

To: Cabinet
Date: 13th November 2024
Report of: Head of Housing Services
Title of Report: Furnished Tenancy Scheme Contract

Summary and recommendations	
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 Linda Smith, Cabinet Member for Housing and Communities.
Corporate Priority:	Good, Affordable Homes, Thriving Communities.
Policy Framework:	Housing, Homelessness and Rough Sleeping Strategy 2023-2028.

Recommendation(s): That Cabinet resolves to:	
1.	Approve the procurement of a contract at a value of £4,300,000 over a 5-year period for a supplier or suppliers to provide household furniture, white goods, and carpets as part of a Furnished Tenancy Scheme.
2.	Delegate to the Interim Executive Director for Communities and People in consultation with the Section 151 Officer, authority to award a Furnished Tenancy Scheme contract to a supplier or suppliers, selected by an evaluation panel, following a fully compliant procurement process.

Appendices	
Appendix 1	The Finance Appendix
Appendix 2	Risk Register

Introduction and background

1. This report updates Cabinet on the Council's Furnished Tenancy Scheme, explains rising demand, and seeks approval for a new contract to ensure continuation of this much needed service for council tenants.

Furnished Tenancy Scheme

2. Oxford City Council operates a furnished tenancy scheme that allows eligible council tenants to rent essential furnishings. Eligible tenants are offered the opportunity to rent essential furnishings such as carpets, curtains, cookers, refrigerators, beds and bedding and other items that are needed to set up a new home.
3. Eligibility is limited to new council tenants who have not previously had a social tenancy, new tenants who have been homeless, and existing tenants moving due to domestic abuse, health and other exceptional circumstances.
4. The furnished tenancy scheme has been operational for over 26 years, The Council currently maintains over 1,900 active furnished tenancies. This equates to approximately one in every four council tenants holding a furnished tenancy.
5. The furnished tenancy scheme is designed to be cost neutral so that it does not add burden to Oxford City Council's Housing Revenue Account. The upfront cost of providing furniture is recouped over time from an additional service charge.

Benefits of the Furnished Tenancy Scheme

6. The purpose of the scheme is to provide eligible tenants with the best possible opportunity to succeed in their tenancy by removing many of the immediate financial demands that providing furniture for a home can bring, thus reducing the risk of high levels of indebtedness.
7. 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.
8. 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.
9. Reducing failed tenancies avoids further costs down the line such as associated management problems, void losses and serves to reduce repeat homelessness.

How the Furnished Tenancy Scheme works

10. Eligible tenants opting into the scheme choose the items needed from our furnished tenancy scheme. Tenants will sign up for the furnishings at the same time as the tenancy for their new home. The furnishings will then be delivered by the awarded supplier or suppliers to the tenant's new home after the tenancy start date.

11. Tenants will pay rent for the items chosen through an additional service charge, for a period of five years, the cost of this charge is eligible for Housing Benefit/ Universal Credit.
12. Tenants will be responsible for keeping the furnishings safely in the property and will be expected to look after the items and keep them in good order (allowing for fair wear and tear). The furnishings will belong and will remain the property of Oxford City Council.
13. At the end of the five years an officer of the council will visit the tenant to determine if they want to end the rental and have the items removed or continue the scheme, this is then reviewed annually with the tenant.

Demand and need for new contract

14. The number of furnished tenancies in Oxford over the last 3 years has significantly increased, in part due to additional supply of new homes, and due to more demand from new tenants linked to cost of living pressures and the Council rehousing more homeless households into council tenancies who may not have basic furniture. As shown by the table below.

Year	Furnished Tenancies
2021/2022	179
2022/2023	250
2023/2024	250

15. More demand for the scheme is leading to an increased expenditure, due to this increased demand we have now used up the value on the current contract, and we now need to procure a new larger contract. Due to the contract value we need to commence a procurement and tender process, with Cabinet approval.
16. The authority has awarded an exemption to extend the contract for a short period of time covering the additional expenditure, to ensure the continuation of service. This will allow the proposed tender process to be completed.

Emergency Furnishings - Temporary Decants

17. The Council also uses the Furnished Tenancy furniture contract for other purposes. Emergency furnishing may be supplied where a temporary decant move is required while modernisation, refurbishment, or repair work is undertaken to any property of Oxford City Council.
18. The Furnished Tenancy Scheme Contract will be utilised to supply the essential furnishings required to complete a Temporary Decant. Residents residing in Temporary Decants will not be required to pay rent for the additional furnished items provided as part of the housing duty. The Furnishing provided for Temporary Decants will belong and will remain the property of Oxford City Council.

Emergency Furnishings -Temporary Accommodation

19. The Council also uses the contract to furnish its temporary accommodation, which we use to accommodate homeless households. The accommodation needs to be considered suitable for residents, and therefore requires the provision of essential furnishings such as carpets, curtains, cooker, refrigerator, beds and bedding and other items. Because this work falls within the Council's statutory homelessness work the General Fund, rather than the HRA, pays for this.
20. Residents residing in temporary accommodation will not be required to pay rent for the furnished items provided as part of the Council's Homelessness duty. The furnishings provided within temporary accommodation will belong and will remain the property of Oxford City Council and are reused for different placements as long as they are safe and in good working order.

Health and Safety

21. The Council shall ensure furnished items supplied within the Furnished Tenancy contract comply with all relevant and applicable safety and statutory regulations. This shall be outlined within the contract specification.
22. Routine inspections are conducted by the Council for inventory checks and safety inspections of white goods. This includes portable appliance testing (PAT) and gas safety checks.

Procurement of the new contract

23. A fully compliant procurement process will be conducted to appoint provider/s in compliance with the Council's constitution and procurement policies, and the law.
24. Consideration will be had in how we ensure the tenants voice and feedback can be represented in the tender process. Site visits may also be carried out as part of the final stages of the tender process where appropriate.
25. The supplier submissions will be evaluated using both quality and pricing elements which will require suppliers to demonstrate compliance with the Council's award criteria, which includes social value. 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
26. A financial assessment will be carried out on the successful tenderer.

Financial implications

27. As this report details commercially sensitive information the financial implications and budget narrative should be viewed via Appendix 1 – The Confidential Financial Appendix
28. The budget for Furnished Tenancy Scheme is supported by the related service charges collected, which as demand increases, so will the associated rental income.
29. The budget is regularly reviewed to ensure that it recovers its costs and does not become a burden to the Housing Revenue Account.

30. The General Fund expense of providing furnishings for temporary accommodation has an allocated budget provision. The budget will continue to be regularly reviewed.
31. As the level of Oxford City Council housing stock increases due to new housing stock becoming available, the budget will need to be periodically reviewed.

Legal issues

32. 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 or public Procurement Act 2023

Level of risk

33. Risk Register is attached as appendix 2.

Equalities impact

34. The original remit of the Furnished Tenancy programme, how this is delivered, and the furnishings provided, does not need a new Equalities Impact assessment. The scheme is aligned to the Housing Homelessness and Rough Sleeping strategy and is covered therein.
35. It is anticipated the tenderers will have their own Equality Impact statement and this should be within the social value presentation and a copy provided to OCC. If the scheme is now to include emergency furnishings and temporary accommodation support, the individual characteristics of the tenants will need to be taken into review at the time of the referral.
36. Any disability or protected characteristic of an tenant or applicant should be known at the outset. The confirmation their own needs have been considered should be included in the sign off/ authorisation paperwork to meet the Public Sector Equality Duties and Equality Act 2010.

Carbon and Environmental Considerations

37. Carbon and environmental considerations will be assessed as part of the procurement and tender process. The Council will ensure the contract specification is aligned with its 2024 -2028 Strategy "Zero carbon Oxford" and compliant with relevant and applicable guidance and statutory regulations.

Conclusion

38. The Council requires a new Contract to be procured for the provision of Household Furnishings, carpets, and white goods for the purpose of the Furnished Tenancy Scheme.
39. To comply with Public Procurement Regulations and the Oxford City Council Constitution, officers are seeking authority to procure a supplier or suppliers as part of the Furnished Tenancy Scheme and to delegate to the Executive Director for Communities and People 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.

Report author	Carolyn Devenney and Kieran Edmunds
Job title	Senior Furnished Tenancy Officer and Rapid Rehousing Manager
Service area or department	Housing Services
Telephone	01865 602817
e-mail	kedmunds@oxford.gov.uk

Background Papers: None