

Report to Cabinet

13 September 2023

Subject:	Temporary Accommodation – award approval
Cabinet Member:	Cabinet Member for Housing and Built Environment, Councillor Laura Rollins
Director:	Director for Housing, Gillian Douglas
Key Decision:	Yes
Contact Officer:	Mandy Amos, Operations Manager – People (Housing Solutions) Mandy_amos@sandwell.gov.uk Shazia Nazir, Business Partner - Procurement Shazia_Nazir@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to appoint providers for the provision of Bed and Breakfast and temporary accommodation for homeless households as a result of the tender process.
- 1.2 That the Director for Housing be authorised to enter into the framework agreement for the provision of Bed and Breakfast and temporary accommodation for homeless households for a two-year period with an option to extend for an additional two-years with an annual gross spend of approximately £750,000 per annum.







2 Reasons for Recommendations

- 2.1 Sandwell Metropolitan Borough Council have a statutory responsibility to help relieve homelessness which includes temporary accommodation provision and the current contract extension for temporary accommodation of this nature expires on 31 October 2023.
- 2.2 The housing solutions service has seen an unprecedented rise in demand for temporary accommodation, related to the cost of living crisis and shortage of affordable housing; with 130 households in this accommodation type as at June 2023, an increase of 65% on TA usage from last year. To meet the growing demand for quality temporary accommodation a tendering exercise has been undertaken to source the right quality and type of temporary accommodation to meet the needs of homeless households and provide the required flexibility to the service for same day emergency placements. This will be in line with the council's published Temporary Accommodation Procurement and Placement Policy (Appendix 3).
- 2.3 When households approach the housing solutions service requesting temporary accommodation, the service ensures robust investigation and evaluation of all other available options. This is to obtain the most appropriate provision for the household and avoid unnecessary use of temporary accommodation.
- 2.4 The Housing Solutions service have had success in repurposing council owned buildings into temporary accommodation. Temporary accommodation centres such as Applewood Grove and Manifoldia Grange have contributed to reducing the numbers of households in bed and breakfast (B&B) accommodation and are a more suitable option for families. As of 26/06/2023 Manifoldia Grange in West Bromwich opened which has 40 self-contained units and is managed by Housing Solutions staff which will contribute to the reduction of households in B&B accommodation. In some instances this provision will be fully occupied or not immediately accessible (during out of hours provision) and as such, the service must have access to suitable temporary accommodation that can be booked at short notice.






- 2.5 The increase in number of households requiring temporary accommodation can be attributed to factors such as:
- The issues with the current Private Rented Sector (PRS) housing market where properties are unaffordable for those on low income or in receipt of benefits
 - The PRS market is very buoyant with demand outstripping supply
 - An increase in section 21 evictions from the private rented sector
 - Family relationship breakdowns

3 How does this deliver objectives of the Corporate Plan?

	<p>Best start in life for children and young people</p> <p>The provision of good quality temporary accommodation will provide accommodation which better meets the needs of families whilst we source longer term accommodation under the relevant homelessness duties and support.</p>
	<p>Quality homes in thriving neighbourhoods</p> <p>Households require temporary accommodation of both good quality and that which fits their individual requirements and the tender evaluation process contains a renewed focus on quality measures.</p>
	<p>A strong and inclusive economy</p> <p>The tender process in relation to temporary accommodation contracts helps in investing and supporting local businesses. The tender process and evaluation promotes and rewards tenders from local provision.</p> <p>Access to suitable accommodation supports our delivery model of holistically supporting individuals in temporary accommodation ensuring that households have access to education, training and employment opportunities.</p>
	<p>Strong resilient communities</p> <p>A variety of flexible temporary accommodation that covers a number of areas in the borough will ensure that those housed can be located as close to their previous home and support network as possible.</p>



	When families are placed in temporary accommodation they have a support worker who will help them settle in, get to know their local area, promote housing options and reinforce and support move on to permanent accommodation.
	Best start in life for children and young people The provision of good quality temporary accommodation will provide accommodation which better meets the needs of families whilst we source longer term accommodation under the relevant homelessness duties and support.
	Quality homes in thriving neighbourhoods Households require temporary accommodation of both good quality and that which fits their individual requirements and the tender evaluation process contains a renewed focus on quality measures.
	A strong and inclusive economy The tender process in relation to temporary accommodation contracts helps in investing and supporting local businesses. The tender process and evaluation promotes and rewards tenders from local provision. Access to suitable accommodation supports our delivery model of holistically supporting individuals in temporary accommodation ensuring that households have access to education, training and employment opportunities.

4 Context and Key Issues

- 4.1 The Council has a duty to provide temporary accommodation where there is reason to believe an applicant may be homeless, eligible and have priority need. Accommodation will continue to be provided if the household is awarded homeless priority until the duty is discharged most likely through an offer of accommodation. This function is provided by the Housing Solutions Service.
- 4.2 As per previous tender exercises for temporary accommodation, it was agreed that this framework document will also be available for use by Sandwell Children's Trust for sourcing accommodation.



- 4.3 An initial tender exercise commenced on 30 June 2023 and closed on 2 August 2023.
- 4.4 The compliant tenders received are currently being evaluated in accordance with the criteria stipulated within the tender documentation and a copy of the tender document can be found at Appendix one.

Service demand

- 4.5 The current Sandwell MBC housing register has 12,600 applicants on the waiting list. The number of applicants has doubled since 2020. An increase can be linked to the need for affordable rents and secure, quality accommodation. This has meant that as it is taking households longer to secure permanent accommodation and as such has increased demand for temporary accommodation and the average length of stay.
- 4.6 The housing solutions service ensures that we are successfully preventing homelessness and supporting people to find alternative housing solutions once it is identified there is a threat of homelessness. Between 2021/22 and 2022/23 there was a 25% increase in the numbers of homelessness presentations from 4000 to 5000 cases. Whilst only a small proportion of these cases escalate to a risk of homelessness, any step change will result in additional pressure on temporary accommodation.
- 4.7 The service is now facing new emerging pressures on homelessness, and in turn temporary accommodation due to the national cost of living pressures and energy price crisis. Referrals from our housing solutions team to the commissioned provision for debt and money advice at Citizens Advice Bureau have resulted in assistance provided to services users during 2022/23 with a total of £0.300m arrears identified. Additional debts (not inclusive of rent) during the same period totalled £0.610m. In depth assessments have highlight that issues such as decreased credit score; rent shortfall; rising living costs and issues affording essential products/ services have contributed to difficulty obtaining a new or maintaining existing properties.



4.9 Impending national changes to abolish Section 21 notices served to private rented tenants mean further potential risk of eviction. Landlords may act to 'move on' tenants who pose a risk of non-payment or arrears ahead of this change. Landlords may be reluctant to rent to lower income households or those in receipt of benefits.

Temporary Accommodation Trends

4.10 Nationally, there has been a 74% rise in temporary accommodation in the last 10 years. 68% of families living in temporary accommodation have been there for over a year. Data shows that (63% of individuals living within temporary accommodation has had a negative impact on their mental health. (51% say that it has had a negative impact on their physical health and 39% say that living in temporary accommodation has made it harder to access healthcare appointments.

4.11 Within Sandwell there has been an increase in temporary accommodation from June 2021 to date (June 2023) with 130 households within this accommodation type.

4.13 It is important to note that whilst Sandwell's proportion is increasing, the borough has less than half the number per 1000 households when compared to the all England rate. Sandwell has 0.92 h/holds per 1000 in TA compared to 15.98 households living in temporary accommodation in London and 2.06 households in the Rest of England.

4.14 Appendix 2 sets out the trends of temporary accommodation for Sandwell Council and nationally.

Future proposals

4.14 The council has a range of Temporary Accommodation provision, with varying advantages and disadvantages of each stock type.

4.15 Whilst the service is working to apply downward pressure on the TA numbers through the housing solutions operating model (which focusses on early intervention and solving the real underlying issues for families at risk of homelessness), we also accept that there are a significant number of upward pressures as mentioned in this report.



- 4.16 There are two aims for the service around managing temporary accommodation; the first is to reduce the overall need for temporary accommodation; and the second is to ensure we make the best use of existing in-house stock which provides the best provision for both customers and the council. There are various options being considered to reduce the continued need for temporary accommodation including embedding of a prevention focussed operating model and increasing affordable housing options.
- 4.17 When accounting for the current projected TA demand, the service projects demand of up to an additional 40 units over the course of 2023/24.

5 Alternative Options

- 5.1 The Council has a statutory duty to provide temporary accommodation under certain circumstances. As many households present at crisis it leaves little opportunity to prevent the homeless situation from occurring and as a result it is necessary to have access to accommodation at very short notice. In addition, approaches can be received out of hours and therefore, there is a requirement to have access to temporary accommodation at all times.
- 5.2 However, there is a drive to make best use of the Councils own stock and repurpose assets as temporary accommodation, which will reduce the use and cost of B&B accommodation.

6 Implications

Resources:	<p>There are financial pressures created by the increasing numbers of households in TA. This is further exacerbated with increase proportion of presentation in B&B accommodation</p> <p>The service has a small contribution from general fund with most of the provision resulting from use of the homelessness prevention grant.</p> <p>The temporary accommodation centre model is both more cost effective and results in quicker move on hence reducing TA spend and will continue to be explored to mitigate rising TA costs.</p>
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	<p>The contract value of £3m over four years is the gross cost to the council. The council seeks to recover a proportion of the cost of accommodation through housing benefit and through the customer where they are self funding. The net cost of temporary accommodation to the council is funded through general fund and the Homelessness Prevention Grant.</p>
Legal and Governance:	<p>The service needs to have in place a framework contract for non-own stock owned accommodation whilst maintaining the flexibility of sourcing accommodation outside of contract where there is insufficient capacity or unmet need. i.e. disabled access</p> <p>The Homelessness Reduction Act sets out the statutory responsibility of the service to provide temporary accommodation under section 188 of housing act 1996.</p>
Risk:	<p>An increase in demand for temporary accommodation will result in an increase in spend.</p> <p>There is a risk that the embedded prevention based operating model does not result in reducing TA placements.</p> <p>There is a risk that Placements of TA are made but in substandard accommodation.</p> <p>Mitigations are in place including regular monitoring of TA placements, enhanced support model for households who are at risk of or already homeless and various forms of mediation to help people remain in their current homes. The service performs very well on homelessness prevention when compared to national performance.</p>
Equality:	<p>The specification for the contract has been designed to meet the needs of people with disabilities or other protected characteristics. This tender process has included (for the first time) requests for a number of accessible rooms and for accommodation that allows pets – as in a number of cases people have assistance and support animals.</p>



Health and Wellbeing:	The provision of good quality temporary accommodation will ensure that families have a safe and secure place to stay whilst the service works with them to address their longer term housing need. Well managed temporary accommodation reduces negative impacts on health and incidents of anti social behaviour. A broad selection of accommodation ensures that, where possible, families can be placed near to existing schools and support networks, reducing disruption.
Social Value:	The provision of temporary accommodation will support investing in local businesses, people and jobs. It will also actively encourage community engagement within the contractual arrangements. The framework has been designed to allow as many individual providers to be selected to ensure we have sufficient capacity and flexibility in provision.
Climate Change:	If we have flexible provision of temporary accommodation, we can better place families within their existing support networks, work and school catchment areas which invariably reduces the need for travel via car/public transport etc
Corporate Parenting:	We have a duty to protect children, the provision of temporary accommodation provides a safe place for children to reside when families present at crisis and enables families to continue to reside together without the intervention of Children’s Trust so we can ensure children are safeguarded and will be seen on a regular basis. When required, the trust will be accessing the contracted provision of temporary accommodation, which will have been selected through evaluation with a focus on quality of provision. The two services work closely together to address housing need and in turn ensure children can remain with their family.

7. Appendices

Appendix One – Tender document

Appendix Two – Temporary Accommodation Trends

Appendix Three – Temporary Accommodation Policy



8. Background Papers

None

