

To: Cabinet
Date: 14 April 2021
Report of: Head of Housing Services
Title of Report: Furnished Tenancy Scheme

| Summary and recommendations | |
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| Purpose of report: | To seek authority to procure and delegation to award a contract to deliver the Council's Furnished Tenancy Scheme |
| Key decision: | Yes |
| Cabinet Member: | Councillor Mike Rowley Cabinet Member for Affordable Housing and Housing the Homeless |
| Corporate Priority: | Thriving Communities |
| Policy Framework: | Housing Strategy. |
| Recommendations: That Cabinet resolves to: | |
| | <ol style="list-style-type: none"> 1. Give authority to procure a supplier or suppliers who will provide household furniture, white good and carpets as part of a Furnished Tenancy Scheme. 2. Delegate to the Director of Housing in consultation with the Section 151 Officer, authority to award a Furnished Tenancy Scheme contract to a supplier, selected by an evaluation panel, following a fully compliant procurement process. |

| Appendices | |
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| Appendix 1 | Confidential Finance Appendix |
| Appendix 2 | Risk Register |

Introduction and background

1. Oxford City Council operates a Furnished Tenancy Scheme (FTS) whereby new tenants who have not previously held a social housing tenancy are offered the opportunity to hold a furnished tenancy.
Oxford City Council (OCC) has an agreement with Oxford City Housing (Investment) Limited (OCHL) to manage and maintain the social rented housing units on OCHLs behalf. As a result, OCHL operates the FTS for some of the tenants occupying properties let at social rents and managed by OCC. It is intended that OCHL will be able to access the goods to be supplied to Oxford City Council as a result of the proposed procurement and to utilise them for FTS purposes in their properties. That is, OCHL runs its own FTS for tenants occupying properties that it manages. The OCHL FTS is funded by OCHL through its own budget. Accordingly, it is independently funded and separate to the FTS run by OCC for council tenants occupying social rented housing.
2. The purpose of the scheme is to provide new tenants with the best possible opportunity to succeed in their tenancy by removing many of the immediate financial demands that providing furniture for a first home can bring, thus reducing the risk of high levels of indebtedness.
3. The scheme operates by the Council providing certain furnishings and fittings which remain in the ownership of the Council. An additional service charge is levied depending on the furniture provided.
4. By providing this service to vulnerable tenants it greatly reduces the risk of tenants 'living rough' in their homes and improves the quality of life and restores dignity, the sustainability of the tenancy and the length of the tenancy. By doing so it reduces failed tenancies and repeat homelessness.
5. The FTS was introduced as part of Oxford City Council's anti-poverty initiative, the purpose of which was to provide affordable furnishings for new tenants who were in receipt of welfare benefit or low income in order to improve long term stability and sustainability for new starts.
6. The scheme was designed to remain cost neutral so that it did not cost Oxford City Council or OCHL money from the HRA and did not end up being a profit making scheme. It has been successful for a considerable period of time.
7. Fundamentally, the Furnished Tenancy Scheme (FTS) offers new Oxford City Council tenants and OCHL tenants the option of choosing items of furniture from a selected range of items, including carpets, furnishings, curtains and white goods dependent upon their property size.
8. These items are then purchased by the Council and supplied directly to the property.
9. The tenant rents these items through an additional weekly charge in the rent for a minimum of five years.

Benefits of the Furnished Tenancy Scheme

10. Many customers approaching the Council for housing or assistance are on a low income, have no savings and/or are in debt and have little or no furnishings of their own.
11. The provision of carpets and/or furniture substantially improves the quality of life of new tenants and their households, who otherwise would not be able to afford such items and encourages them to make a 'home' out of the property and not suffer undue hardship after moving into their new home.
12. Reducing failed tenancies avoids further costs down the line such as associated management problems, void losses and serves to reduce repeat homelessness.

Demand for the Furnished Tenancy Scheme

13. The demand for the FTS is high. The FTS has been running for over 22 years, we currently maintain over 1700 live furnished tenancies. This effectively means that one in every four council tenants has a furnished tenancy.
14. The current contract expires on 24 April 2021. It is proposed that it will be extended for a short period of time to allow the proposed tender process to complete, in order to ensure the continuation of service.

Budget

15. Please refer to Appendix 1 – Confidential Financial Appendix.

Tender Process

16. A fully compliant procurement process will be conducted in conjunction with the Procurement Team.
17. If it is safe to do so under social distancing rules, representatives from Tenant Involvement will be assisting the tender evaluation panel in analysing the product brochures and by attending supplier clarification meetings in an "observing" capacity. Site visits may also be carried out as part of the final stages of the tender process where appropriate, adhering to the Covid guidelines.

Evaluation Criteria

18. The supplier submissions will be evaluated using both quality and pricing elements with the aim of selecting the most economically advantageous tender. It is worth noting that the Council seeks a commitment from suppliers to pay their employees the Oxford Living Wage (where work is undertaken within Oxford) or the living Wage Foundation Rate. This includes, where appropriate, any employees engaged by a sub-contractor in fulfilling a contract. The evaluation panel will consist of members of the Project Team and Procurement.

Contract Rules Compliance and Financial Assessment

19. A fully compliant procurement process will be conducted in conjunction with the Procurement Team resulting in the award of a contract to the successful bidder.

20. These items are then purchased by the Council and supplied directly to the property. The tenant rents these items through an additional weekly charge in the rent for a minimum of five years.

21. A financial assessment will be carried out on the successful tenderer.

Financial Implications

22. Please see Appendix 1 for details of the budget.

23. The furnished tenancy scheme allows for the recovery of the costs incurred, from the tenants over a period of time, which is designed to make the position cost neutral for the authority.

24. As the level of Oxford City Council and OCHL housing stock increases due to new housing stock becoming available, the budget will need to be periodically reviewed.

Legal Implications

25. Consideration should be given as to whether there is a need for OCC to enter into a new agreement or to vary the agreement with OCHL so that the basis under which OCHL may acquire furniture, white goods and carpets for its FTS purposes, is clear and so as to ensure that there is no risk of unlawful subsidy arising.

26. The procurement process and award of contract must be undertaken in compliance with the contract rules contained in Part 19 of the council's Constitution and the provisions of the Public Contracts Regulations 2015. As part of the procurement process, legal advice should be obtained as to whether it would be appropriate or beneficial for both OCC and OCHL to be party to the contracts with the new supplier(s).

Equalities Impact

27. An equalities impact assessment is not required in this case, as this is not a policy or function that will cause or likely to cause disadvantage to any group or individual with a protected characteristic.

28. However, it should be noted that the provision of the scheme contributes towards the financial inclusion of many of OCC and OCHL's tenants.

Conclusion

29. The Furnished Tenancy Team require a new contract to be procured for the provision of Household Goods and Furnishings to Council and OCHL tenants.

30. In order to comply with Public Procurement Regulations and the Oxford City Council Constitution, officers are seeking authority to procure a Furnished Tenancy Scheme and to delegate to the Director of Housing in consultation with the Section 151 Officer, the authority to award the contract to a supplier selected by an evaluation panel following a fully compliant procurement process.

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Background Papers: None

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