

## NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

### REPORT TO CABINET

14 October 2020

**Report Title:** Temporary Accommodation Provision from 1<sup>st</sup> November 2020 to 31<sup>st</sup> March 2021

**Submitted by:** Housing and Partnerships

**Portfolios:** Community Safety and Wellbeing

**Ward(s) affected:** All

#### **Purpose of the Report**

To seek Cabinet approval to let two short term contracts for temporary accommodation for homeless people.

#### **Recommendation**

- 1) Subject to finalising legal agreement with the Specialist Homeless Advisor at Ministry of Housing, Communities and Local Government:
  - a. To let a five month contract (1<sup>st</sup> November 2020 to 31<sup>st</sup> March 2021) to Open Door Stoke-on-Trent for the provision of supported accommodation for rough sleepers from the street with complex and high level support needs.
  - b. To let a five month (1<sup>st</sup> November 2020 to 31<sup>st</sup> March 2021) contract to Open Door Stoke-on-Trent for the provision of shared houses to provide lower level supported accommodation for single homeless people with complex needs.
- 2) To note the financial needs regarding the above services for 2021/22 and that subject to successful allocations of Central Government funding the above contracts are extended for 2021/22.
- 3) To direct officer to bid for Rough Sleeper Initiative 4 funding for medium term self-contained supported accommodation for homeless with complex needs.

#### **Reasons**

A Temporary Accommodation Review was undertaken and recommended that a mini procurement exercise was undertaken to identify preferred partners and best accommodation options and costings for our homeless households.

This report follows that procurement exercise for temporary accommodation provision from 1<sup>st</sup> November 2020, when the current contracts end, to 31<sup>st</sup> March 2021, with the option to extend for 2021/22 subject to funding.

#### 1. **Background**

- 1.1 The Council has a duty to provide assistance to homeless households including securing temporary accommodation. Rising demand, escalating costs and the recent impact of the Coronavirus "everyone in" policy led to a Temporary Accommodation Review being undertaken in July 2020.
- 1.2 Recommendations included:
  - Work with Newcastle Housing Advice and other partners to reduce the use of B & B placements, maximise the use Housing Benefit claims and manage move on, and to

- Undertake a mini procurement exercise to identify preferred partners and best accommodation options and costings for our homeless households.

1.3 The current provision for temporary accommodation is:

- A 7 bed unit for entrenched rough sleepers with support systems in place, this was commissioned as a direct result of the “everyone in” policy. However it has been life changing for some accommodated there who instead of being ‘trapped in a revolving door’ continually returning to homelessness have through the intensive support engaged with services and are now on a path to gaining and maintaining permanent accommodation.
- an 8 bed unit (4 x male and 4 x female) as supported temporary accommodation for single homeless people.

1.4 While the services are demonstrating sound outcomes they have not been market tested other than by comparison to B & B use in the Temporary Accommodation Review.

## 2. **Issues**

2.1 Although the tender was promoted to many providers working in the borough only one submission was received for each of the two lots. On analysis each submission scored highly for ‘Project Purpose’ and ‘Impact and project outcomes’ and were sufficiently well detailed to demonstrate compliance with the specification.

2.2 The submissions are from the current provider of the services and represent a continuation of the current service and cost.

2.3 The costs of the submissions are:

Lot 1 - To let a five month contract to Open Door Stoke-on-Trent for the provision of supported accommodation for rough sleepers from the street with complex and high level support needs.

Nov1<sup>st</sup> 2020 to 31<sup>st</sup> March 2021 = £106,754.90

This is based on a 7 bed temporary accommodation unit being full every night at a cost of £95 per room for 5 single rooms and £110 per night for 2 double occupancy rooms. With a 1% management fee applied to monthly invoices.

2.4 Lot 2 - To let a five month contract to Open Door Stoke-on-Trent for the provision of shared houses to provide lower level supported accommodation for single homeless people with complex needs

Oct 1<sup>st</sup> 2020 to 31<sup>st</sup> March 2021 = £79, 874.12.

This is based on an 8 bed temporary accommodation unit being full every night at a cost of £65 per room per person with a 1% monthly management fee on the invoice.

2.5 While Housing Benefit covers the cost of the temporary accommodation and is payable by the Council, there is an element of the overall cost of the temporary accommodation that can be reclaimed by the Council from DWP. At the time of writing this equates up to £80.77 per person per week, which by contrast to the average cost of £80 per night, leaves a considerable deficit for the Borough Council to cover. Therefore the best case scenario is that £14,560 can be reclaimed to offset Lot 1 and £16,640 can be reclaimed to offset Lot 2 from DWP.

2.6 The Council has been successful in securing Next Steps funding for the continuation of the 7 bed temporary accommodation unit with £125,610 allocated from October to the end of the financial year.

2.7 It is anticipated that there will be an announcement at Christmas for the national Rough Sleepers Initiative 4 with funding to commence April 2021. This funding will be aimed at projects that provide supported self-contained accommodation for up to 2 years. It is recommended that Officers seek to develop proposals for this funding round.

2.8 The Council is planning for Severe Weather Emergency Provision (SWEP) this is where any rough sleeper must be offered indoor space when the weather forecast is zero or below for 3 consecutive nights. In previous years space has been offered through a range of supported housing schemes and hostels, including 'upright spaces' which are where the person stays in the communal space not in a bed. It is anticipated that this will be very difficult this year as Covid restrictions have led to different practices being adopted by accommodation providers compared to previous years.

### 3.0 **Proposal**

3.1 To approve the two short term contracts to maintain an appropriate temporary accommodation service.

3.2 To ensure the contract is closely monitored for the specified outcomes and effective reclaiming of housing benefit funds.

3.3 That further proposals are developed for the service from 1<sup>st</sup> April 2021. Newcastle Housing Advice is provided by Midland Heart Ltd on behalf of the Council. This contract ends on 31<sup>st</sup> March 2021 and the service will be returning in house. Temporary Accommodation proposals for post April 2021 need to be considered and financial allocation made for beyond March 2021.

### 4. **Reasons for Proposed Solution**

4.1 Market testing has shown limited providers in this specialist field.

4.2 The temporary accommodation review evidenced that supported housing is more cost effective than B&B accommodation which also doesn't have the added advantage of support services.

4.3 Open Door Stoke-on-Trent are the current provider so it will ensure a smooth continuation of service and vulnerable residents will not be asked to move accommodation or support workers which may be unsettling for them.

4.4 Having a continuation of service ensures vulnerable previous rough sleepers will not simply be returned to the streets. The needs of this client group will continue and the Council needs to plan for the medium term to ensure appropriate provision is available. The procurement stated that a 5 month contract would be issued until March 2021 then subject to funding a further years contract extension may be given.

### 5. **Options Considered**

5.1 As the recommendations follow the temporary accommodation review outcome and market testing no other options have been considered.

### 6. **Legal and Statutory Implications**

6.1 **The Housing Act 1996, Part VII** (as amended) sets out the circumstances when a local authority is required to provide temporary accommodation to homeless households. The expectations for this temporary accommodation are then set out in the Homelessness (Suitability of Accommodation) (England) Order 2012.

6.2 Other relevant statutory guidance includes.

- Homelessness Act 2002
- Homelessness Code of Guidance for Local Authorities 2006

- Homelessness (Suitability of Accommodation) Order 1996
- Homelessness (Suitability of Accommodation) (England) Order 2003
- Localism Act 2011 (Commencement No 2 and Transitional Provisions) (England) Order 2012
- Supplementary Guidance on Changes in Localism Act 2011
- Supplementary Guidance on Domestic Abuse and Homelessness 2014
- The Homelessness Reduction Act 2017.

6.3 Not having a fit for purpose service will leave the council open to a legal challenge.

## 7. **Equality Impact Assessment**

7.1 Temporary accommodation placements are made purely on merit and there are no disproportionate outcomes to any sector.

## 8. **Financial and Resource Implications**

8.1 The overall cost of both lots is £186,629.

8.2 Subject to the legal agreement and final discussions with the Specialist Homeless Advisor it is expected that the Next Steps funding of £125,610 can be used to cover some of the costs of the 7 Bed Copeland Street temporary accommodations from October to 31<sup>st</sup> March. It is expected that around £26,000 can be claimed (over the total 15 beds / claimants) from Housing Benefit. The remaining £35,109 can be met from the Budget Support Fund (Housing) from previous years grants and contributions.

8.3 Extension of the lots for 2021/22 would be subject to sufficient funding being received from Central Government, at the current time no certainty has been provided.

8.4 Officers are currently drafting a SWEP scheme to meet the Council's obligations this winter and funding will be required. This is subject to a separate report and discussions are to take place about utilising national Rough Sleeper Initiative 2 funding.

## 9. **Major Risks**

9.1 There is a risk that this provision is insufficient to meet rising demand and additional B&B may be needed.

9.2 There is a risk of reputational damage to the Council if it does not deliver its statutory duties lawfully and effectively.

## 10. **Sustainability and Climate Change Implications**

10.1 There are no sustainability or climate change implications.

## 11. **Key Decision Information**

11.1 This report can be considered key in the following ways: -

- It results in the Borough Council committing existing resources for the function to which the decision relates and;
- To be significant in terms of its effects on communities living or working in an area comprising two or more electoral wards in the Borough.

## 12. **Earlier Cabinet/Committee Resolutions**

12.1 None.

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 Temporary Accommodation Review July 2020