices to report: None

Introduction and Background

- 1 This reports sets out the procurement route that has been taken to identify a new provider of temporary accommodation, to assist Oxford City Council in meeting it's statutory homelessness duties
- 2 Oxford City Council essentially operates four different models to procure sufficient temporary accommodation to meet its needs. These are:
 - Nightly Charge – Emergency accommodation procured from private landlords or the bed & breakfast/ hotel sector, on an ad hoc, night by night basis, to meet emergency provision or the need to fill any short-term under-supply in temporary accommodation supply
 - Private Sector Lease (PSL) – ‘First Stage’ temporary accommodation comprising of properties leased directly to the Council from private landlords (usually on a 1 to 5 year term). Management of this accommodation, and support to the clients in it, is undertaken by the Council’s Accommodation and Sustainment team (within Housing Needs). Clients are placed in this accommodation while homelessness investigations are undertaken to establish whether the Council may have a statutory duty to the applicant, or not
 - Hostels – ‘First Stage’ temporary accommodation owned by the Council and generally used in the same way as PSL accommodation (above)
 - Second Stage Accommodation – This is all provided through the Oxford Social Lettings Agency (OSLA) at present. Homeless applicants can be moved into this accommodation once the Council has accepted a statutory homeless duty to them. It is predominately family accommodation. It is procured under a Housing Association Leasing Scheme (HALS) model, with the housing association (OCHA and Catalyst operating together) leasing property from private landlords; providing a management and maintenance service themselves; and then giving the Council the exclusive nomination rights to these units
- 3 As at 30th September 2011, the breakdown of households in temporary accommodation was:

Temp Accom:	Households:
Nightly Charge	9
PSL	67
Hostels	26
OSLA	69
Other	1
Total	172

- 4 It is the OSLA contract that the Council is seeking to re-procure. OSLA (comprising of Oxford Citizens Housing Association and Catalyst Communities Housing Association) has provided accommodation under this scheme since around 1992. The most recent agreement with them was in 2007, for an initial term of two years. The contract was then extended for a further two years, and expired at the end March 2011. It has since been extended, under the same terms and conditions, to accommodate the procurement process
- 5 The Council's requirement for temporary accommodation has been in steady decline from 2004 to 2011. (Overall, reducing use by around 85%, from 1,100 households in temporary accommodation in 2004, to 156 households in March 2011.) We have had a small, but sustained increase in demand since April 2011 however. This is due to a range of factors, not least the negative impact of the Local Housing Allowance (LHA) changes on the Council's ability to prevent homelessness through assisting customers to access the private rental market. This recent change makes it increasingly difficult, at present, to accurately predict our temporary accommodation requirements in the medium term
- 6 In 2011/12, the Council expects to have a net spend of approximately £660,000 on temporary accommodation provision overall. Approximately a quarter of this spend is on the current OSLA contract
- 7 Through the procurement exercise, not only did the Council seek to re-secure an organisation to effectively supply and manage high quality temporary accommodation, but it sought to improve the value for money of this service; to secure greater benefits to meet housing need; and to adopt a solution that gave a high degree of flexibility in a changing external environment
- 8 The Council requested that tenderers put forward schemes using the existing HALS model, or a Temporary to Permanent (T2P) model. The T2P model is new, and seeks to use the higher rents typically associated with temporary accommodation (through PSL and HALS models) to finance the purchasing of temporary accommodation. Over a period of time, typically 10-15 years, some of these units can be converted into permanent social rented accommodation, at nil grant, to increase the local social rented housing stock. The Council's preference was for a T2P solution, but we were concerned that the delivery of this would be unviable to many organisations as Oxford has relatively high house prices and comparatively low Housing Benefit/ LHA rates

Tender Process

- 9 The value of the contract necessitates an OJEU procurement process,

- and the tender notice was advertised in May 2011, by way of open tender
- 10 Two providers submitted tenders, one to deliver accommodation through the HALS model, the other through either the HALS or T2P model (or both). Both were evaluated and invited to interview
 - 11 Interviews were conducted in September 2011, and tenders evaluated on the basis of 60% quality criteria, and 40% on cost
 - 12 To ensure full compliance with European (OJEU) procurement processes, the Council is to re-advertise the T2P option, with a clear contract term of 10 years, with an option to renew for a further 5 years. The Council will seek to include an opt-out break clause, in the Council's favour, at year 5 also. This contract length (potentially 15 years) is substantially longer than that usually awarded by the Council, but this is being considered as units could be converted into permanent social housing after the contract has been operating for ten years or more, with potentially improved conversion rates between years 10 and 15 of the contract. These conversions would not be financially viable for any contract term less than ten years

Benefits

- 13 If the Council were to award a contract following the T2P model, then the following benefits should be realised. If this is not possible, then the HALS model would be expected to deliver similar levels of service to that currently enjoyed, but there would not be any significant additional benefits to the Council
- 14 Savings and Improved Value for Money - The T2P contract is expected to be considerably cheaper to the Council than the current OSLA contract, with no nomination fees charged to the Council. (These are currently £1,400 per annum, per property.) The management fee charged as part of the rent could also be lower, with proposed rent levels within acceptable limits – either pegged to LHA (at the current HB subsidy cap) or at 80% of market rate. There are no set-up costs proposed, and acquisitions could hopefully fall in line with any natural wind-down of the current OSLA contract (to minimise additional charges there) and to make for an effective transition
- 15 Flexibility – The T2P tender proposal allows for up to 40 units of temporary accommodation to be initially procured, but this could be scaled up to 80 units if this is required. Equally, if the demand for temporary accommodation falls during the contract period, then the agreement would be that the accommodation could be offered to the Council as a homeless prevention solution (for customers to be assisted through the Home Choice scheme, for example); or to the wider public through direct lettings at sub-market rates

- 16 Conversions – It would not be unreasonable to expect to convert around 28 out of 40 units of accommodation, into permanent social rented accommodation (hopefully at target rents, if this arrangement is able to continue), after 10 years, or approximately 35 units after 15 years. The remaining units would either be sold, or might continue to be rented at the higher rents. Annual reviews would be undertaken to see whether these projections continue to hold, and to determine the best time to make any such conversions. A tenderer would also be expected to specify a 'conversion floor' in the event of all worst case assumptions being applied, showing the minimum amount of conversions after 10 years
- 17 Quality - Accommodation of a similar standard, location and mix, to that currently provided is required to be offered. A similar level of management service is also expected, albeit not necessarily with an established office base in the City. However modern working methods to address geographic issues, including telephony services and mobile/home working could be employed

Other Options

- 18 'Continue as we are' was not an option as the current contract had expired, and there remains a high level of demand for temporary accommodation in order for the Council to meet it's statutory duties
- 19 The option of sourcing the Council's additional accommodation needs directly (through a PSL model) was considered, but rejected on the grounds that this would incur significant additional costs
- 20 The option of making more use of Council owned accommodation has been explored, and additional use is being made, on a short term basis, of two disused sheltered housing schemes. It would not be prudent to remove accommodation from permanent letting use to provide temporary accommodation however, as this would remove these units from those available to the Allocation team to let to, in order to provide through-put in temporary accommodation
- 21 The strategy with regard to reducing temporary accommodation use, has for the past few years been to undertake this in a gradual, planned way, alongside a number of homeless prevention measures, including the lowering of allocation targets to the homeless list. Whilst in the short-term, temporary accommodation requirements could be quickly reduced by allocating all social housing to this list, this is likely to be legally challengeable, and would quickly send the wrong message to the wider public, that the only way to secure social housing in the city would be to present as homeless. In the longer term therefore, this approach would be expected to see increasing demand for temporary accommodation, through homeless presentations

- 22 Another option is to adopt an alternative approach and place a greater reliance on private rented accommodation, secured by the Council to prevent homelessness, but not used as temporary accommodation – such as the emerging Privately Managed Accommodation (PMA) model. This option is not ruled out, and could be explored alongside existing provision. It may be difficult to take forward in Oxford however, even under new proposals on the discharge of homeless duty contained in the Localism Bill, due to the current buoyancy of the private rental market and comparatively very low LHA rates

Level of Risk

- 23 This is essentially a ‘business as usual’ approach, albeit through a different delivery model. Potential risks identified however, are:

Risk	Likelihood	Mitigation
Unable to agree mutually acceptable contract terms with the preferred supplier	M	It is hoped that this risk can be mitigated through the tender process and through reference checks with other local authorities. The recommendations in this report also seek to ensure that the Council is in a position to award a contract
Contract no longer satisfies the requirements of Oxford City Council	L	The contract allows for sufficient flexibility to help overcome this. There will also be appropriate break clauses in the contract for non-performance, as well as the option for the Council to exit the contract at the end of the initial contract term
That national policy changes (for instance to HB/ LHA/ or HB subsidy formulas) impact on the ability to deliver this model at the agreed rates, or limit the number of potential permanent conversions	M	We would seek to appoint a provider who was able to demonstrate a willingness to adapt their models (even during contract terms) with other authorities, on similar grounds. Regardless, contract

		<p>clauses will seek to provide clarity on the acceptable deviations in rates, with minimum standards and expectations clearly set-out</p>
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Climate Change/ Environmental Impact

- 24 We would seek to appoint a provider who shares the Council’s commitment to environmental sustainability.

Equalities Impact

- 25 We would seek to appoint a provider who was willing to support the Council’s Living Wage and comply with equality and diversity obligations

Financial Implications

- 26 The Council already has sufficient budget provision for this contract, and has already identified savings associated with these budget lines (mainly based around assumptions on the declining use of temporary accommodation)
- 27 It is expected that further savings may be possible from 2013/14 on, if we are able to appoint to the T2P model. In such an eventuality, these savings would be unlikely in the 2012/13 year however, due to the costs (to be fully established) of winding-down the current OSLA contract

Legal Implications

- 28 A legally compliant procurement process is being followed, as outlined previously in this report. The TUPE obligations on any successful tenderer have also been outlined in the tender documentation. A legally binding contract will be entered into with the successful tenderer

Conclusion

- 29 That this contract has the potential to offer an exciting new opportunity for Oxford City Council, to deliver a Temporary to Permanent accommodation model, and deliver good quality accommodation locally, that returns public expenditure in this area, back into the long term provision of affordable housing. Failing that, that the Council has

thoroughly tested the market, and appointed a suitable supplier to deliver leased accommodation at the best available market rate

- 30 The reports recommendations, if approved, place the Council in a strong position to award a contract for temporary accommodation provision shortly after the expiry of the current OJEU advert, and before the end of December 2011. This provides for suitable lead-in times for any new contract, and for TUPE arrangements to be put in place, should this be required, by March 2012. The intention would be to award any T2P contract on a 10 year basis, with an option to extend by a further 5 years, or failing that, to award a contract using the HALS model, for 3 years, with an option to extend by a further 2 years. These differing contract terms, ensure that the Council benefits from any conversions in the T2P model, but limits the HALS contract to a shorter contract term

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None

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3