

 <p>ADUR & WORTHING COUNCILS</p>	<p>WBC Cabinet Member for Citizen Services ADC Cabinet Member for Adur Homes and Customer Services</p> <p>Decision Ref No: JAW/007/23-24</p> <p>Date: 17 August 2023</p> <p>Decision to be taken on or after 25 August 2023</p>
---	---

Key Decision: Yes

Ward(s) Affected: N/A

Emergency Accommodation Contract Award - Nyewood Lane, Bognor Regis

Report by the Director for Housing and Communities

Executive Summary

1. Purpose

- 1.1 To acquire by way of Service Level Agreement, Emergency Accommodation with associated services to enable Worthing Borough Council (WBC) and Adur District Council (ADC) to fulfil their statutory housing duties under S188 and S193 of the Housing Act 1996.

2. Recommendations

- 2.1 To authorise the Director for Housing & Communities to enter into a Service Level Agreement (SLA) for the provision of Emergency Accommodation at Nyewood Lane, Bognor Regis, for a term of 5 years with Dim West LTD as set out in paragraph 4.6.
- 2.2 To note that the SLA will have an option for the Council to extend the agreement for a further 5 year period, subject to Member authority and available budgets.

3. Context

3.1 Since the introduction of the Homelessness Reduction Act in April 2018 and the COVID-19 pandemic, we have seen a sharp rise in the number of single people presenting as homeless, increasing the demand for emergency accommodation. Single people now represent 52% of the total emergency accommodation placements in Adur and 63% in Worthing and at the time of writing this report there are a total of 47 Adur and 220 Worthing single person households residing in emergency accommodation, many of whom are placed in expensive nightly booked bed and breakfast.

3.2 Furthermore, the added pressure of the current economic downturn on the housing market has resulted in lower supply and raised rental values of private rented accommodation. A recent report by the BBC has confirmed that a third less rented accommodation is available now compared to 18 months ago and rents have risen by ~11% over the same period. Conversely, the Local Housing Allowance has not risen inline with this and has again been frozen for 2023/24.

3.3 These combined factors have resulted in an increase in net temporary accommodation placements of 157% for WBC and 98% for ADC over a 36 month period and our net increase in emergency accommodation placements is currently at ~5 per month for WBC and ~1.6 per month for ADC.

3.4 The table below shows the estimated number and type of properties that are needed to replace our existing expensive nightly booked bed and breakfast accommodation and meet new demand up until April 2025.

WBC Total TA supply required 2023/2025						
Room/studio: Medium/Complex needs singles	Room: general needs singles	Studios	1 bed	2 bed	3 bed	TOTAL
150	38	43	52	23	4	310

ADC Total TA supply required 2023/2025						
Room/studio: Medium/Complex needs singles	Room: general needs singles	Studios	1 bed	2 bed	3 bed	TOTAL
42	11	23	25	8	1	110

3.5 In accordance with the Homelessness Reduction Act 2017 and Part VII of the Housing Act 1996, the council has a legal obligation to prevent homelessness and

reduce the need for placement into temporary accommodation. In a one year period, homelessness has been prevented for 74 households and relieved for 96 households in Worthing and prevented for 29 households and relieved for 48 households in Adur.

3.6 With the sources of homelessness increasingly from those with no security of tenure or fleeing domestic abuse, homelessness is often not possible to prevent. This is also coupled with increasing numbers of both young and older people as well as increasing numbers with high support needs across the population and our need for supported and staffed accommodation has increased. We are currently meeting this need with provision of inreach into accommodation and security patrols out of hours which is also helping to highlight when support is needed, but this is not able to fully meet the need.

3.7 Provision of move on accommodation is an extremely important factor in reducing the number of households in temporary accommodation; however, due to the shortage of available social rented and affordable private rented accommodation, this is often a great challenge. This shortage has been compounded by the COVID-19 pandemic as people from more expensive areas in the South East such as London and Brighton take advantage of new working from home arrangements and moving to surrounding areas where the rental and house prices are comparatively low.

3.8 To attract more private landlords, the council introduced its UKHA award-winning 'Opening Doors' private sector letting service. The success of this has been key in preventing and relieving homelessness by enabling a supply of good quality privately rented homes to people with housing needs. Since its introduction in July 2019, it has provided homes to over 100 households with an additional 67 properties in the pipeline that we expect to be occupied by the end of Q2 2024.

3.9 We are also building relationships with larger developers who are attracted to 'Opening Doors' guaranteed rent and additional support provided by the council. A recent example of this includes a 21-flat development in Worthing that was secured on a five-year deal using an Empty Properties Grant that will provide affordable (LHA rate) and eco-friendly private rented accommodation for local people with housing needs, greatly reducing the pressure on our temporary accommodation stock and budgets.

3.10 As well as working to increase and improve our local temporary accommodation supply we are also working on other initiatives to meet this need, including with RSL and support providers for supported move on accommodation and provision of support accommodation for those with complex needs.

3.11 The specialist nature of emergency/temporary accommodation provision involves more intensive management and higher turnover of tenants compared to privately renting and only a select few landlords are willing and able to provide this at affordable rates. Strong demand for accommodation and high achievable rents means most landlords opt to rent privately, adding to the challenge of acquiring and retaining adequate provision of emergency accommodation. Registered providers are also reluctant to provide emergency accommodation due to the additional management required.

3.12 We are also experiencing a great deal of competition both from the private rented market and other opportunist emergency accommodation providers that are sourcing properties like these, leasing them from the owners at above market rents and providing them to Local Authorities at highly inflated rates. The arrangement as set out in this report cuts out the 'middleman' arrangement and provides better value for money.

4. Issues for consideration

4.1 The Temporary Accommodation Placement and Procurement Policy requires the council to employ a variety of approaches to maintain the supply of good quality Temporary accommodation, including obtaining self-contained properties in its temporary accommodation stock through short and medium term block booking arrangements with private landlords. This accommodation is not self-contained however a need for additional shared accommodation has arisen due to high demand for single people who represent a majority of our total temporary accommodation placements.

4.2 Priority 3 of the Housing Strategy 2020-23 confirms that demand for emergency and temporary accommodation remains high and the Councils will need to continue to keep under review the number and nature of the types of accommodation available to them for these purposes as the nature of demand changes. In May 2023, a full review of our temporary accommodation was conducted to understand our current and future supply requirements which found that single people represented 59% and 48% respectively of WBC's and ADC's most expensive nightly booked placements, showing a need for the councils to acquire more cost effective temporary accommodation for this cohort.

4.3 It is important that measures are put in place to prevent occurrences of anti-social behaviour (ASB) and ensure that any incidents can be quickly responded to. In this proposal, there will be a minimum of one member of staff on site between the hours of 9am - 5pm on weekdays and regular random security visits during the weekend and throughout the night. The property will also be equipped with CCTV for added security.

4.4 Demand for emergency accommodation is increasing and the council is required under a statutory duty to provide this. Without long term provision of lower cost emergency accommodation, the only option is to use financially unsustainable short-term nightly booked accommodation.

4.5 It is always preferable to secure accommodation within the District and Borough of Adur and Worthing, due to the known detrimental impact of placing people out of the area that they have lived and worked in and where they have family/social connections, and we are currently in the process of securing 151 units in Worthing and 18 units in Adur, which, if successful, are expected to complete within the next 24 months. However, high demand for temporary accommodation means we are unable to meet the need with local provision alone and are therefore required to source accommodation outside of Adur and Worthing. The property has good

transport links with Bognor Regis Railway Station within 17 mins walking distance (0.8 miles) and a bus stop located immediately outside the property.

4.6 The provider is a company called Dim West Limited and is in the process of purchasing the property at Nyewood Lane, Bognor Regis. The Councils have successfully used this provider in the past for its Opening Doors scheme. The provider has requested a 5-year agreement with an option to extend the contract for a further 5 years (subject to further Member authority and available budget) as this enables them to financially plan using an emergency accommodation business model on the agreed rates. A longer contract also means the service can be provided at lower cost because it gives the provider added financial security for their long-term business plan, plus it gives the council the guarantee that this provision of temporary accommodation for this cohort will be available for an extended period of time.

4.7 Prior to any agreement of a further 5 year extension, a review shall be carried out to assess the current need and demand for temporary accommodation and a new financial appraisal shall be completed to ensure value for money against other possible options and would require further Cabinet Member approval and consultation with financial and legal services.

4.8 In the event that the Council agrees to an extension to the agreement the Council shall serve a written notice at least 3 months before the expiry of the initial agreement on the Provider confirming this and all terms and conditions of the agreement shall remain the same unless otherwise agreed in writing by both parties.

4.9 The energy efficiency of the property will be brought up to an EPC 'C' rating by improving the insulation and installing a communal air source heat pump system for heating and hot water powered by PV solar panels which the occupiers will financially benefit from.

4.10 Planning permission for change of use from a care home (C2 Residential Institutions) to a House in Multiple Occupation (Sui-generis) was granted following an appeal on 14th Dec 2022 (Ref: BR/86/20/PL).

5. Number and type of households to be accommodated

5.1 There are a total of 38 units of accommodation all equipped with kitchenettes and a shared laundry facility. 30 rooms will benefit from their own bathroom and the remaining 8 rooms will share 3 bathrooms. These will primarily be used for single people, but 5 of the 38 rooms are sufficient in size for small families of up to 3 persons depending on the ages and sexes of the children which will allow some flexibility for any changes in demand.

5.2 To meet the individual needs and circumstances of single homeless people this provider is offering a unique pathway of temporary accommodation with varying levels of management intensity throughout numerous housing schemes to give people the best chance of maintaining their accommodation and achieving positive outcomes with an end goal of living independently in their own accommodation.

5.3 Property management and services:

High Management	Medium Management	Low Management
SIA registered security overnight visits per block Monday to Friday, additional security visits Saturday and Sunday	SIA registered security overnight visits per block Monday to Friday, additional security visits Saturday and Sunday	SIA registered security overnight visits per block Monday to Friday, additional security visits Saturday and Sunday
Access to tenant support with a check in assessment and support plan.	Access to tenant support with a check in assessment and support plan (if required)	Access to tenant support (if required)
On site property Managers Monday to Friday 9-5pm	Regular welfare visits from property managers	Property manager support and dispute resolution
24/7 emergency contact	24/7 emergency contact	24/7 emergency contact
Signposting via built external network	Signposting via built external network	First gym session and subsidised membership Food/finance/wellbeing workshops
Safe meeting rooms onsite to facilitate client services	First gym session and subsidised membership Food/finance/wellbeing workshops	Apprenticeships through Base One network
First gym session and subsidised membership Food/finance/wellbeing workshops	Apprenticeships through Base One network	
Apprenticeships through Base One network		

5.4 This service will provide high management to include all services listed above.

5.5 The service will be used by both ADC and WBC.

6.0 Proposed Contract Arrangements And Summary Of Terms:

6.1 Council responsible for:

- Rent collection
- Arranging placements
- Contract management (i.e ensuring the managing agent and landlord are keeping the property in good, safe condition)

6.2 Landlord responsible for:

- All internal and external parts of the building and associated repairs
- Building/landlord insurance
- Maintaining the property in a lettable standard if for example there was a fire or flood
- Electrical safety checks
- Gas safety checks
- Fire safety
- Undertaking repairs that are due to wear and tear
- Provision of white goods
- Attending evictions
- Tenant damage
- Day-to-day management including dealing with anti-social behaviour
- Arranging and undertaking repairs (including with the landlord)
- Visual electrical safety checks
- Check-in/check-out occupiers
- 24 hour emergency call out
- All furnishings including adequate provision of beds and mattresses
- Water bills
- Council tax
- Metered for electricity (air source heat pumps and solar). Water will be included within the contract and will be service chargeable for the tenants. Wifi will be on a separate charge to be paid to the provider by the tenants.
- All utility bills during voids

7.0 Alternative options considered

7.1 Both ADC and WBC have commenced capital works programmes to purchase and develop their own temporary accommodation stock. So far three buildings have been developed to create 38 self-contained flats in Worthing and one building in Adur consisting of 6 self-contained flats. Whilst this is an effective long term strategy to lower the cost of temporary accommodation, it can take many months or years to develop each site and therefore this in isolation is not sufficient to keep up with current demand.

7.2 We are also continuing to operate our UKHA award winning 'Opening Doors' letting service which provides a supply of private rented accommodation to prevent and relieve homelessness and assist with moving people on from temporary accommodation. Since its introduction in July 2019, we have achieved over 100 lets with an additional 67 properties in the pipeline expected to be occupied by the end of Q2 2024. However, due to high numbers of people presenting as homeless, this is not sufficient to keep up with current demand and therefore a supply of cost-effective

temporary accommodation is required to meet the immediate housing needs for the homeless.

7.3 Other options include spot purchase of rooms and flats, however this is very costly and unsustainable in the medium to long term as well as not being suitable for the majority of single person households due to level of need and risk that requires staffing.

7.4 Doing nothing and continuing to use nightly booked accommodation will see costs spiral and an increase out of area placements and is therefore not recommended.

8.0 Engagement and Communication

8.1 Steps taken to date e.g. initial discussions with owner, initial condition survey

- Monthly rates negotiated as low as possible
- SLA to be 5 years (with an option to extend for a further 5 years subject to further Cabinet Member approval in accordance with delegation 2.6.8 of the Officer Scheme of Delegations and the councils Contract Standing Orders)
- Block booking rates are fixed for the term of the agreement
- The property will be inspected by a private sector housing officer to ensure it is fit for habitation and meets health and safety standards.

8.2 The following documents will be obtained before commencement of the agreement:

- Electrical Installations Conditions Report
- Gas Safety Cert (if applicable)
- Land Reg search to confirm owner and mortgage (if any) on property
- Permission from the owner's lender
- Landlord and buildings insurance policies
- Fire Risk Assessment
- Building Control certificate (if applicable)
- HMO licence
- The property will be managed by the provider with 24hr staffing and equipped with CCTV in the communal areas for safety and security of the residents which develops our model taking account of the learning from 'Everyone In'.
- Full planning permission to obtain the correct use class will be required prior to any agreement being entered into. All neighbours, council departments and other relevant consultees will be contacted for their consideration and comments as part of the planning application.

9. Proposed Timescale

9.1 Phase one consisting of 16 rooms is expected to be completed and available for occupation in April 2024. The second phase of 22 rooms will be available in July 2024.

10. Financial Implications

10.1 This proposal has been tested by financial services colleagues to ensure that the business case is robust and affordable and generates an improvement on the current provision in terms of cost and risks.

10.2 The financial details and price payable by the Council to the service provider for overnight accommodation are commercially sensitive and therefore are considered to be commercially sensitive information and are included in the Exempt Appendix to this report.

10.3 The service will be used by both authorities but will be in the name of ADC as the Accountable Body for Joint services.

11. Legal Implications

11.1 The Homelessness Reduction Act 2017 and sections 188 and 193 of the Housing Act 1996, sets out the circumstances when a local authority is required to provide emergency and temporary accommodation to homeless households. The expectations for this temporary accommodation are then set out in the Homelessness (Suitability of Accommodation) (England) Order 2012. housing duty under the Housing Act 1996.

11.2 Section 1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by pre-existing legislation.

11.3 Section 3(1) of the Local Government Act 1999 (LGA 1999) contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

11.4 s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available of assets or services for the purposes of, or in connection with, the discharge of the function by the local authority.

11.5 Under the Public Contract Regulations 2015, Regulation 4 provides that where there are mixed procurements it is the main subject matter that determines the nature of the contract. The main subject matter is the provision of accommodation to enable the Councils to comply with their duty under s188 of the Housing Act 1996. By Regulation 10.1 (a) of the Public Contract Regulations 2015 there is a specific exclusion for service contracts where the main subject matter is for the acquisition.... by whatever financial means..... of existing buildings.

Background Papers

- Financial appraisal
- Delivering Pathways to Affordable Homes
- Temporary Accommodation Placement and Procurement Policy
- Housing Strategy 2020-23

Officer Contact Details:-

Steve Hay

Acquisitions and Landlord Support Coordinator

Tel: 07778 256807

Email: steve.hay@adur-worthing.gov.uk

Sustainability & Risk Assessment

1. Economic

- This scheme forms part of a wider network of temporary accommodation services creating 6 FTE jobs (external)
- Providing good quality staffed accommodation with additional support services gives people a better chance to improve their personal circumstances. This service provides access to local support to help with physical and mental health and improve their general wellbeing to give people a better chance to secure employment.
- The scheme will reduce costs for provision of temporary accommodation.

2. Social

2.1 Social Value

- Many people are being placed in unsuitable and unstaffed temporary accommodation which can hinder recovery, perpetuate homelessness, worsen mental health issues and increase the chances of people resorting to poor lifestyle choices. This service includes holistic additional support that gives those who need it the opportunity to improve their mental and physical wellbeing, learn essential life skills, prepare for work and secure permanent accommodation.

2.2 Equality Issues

- The councils Temporary Accommodation Placement and Procurement Strategy takes into account the public sector Equality Duty (Section 149 of the Equality Act 2010) and the Council's allocation and procurement of temporary accommodation will have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation
 - Advance equality of opportunity between different groups

- Foster good relations between different groups
- of any household with a member with a 'relevant protected characteristic' when placing in temporary accommodation.

2.3 Community Safety Issues (Section 17)

- To prevent occurrences of anti-social behaviour, the property will have weekday staffing during the hours of 9am - 5pm with regular weekend and night time security visits by SIA registered security officers. The property will also be equipped with CCTV within the internal and outdoor communal spaces for the safety and security of the residents.
- The building will be compartmented to reduce contact between residents and lower the risk of potential incidents of anti-social behaviour.
- The council's housing needs team will maintain regular contact with the provider to ensure any incidents relating to the occupiers are closely monitored and appropriate action is taken to reduce or eliminate the impact on local residents.

2.4 Human Rights Issues

- Matter considered and no issues identified.

3. Environmental

- This property will be designed to a minimum EPC 'C' rating to maximise thermal efficiency and reduce bills and will conform with current building regulations.
- Heating and hot water will be provided via an efficient communal air source heat pump system powered by PV solar panels.
- Recycling will be encouraged.
- The property will be required to meet all housing health and safety requirements including building, fire, electrical and gas safety legislation and must be fully compliant with the Housing Health and Safety Rating System (HHSRS) as defined in the Housing Act 2004. This property is a licensed HMO and will be inspected by a private sector housing officer upon completion.
- All required certificates in relation to electrical, gas and fire safety shall be obtained prior to occupation.

4. Governance

- As set out in the Delivering Pathways To Affordable Homes paper and Priority 3 of our Housing Strategy 2020-23, we have increasing demand for temporary accommodation that requires us to secure more affordable accommodation options.
- Section 3.1 of Temporary Accommodation Placement and Procurement Policy requires the councils to employ a variety of approaches to maintain the supply of good quality TA, including increasing obtaining self-contained properties in its temporary accommodation stock through short and medium term block booking arrangements with private landlords and increasing the number of leased properties in its stock by developing a private rented leasing scheme.

This property is not leased but the agreement allows us to secure nomination rights without taking a legal interest in the property or land.

- The property will be fully managed by the provider and we have a grant funded support staff and therefore no additional resources or staff are required.