

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

2921

Author:

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Department:

Development and Growth

Contact:

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Subject:

Reducing the use of bed and breakfast for homeless households

Total Value:

£586,000 (Type: Revenue)

Decision Being Taken:

1. To accept the Government Flexible Homeless Support Grant of £586,000 for use during 2017/18 towards:
  - a. mitigation of the costs of bed and breakfasts used to meet the statutory duty in regard to homeless households;
  - b. £89,448 for staff and associated costs to prevent people becoming homeless;
  - c. £43,224 for staff to ensure as much income as possible is secured to support costs associated with providing accommodation.
2. To grant dispensation from Contract Procedure Rule 5.1.2, in accordance with Financial Regulation 3.29, to award a contract worth £31,500 per year to Framework Housing Association for the delivery of an accommodation based support service, for a period of 3 years from 14 August 2017, of 18 units for housing vulnerable families, and delegate authority to the Strategic Director of Economic Development to sign the contract.
3. To delegate authority to the Strategic Director of Economic Development to alter the current allocations policy in order to enable a direct offer of accommodation as a discharge of the statutory duty, subject to a statutory review at a later date.

**Reasons for the Decision(s)**

There has been a nationwide rise in homelessness which has also impacted Nottingham. There has been an increased demand for places, a limited supply of temporary hostel beds and a reduced supply of properties for permanent rehousing. As a result, the use of Bed and Breakfast as a means of meeting our statutory duty to provide accommodation for people presenting as homeless has increased significantly: from virtually zero in 2014/15 to £646,000 in 2016/17 (based on 20,000 household days in B&B). This looks set to rise even further in 2017/18 - potentially to at least £1.6m based on figures from April to June. Not only does B&B impose a significant cost on the City Council, but it is not an appropriate way to accommodate homeless people for a pro-longed period of time.

We have recently received a Government Grant (the Flexible Homelessness Support Grant) of £586,000 in 2017/18 and are anticipating £623,000 in 2018/19 (which will be subject to a separate delegated decision). This grant gives us the opportunity to invest in measures which will both reduce demand for temporary accommodation and increase the supply of non-B&B accommodation - both of which will reduce the number of household days in B&B and hence the cost. In addition we can also implement activities which will ensure as much income as possible is secured to offset costs to the Council and alter the allocations policy so as to reduce the amount of time that individuals are waiting before they are found more permanent accommodation.

**Briefing notes documents:**

Appendix.docx

**Other Options Considered:**

Making no changes to the allocations policy was rejected as the 3 weeks Choice Based Lettings bidding time delays exit from temporary accommodation.

Using the Flexible Homelessness Support Grant to meet day-to-day costs of B&B was rejected as it would result in a substantial overspend likely to exceed £1,000,000 during 2017/18.

Going out to tender for provision of accommodation was rejected as there is an immediate opportunity to commission appropriate accommodation from a provider with which we have an existing contract, at a reasonable cost, on a basis which will make a major contribution to reducing reliance on B&B in the short term. NCC need to act now to reduce B&B pressures and bring spending under control - a competitive tender will take time to complete and incur additional expense in B&B spend during the process which will far outweigh any possible saving. NCC are undertaking a wider exercise to determine how approximately £4,000,000 p/a will be used to fund homelessness services in the City from 2018/19 onwards and the services to be commissioned following this work will be subject to a competitive tender and future decision.

**Background Papers:**

None.

**Published Works:**

Homelessness Prevention Strategy 2013-18.

**Affected Wards:**

Citywide

**Colleague / Councillor Interests:** None.

**Any Information Exempt from publication:** Yes

**Dispensation from Financial Regulations:** Yes

**Exempt Information:**

**Description of what is exempt:** The financial breakdown of costs for implementing the strategy.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

**3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it could financially disadvantage the authority in future commissioning decisions.

**Documents exempt from publication:**

Adjusted Housing information BB latest for DDM with trend.xlsx, Microsoft PowerPoint - CLT - Homelessness Reduction June 2017 Final.pdf

**Consultations:**

Date: 07/06/2017  
Other: Corporate Leadership Team (CLT)  
CLT agreed the approach.

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

No impacts

**Equality:**

Please login to the system to view the EIA document: EIA\_Form\_BB Reduction 2017v4GH.doc

<b>Social Value Considerations:</b>	Additional support services must be delivered through the landlord providing the additional units of accommodation. The value is modest and the need urgent. The landlord is the holder of contracts with NCC currently. A new contract is a sensible and practical approach.
<b>Relates to staffing:</b>	Yes
<b>Decision Type:</b>	Portfolio Holder
<b>Subject to Call In:</b>	Yes
<b>Call In Expiry date:</b>	25/08/2017
<b>Advice Sought:</b>	Legal, Finance, Procurement, Human Resources, Equality and Diversity
<b>Legal Advice:</b>	<p>1. Under Section 7 of the Local Government and Housing Act 1989, any appointments to the proposed new posts should be made on merit.</p> <p>2. We agree with the assessment that the Allocations Policy will need formal and urgent review to enable amendments on the basis of the proposals.</p> <p>Advice provided by John Bernard-Carlin (Team Leader) on 07/07/2017.</p>
<b>Finance Advice:</b>	<p>See attached information</p> <p>Advice provided by Susan Tytherleigh (Senior Finance Manager) on 11/07/2017.</p> <p>Advice documents: Bed and Breakfast DD v2.docx</p>
<b>Procurement Advice:</b>	<p>The decision for 18 units of accommodation for homeless families is supported from a procurement perspective providing that VFM is demonstrated. It is understood that this decision required approval to seek dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation (3.29) (Operational Issues) with respect to a tender, to allow for the direct award of a contract to Framework Housing Association. There will be a requirement to delegate authority to the relevant Director to sign the contract. The decision is below the EU procurement threshold. A service specification and contract will be required to be developed, with the contract being managed. Any further proposals would be required to be in accordance with Contract Procedure and Financial Regulations.</p> <p>Advice provided by Julie Herrod (Procurement Officer) on 20/07/2017.</p>

**HR Advice:**

**NCC recruitment and resourcing procedures should be adhered to when recruiting support staff.**

**If employment contracts for additional staffing resource exceeds over 2 years, budget should be set aside for any potential redundancy payments. (NCC redundancy and redeployment principles should be adhered to).**

**Advice provided by Saema Mohammad (Service Redesign Consultant) on 04/07/2017.**

**Equality and Diversity Advice:**

**The proposal should benefit some of the most vulnerable groups within the city and provide move stability. Careful and consistent monitoring on impact will be imperative to ensure that the protected groups e.g. BME and disabled people receive the intended benefits.**

**Advice provided by Adisa Djan (Equalities and Diversity Consultant) on 26/07/2017.**

**Signatures**

<b>Jane Urquhart (PH for Planning, Housing and Heritage)</b>
<b>SIGNED and Dated: 17/08/2017</b>
<b>David Bishop (Deputy CE, CD for Development and Growth)</b>
<b>SIGNED and Dated: 17/08/2017</b>
<b>Geoff Walker (Strategic Director Finance/CFO) - Dispensation from Financial Regulations</b>
<b>SIGNED and Dated: 17/08/2017</b>
<b>Chief Finance Officer's Comments:</b>