

To: Cabinet
Date: 10 July 2024
Report of: Executive Director (Communities and People)
Title of Report: Procurement of Emergency Temporary Accommodation Framework and update on rising homelessness temporary accommodation demand, and mitigations

Summary and recommendations	
Purpose of report:	To (i) seek authorisation to procure an Emergency Temporary Accommodation Framework; and (ii) update Cabinet on increasing levels of homelessness use of temporary accommodation and mitigations in Oxford
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Housing and Communities
Corporate Priority:	More Good Affordable Homes
Policy Framework:	Housing, Homelessness and Rough Sleeping Strategy 2023-2028

Recommendations: That Cabinet resolves to:	
1.	Approve the establishment of a framework under the Public Contracts Regulations 2015 for the Procurement of Emergency Temporary Accommodation;
2.	Delegate authority to the Executive Director (Communities and People) to agree the final structure of the Emergency Temporary Accommodation Framework and appoint successful suppliers to all lots on the Framework;
3.	Delegate authority to the Executive Director (Communities and People) to procure and award individual contracts through the Emergency Temporary Accommodation Framework in excess of £1 million;
4.	Note the implementation of a new Private Sector Leasing Scheme to increase Temporary Accommodation supply and note that leases will be negotiated with Housing Associations where appropriate to release additional units;

- 5 **Note** the development of further mitigations, including the de-designation of certain housing stock for use as Temporary Accommodation; longer-term capital investment to increase supply of Temporary Accommodation; and work with Ox Place to increase the supply of move on accommodation.

Appendices	
Appendix 1	Risk Register

Introduction and context

1. Oxford City Council has a statutory duty to provide interim accommodation for households whom the authority has reason to believe are eligible, homeless and in Priority Need as prescribed under housing legislation.
2. The rate of homelessness in Oxford over the last 18 months has significantly increased, with the Council experiencing the highest levels of homelessness in Oxford seen for many years, leading to more placements into Temporary Accommodation.
3. The Council currently owns and manages 134 properties in its Temporary Accommodation stock. These are houses and flats around the City and in surrounding towns that households can live in typically for 6-12 months when homeless, ahead of rehousing to long term accommodation in the social and private sectors.
4. If the Council is unable to source enough of its own accommodation to provide Temporary Accommodation, to perform its statutory obligation, it must source additional accommodation, including utilising hotel and Bed and Breakfast accommodation. This is normally to cater for very short-term increases in demand, or emergencies.
5. Due to the ongoing high rate of placements into Temporary Accommodation, the Council's own Temporary Accommodation stock is not sufficient to meet demand, resulting in a significantly higher reliance on hotels. The increase in hotel use has resulted in significant financial pressure on the Council, on an ongoing basis. It also means the Council is forced into providing hotel accommodation while it sources alternative accommodation.
6. To address this challenge, this report sets out several complementing mitigating measures which if implemented successfully will bring down costs in the short and longer term, while ensuring we continue to deliver our statutory duties for homeless people.

Rising Homelessness

7. Over the last 12 to 18 months an unprecedented rise in statutory homelessness has been observed in Oxford, which is very much in line with the national picture. The number of homelessness duties accepted in 23/24 was up 90% compared to 2021/22, while the placement rate has increased 170% in the same time period.

This has overwhelmed the Council's ability to both prevent homelessness and rehouse people and resulted in a 128% increase in TA use since 21/22. With insufficient TA stock for this increase in demand, the number in hotel and BnB accommodation has risen from 2 to 123 in two years. Full details can be found below in table one.

Table one – Homelessness and TA data in Oxford

	21/22	22/23	23/24
Homelessness Duties accepted	391	439	743
TA placement rate average	3.42 per week	4.30 per week	9.25 per week
Total number in TA at year end	108	116	246
Total number in hotel/BnB accommodation at year end	2	12	123

8. The drivers of increasing statutory homelessness are varied. Council data shows large increases in private-rented sector evictions, family and friend evictions, evictions from Home Office accommodation, and homelessness because of domestic abuse. It's likely the cost-of-living crisis, increasing interest rates, and rapidly rising rents have led to the increases in evictions. Within these reasons the Council has experienced a large rise in the number of single adults who meet the legal definition of "priority need", and therefore require accommodating, adding to pressure.
9. Different forms of homelessness can be included within the definition of statutory homelessness, such as family evictions, individuals leaving hospitals, prison and Home Office accommodation without a home, people being asked to leave by friends and family, and rough sleeping. All those placed in TA meet the legal threshold for placement, and are mostly made up of families, and singles who meet the definition of "priority need", such as due to health or disability.
10. Both the number of families and singles have increased in TA over the past 18 months. The number of families in TA peaked around January 2024, and has since been slowly falling, largely because of our ability to provide more TA move on accommodation (explained later in the paper). Singles are more of a challenge to provide sufficient move on accommodation for, due to a lack of supply of 1-bed accommodation. The number of singles in TA continues to rise rapidly, and the Council is currently dependent on sourcing hotel accommodation. This is because relative to demand, the Council has less one bedroom accommodation in the city available for TA and move on accommodation. This has resulted in 67% of people

in hotels being single adults, as opposed to 27% families with children (the rest being couples and families with non-dependants).

11. These trends are being observed across the Southeast of England and in the wider country. Our Oxfordshire neighbouring authorities also report increases in their Temporary Accommodation use. The LGA reported at the end of last year that temporary accommodation numbers have reached a record high nationally, since records began in 1998. Central Government data shows amongst the Council's local authority peer group (of Council's with similar demographic and housing markets) the Council still experiences one of the lowest per head TA uses in the group, demonstrating the scale of the issue nationally and across local government.
12. The Council continues to experience a high rate of presentation and placement of Temporary Accommodation. Modelling suggests that the numbers in TA will further increase over the next 6 months, particularly for singles, despite the mitigations already delivered (outlined later in the paper). Therefore, it is essential that the Council now takes further steps to increase the supply of temporary accommodation to lower hotel use and increase move on supply to move people out of TA more quickly.

Action Already Taken to Increase Temporary Accommodation Supply

13. The Council has already transferred approximately 25 units of Council owned stock to be used for TA on 23/24, with a provision for further units to be transferred over the coming months.
14. Officers, working closely with the Council's Housing Company OX Place are also exploring longer term capital investment schemes to deliver high standard and purpose-built temporary accommodation in the city. This includes office to residential conversions and other possible acquisitions. As these plans reach more advanced stages these proposals will return to Cabinet for consideration, in line with the Council's constitution and any planning requirements.
15. To increase Temporary Accommodation supply further, the Council is establishing a new Private Sector Leasing (PSL model). A well-established model in other Local Authorities, officers are in the process of agreeing leasing arrangements with several Landlords in the City to take on the management of additional units to then be provided as TA for homeless people. The current aim is to secure 60 units by the end of 2024, with 22 units secured so far. This model is considerably cheaper than hotel use and offers better living conditions than a hotel room. The scheme is projected to save the Council in the region of £1m annually once up to 60 units and is funded from existing budgets. Where Cabinet authority is required to approve lettings, these will be referred to Cabinet.
16. Officers are also considering options, subject to legal advice, to increase Council Temporary Accommodation stock by using existing housing stock differently. Several residential buildings owned by the City or Housing Associations in the city have been identified as being in relatively low demand, at the end of viable life, and requiring redevelopment. The proposal being considered is, following consultation with residents, decanting accommodation scheduled for redevelopment early and re

use for TA. Where such properties are existing Housing Association sites, negotiations on leasing them would need to be undertaken, and Cabinet should note that where appropriate, officers will either enter lease agreement according to their existing delegations or return to Cabinet for further approvals. The possible sites identified could deliver a potential increase of 90 units of Temporary Accommodation to help combat the increased demand and cost.

Preventing Homelessness and Increasing Supply of Move on Accommodation

17. Alongside increasing Temporary Accommodation supply. It is important the Council increases its activity to prevent homelessness and to increase move on from Temporary Accommodation to permanent accommodation, to support our clients and lower TA demand.
18. Following a top up grant from central government of £401,492, more Homelessness Prevention Grant will be spent this year on the Council's statutory prevention services, including bolstering staff in our Housing Options and Homelessness Prevention teams. This investment will help to lower staff caseloads, allowing earlier and more intense support for clients, and will bring in more routine home visits to better support clients in their current accommodation in case of family and friend evictions. It is expected to help lower the TA placement rate.
19. To increase move on options for people in TA, the Council has increased access to the private rental sector (PRS) by reviewing existing access schemes and making several changes to attract new and retain existing private landlords. These changes have resulted in 51 additional PRS lets resulting in a 58.62% increase in PRS supply from the previous year.
20. To increase supply for family units' officers have made changes using delegated powers to the social housing lettings plan, which has increased the amount of social housing used to rehouse homeless households. This was done in line with guidance from DLUHC and best practice reviews from other Local Authorities facing similar demand. This has resulted in higher levels of supply going to TA move on for families, mitigating overall TA need.
21. The Council are exploring with OX Place, the Council's housing company, innovative ways for the company to source more affordable private rental accommodation for homeless clients. As plans develop, we may need to return to Cabinet later in the year for approvals.

Central Government Support

22. Cabinet should also be aware that due to ongoing high levels of homelessness the city is experiencing, and the rapidly rising hotel costs, the Council has made representations to Central Government, alongside other Local Authorities, to highlight this crisis, and call for additional support for Councils to meet the needs of homeless people. There has been a modest top-up to the Homelessness Prevention Grant this year that has been used to fund prevention services, and the Local Housing Allowance has increased meaning low-income renters can access a bit more Universal Credit to help pay their rent, but the Council believes more support is needed to help us meet the challenge.

Procurement of Framework for Emergency Temporary Accommodation

23. While demand for Temporary Accommodation remains high and new supply takes time to deliver, the Council will need to continue to make use of hotel and BnB accommodation. Due to the ongoing volume and cost of hotel use, the Council needs to establish a new Emergency Temporary Accommodation Framework to enable it to award contracts, in an open, fair and transparent way.
24. It is expected that the new procurement approach will have several benefits, such as: efficiencies in process and procedures freeing up capacity in operational teams, provide further assurance on accommodation quality whilst also ensuring compliance with procurement law.
25. There will be 4 lots on the framework to cover the Emergency Temporary Accommodation Provision required.
- Lot 1: Emergency Accommodation for Higher Risk Adult Singles and Couples
 - Lot 2: Emergency Accommodation for Families.
 - Lot 3: Emergency Accommodation for Adult Singles and Couples.
 - Lot 4: Emergency Self Contained Accommodation for all Households.
26. The Framework will be procured in compliance with Part 19 of the constitution and relevant procurement legislation. The specification requires suppliers to be accredited and trained to ensure industry standards are met. A pre-qualification stage will be used to ensure that suppliers meet the requirements, and all necessary qualifications are met.
27. Following submission of tenders, the successful suppliers will be appointed to the Framework on the relevant lot(s). Once this is done the Framework can be used to award call-off contracts. It is proposed for there to be option to purchase rooms on an individual basis but also to block purchase rooms where the need requires. The Framework, especially block purchasing, should also help the Council obtain the best value when it procures hotel and BnB accommodation.

Financial implications

28. The current levels of homelessness demand and need for temporary accommodation is a significant risk to the current Medium Term Financial Plan. The exact cost continues to fluctuate due to changing hotel rates, but current estimates of cost overspend is £2.8m annually, with projections for this to rise to £3.2m in 6 months due to a further increase in placements, even if further progress is made to start bringing more PSL and decanted units in to use to reduce hotel use. Provision for these ongoing costs will need to be made in the Council's budget for two further years as the mitigations in this paper will take time to deliver the required number of units.
29. Any overspend in the financial year 24/25 will be funded from reserves and balances.

30. It should be noted that the mitigations outlined in this paper have already delivered large cost avoidance for the Council, such as increasing private and social housing move on, and council owned housing stock being used as TA. We estimate hotel costs could have been up to £6m more annually, without having delivered these existing mitigations.
31. Current projections of the annual overspend between 2024/25 and 2026/27 are circa £3.3 million per annum – a pressure of circa £10million against the current approved MTFP.

Legal issues

32. Under Parts 4.5(10) 4.5 (11) and 19 (22) of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.
33. The establishment of the proposed pseudo framework is permitted and required under the Public Contract Regulations 2015. Hotel accommodation is part of the light touch regime which affords the Council more flexibility with the design and operation of the proposed Framework. The Framework's procurement and award of contracts under it once established will need to comply with the Council's Constitution and the relevant part of the Public Contract Regulations 2015. Any decision to award a contract of £1 million or greater will be a Key Decision and will need to comply with the procedure for taking Key Decision set out in the Council's Constitution.

Level of risk

34. See Risk Register Attached under Appendix 1.

Equalities impact assessment

35. It is advised that a full Equality Impact Assessment (EqIA) is unnecessary for the proposes of this report as the decision made here will not have a direct impact on vulnerable groups identified in the Equality Act 2010.
36. A full Equality Impact Assessment must be carried out at the start of any and each decision that will be made when the procured framework will be used as at such a point it will impact people with protected characteristics. The Equality and Human Rights Commission outlines key equality guidelines on how to procure more inclusively It is advised that this guidance is understood before decisions are made. The series of mitigations to help bring Temporary Accommodation use down are aligned to the Council's Housing, Homelessness and Rough Sleeping Strategy which has been subject to a full equality impact assessment.
37. The decisions to be taken under this report relate to procuring a Framework through which the Council can purchase Emergency Temporary Accommodation such as hotel rooms. There is no adverse impact on equalities expected from such a procurement.

Carbon and Environmental Considerations

38. There are few environmental considerations arising directly from this report. Any property purchased, reused or leased for Temporary Accommodation will comply with the Decent Homes Standard, Housing Health & Safety Rating System (HHSRS) and be compliant with regulatory requirements.

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Background Papers: None