

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3308
Author:	Rachael Harding
Department:	Development and Growth
Contact:	Rachael Harding (Job Title: Homelessness Strategy Manager, Email: rachael.harding@nottinghamcity.gov.uk, Phone: 62754)
Subject:	Reducing the use of Bed and Breakfast for homeless households
Total Value:	£623,158 (Type: Revenue)
Decision Being Taken:	<p>To accept the Government Flexible Homeless Support Grant of £623,158 for use during 2018/19 towards the series of measures outlined in the Appendix 'Programme for use of Flexible Homeless Support Grant'</p> <p>To delegate authority to the Corporate Director of Development and Growth to adjust the remit of spend between the listed measures as demand requires within the financial envelope.</p> <p>To approve dispensation from Contract Procedure Rules 5.1.1 in accordance with Financial Regulation 3.29 (Operational Issues) in order for Nottingham Community Housing Association to deliver the accommodation and support at Linby Drive and Corporation Oaks as outlined in points 2 & 3 within Appendix 'Programme for use of Flexible Homeless Support Grant'. This provision will assist with the reduction in use of Bed & Breakfast accommodation. The needs are urgent but the value is modest and below the EU procurement threshold.</p>

Reasons for the Decision(s)

The ongoing national rise in homelessness has had impact in Nottingham and there has been subsequent demand for temporary accommodation from families and vulnerable single adults to whom the local authority has a statutory duty to accommodate. The existing level of provision of temporary accommodation has not been sufficient in meeting the demand and as a result the use of Bed and Breakfast (B&B) has continued. In the last quarter of 2017/18 there were an average of 13 households placed in Bed and Breakfast per week.

Use of Bed and Breakfast is not an appropriate way to accommodate homeless people for a prolonged period of time. Furthermore, it imposes a significant cost on Nottingham City Council and in 2017/18 Bed & Breakfast expenditure led to an overspend of £0.786m.

In 2017/18 NCC received £586,000 funding from Government in the form of the Flexible Homelessness Support Grant to help us invest in measures to both reduce demand for temporary accommodation and increase the supply of non-B&B accommodation. The result of these interventions was a reduction in use of B&B from a snapshot high of 140 households in October 2017 to a low of 37 households in February 2018. However, the introduction of the Homelessness Reduction Act in April 2018 (alongside further limitations in supply of permanent accommodation) has increased upward pressure for temporary accommodation.

Nottingham City Council has received a further Flexible Homeless Support Grant award of £623,000 for 2018/19 which gives us opportunity to invest in further measures and implement the plan to reduce (and eventually end) reliance on B&B and its associated high cost to the Council.

Briefing notes documents:

Appendix - Programme for use of Flexible Homeless Support Grant 2018-19.docx, Report on the causes of homelessness - For information not for publication.pdf, Nottingham PSLs - briefing note - For information - not for publication.docx

Other Options Considered: Using the Flexible Homelessness Support Grant (FHSG) to meet day-to-day costs of Bed & Breakfast was rejected as it would result in a forecast overspend of at least £742,000 during 2018/19 without prevention work.

Use of the FHSG entirely on preventative measures was rejected, as it would do nothing to address the existing needs and pressures and Nottingham City Council need to act now to reduce Bed & Breakfast pressures and bring spending under control.

Use of the FHSG to tender for provision of temporary accommodation was rejected, as it would not stem the flow of demand from people in need of temporary accommodation. Additionally 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. Nottingham City Council have recently completed a wider tender exercise and awarded contracts for housing related support services to the value of approximately £4,000,000 p/a.

Using the FHSG to increase supply of permanent housing (beyond facilitating access to accommodation in the private rented sector through Housing Aid) was rejected as the changes to the allocations policy take effect from April 2019 and further supply is being addressed through the Nottingham City Council property acquisition and Building a Better Nottingham housing programme.

Background Papers: None

Published Works: Delegated Decision 2921 - Reducing the Use of Bed and Breakfast for Homeless Households
Delegated Decision 3026 - Use of ringfenced affordable housing funds to secure affordable homes for homeless people
Homelessness Prevention Strategy 2018-2023 - Consultation Draft (September 2018)
Homelessness Joint Strategic Needs Assessment (2017)

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:

Information on the Creation of a Private Sector Leasing Scheme

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 processes.

Documents exempt from publication:

PSLS Briefing note - Appendix.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: The decision has been subject to a related EIA in the last 2 years that properly considered the issues relevant to this report

Social Value Considerations:

Additional support services must be delivered through the landlord providing the additional units of accommodation. The value is modest and the need urgent.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

06/11/2018

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

This report raises no significant legal issues. The financial value of services to be commissioned in paragraphs 2 and 3 of the costs report is below the relevant EU procurement financial threshold and on that basis it is permissible to make the contract awards in accordance with the dispensation requested. The contracts described in paragraphs 4, 5 and 6 are for the rental of accommodation only and are therefore exempt from the procurement rules. Documentation should be put in place with the providers setting out the purpose for which the funding must be used, this will ensure the funding is not unlawful state aid, and retaining the nomination rights for the City Council. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 05/10/2018.

Finance Advice:

A grant was received at the beginning of the financial year of £623,158 and this will be used for both investment in prevention work, and payments for accommodation needed - both in terms of commission additional units and in meeting Bed and Breakfast costs.

A breakdown of the intended expenditure is attached within the decision and use of the grant in these ways is in line with the grant purpose and conditions.

Monitoring of the expenditure and use of the grant is undertaken monthly with the Corporate Director of Development and Growth to ensure that mitigation can be enacted if required to minimise the pressure on the Council of further spend on Bed and Breakfast.

Advice provided by Susan Tytherleigh (Senior Finance Manager) on 03/10/2018.

Procurement Advice:

Dispensation from Contract Procedure Rule 5.1.1, in accordance with Financial Regulation 3.29(operational issues) is supported by Procurement in relation to the decisions as detailed at point 2(b) i and ii of the appendix to extend the current contract, and as detailed at point 3 of the appendix in order for a direct award. In both instances, the provision of this temporary accommodation will assist with the reduction in use of B & B accommodation. The value of these proposals fall below the EU procurement threshold.

Advice provided by Julie Herrod (Procurement Officer) on 05/10/2018.

Signatures

Jane Urquhart (PH for Housing and Planning)
SIGNED and Dated: 29/10/2018
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 24/10/2018
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 23/10/2018
Chief Finance Officer's Comments:

Appendix – Programme for Use of Flexible Homeless Support Grant 2018/19

The following costed measures are included within the proposed use of the 2018/19 Flexible Homeless Support Grant allocation.

Purpose	Point	Measure	Detail	Duration	Cost to council	DDM info
NCC staff	1 (a)	Homelessness Prevention Team - 3 x officers	Payment for 3 staff plus budget to: <ul style="list-style-type: none"> Prevent homelessness by intervening in S.21 notices and private rented sector evictions Relief homelessness by facilitating access to PRS tenancies Achieving 100 targeted interventions p.a.	Year 2 of 2	£139,448.00	Year one was agreed in 2017/18 DDM 2921 for FHSG spend Year two approval is being sought in this DDM for 2018/19 FHSG spend
	1 (b)	Housing benefit / NPRAS support - 2 x officers	Payment for 2 financial inclusion staff: <ul style="list-style-type: none"> supporting and administrating effective housing benefit claims for families in B&B supporting NPRAS in financial transactions with Private Rented Sector landlords enabling increased connectivity with residents of B&B to achieve faster throughout 	Year 2 of 2	£43,224.00	Year one was agreed in 2017/18 DDM 2921 for FHSG spend Year two approval is being sought in this DDM for 2018/19 FHSG spend
	1 (c)	Temporary Housing Aid Officers	Approval of funding to recruit 3 x temporary agency staff for 2 months to cover gap in service provision whilst recruiting into existing permanent vacancies (£27 per hour x 37.5 hours per week = £1012.50 x 8 weeks = £8100 per officer x 3 officers = £24,300)	2 months	£24,300.00	Approval is being sought in this DDM for 2018/19 FHSG spend
	1 (d)	Programme manager	Approval of funding for a dedicated programme manager to develop and	Year 1 of 1	£30,000.00	Approval is being sought in this DDM for 2018/19 FHSG spend

			oversee delivery of the targeted B&B reduction plan			
Accommodation and support Existing contracts	2 (a)	Framework families	Payment for year-two of a 3-year contract with Framework Housing Association for the delivery of an accommodation based support service, comprising of 18 units for housing vulnerable families	Year 2 of 3	£31,500.00	Year one was agreed in 2017/18 DDM 2921 for FHSG spend Year two approval is being sought in this DDM for 2018/19 FHSG spend Year three approval to be sought in 2019/20 DDM for FHSG spend
	2 (b)	NCHA (Linby Drive)	i. Payment for year-two of a 2-year contract with Nottingham Community Housing Association (NCHA) for the delivery of an accommodation based support service (Linby Drive), comprising of 9 units for housing vulnerable singles and couples (including pregnant females)	Year 2 of 2	£7,602	DDM 3026 sought approval for £7,602 for 2 years. However, it has since transpired that this spend only covered one year and an additional £7,602 is now required for year-two of the contract. Year two approval is being sought in this DDM for 2018/19 FHSG spend
			ii. Permission to extend the contract with NCHA at 2(b)i for continued delivery of the accommodation based support service (Linby Drive) for an additional nine months to November 2020. This would enable alignment with timescales for delivery of new provision at Corporation Oaks (at point 3 below) under a single contract.	Additional 9 months (of a 2 year 9 month contract)	-	Approval to extend is being sought in this DDM for 2018/19 FHSG spend However, approval for release of 2019/20 FHSG for funding for the contract extension (£5,702.00 for additional 9 months) will not be sought until the DDM for release of the 2019/20 FHSG award.

Accommodation and support New provision	3	NCHA (Corporation Oaks)	Approval of funding for year-one of a two year contractual arrangement with NCHA for the delivery of an accommodation based support service (Corporation Oaks), comprising of 13 units for housing vulnerable singles and couples (including pregnant females).	Year 1 of 2	£18,000.00	Year one approval is being sought in this DDM for 2018/19 FHSG spend Year two approval to be sought in 2019/20 DDM for FHSG spend
Property transaction for nomination rights only	4	Community Interest Companies	Approval of funding for 17 x £1,000 B&B diversion payments to Community Interest Company providers of supported accommodation for 100% NCC nomination rights into bedspaces within licensed accommodation for 1 year (£1k grant per licensable property)	Year 1 of 1	£17,000.00	Approval is being sought in this DDM for 2018/19 FHSG spend
Property transaction for nomination rights only	5	Private Sector Leasing Scheme	Award to NCH RP for start-up costs for the introduction of a Private Sector Leasing Scheme to build up a portfolio of 48 properties over 2 years for use as temporary accommodation for families over the next 3-5 years. (see attached information for further detail)	Year 1 of 1	£180,000.00	Approval is being sought in this DDM for 2018/19 FHSG spend
Accommodation only	6	Nightly accommodation	<ul style="list-style-type: none"> • B&B • Housing Network 	Year 1 of 1	£128,084.00	Approval is being sought in this DDM for 2018/19 FHSG spend
			Total		£623,158.00	