

Report to the Cabinet



**Epping Forest
District Council**

Report reference: C/102/2007.

Date of meeting: 5 February 2007.

Portfolio: Housing.

Subject: Procurement of Bed and Breakfast Accommodation for Homeless Persons.

Officer contact for further information: Roger Wilson (01992 – 564419).

Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations/Decisions Required:

- (1) That, in accordance with Contract Standing Orders (C6 and C11 refer), a Notice in the Official Journal of the European Union (OJEU) and local papers be placed seeking expressions of interest from suitable bed and breakfast establishments to accommodate homeless applicants;**
- (2) That the contract period with the bed and breakfast establishments be for a period of three years (with a contract price given for the first year with annual inflationary increases for Years 2 & 3);**
- (3) That, generally, hotels be used to accommodate homeless applicants based on the most economically advantageous option, having regard to room rates, availability, the needs of the applicant and other management reasons;**
- (4) That, in accordance with Contract Standing Order C20(2), officers be authorised to place homeless applicants in bed and breakfast accommodation not provided by the lowest tenderer, in cases where the accommodation provided by the lowest tenderer is not available, not suitable for the applicant or should not be used for management reasons; and**
- (5) That the Housing Portfolio Holder be authorised to accept and approve the room rates submitted by the tenderers.**

Background:

1. Under the Housing Act 1996, where the Council has reason to believe that any homeless applicant has a priority need for accommodation, it has a statutory duty to arrange interim accommodation for the applicant. If, following investigation, it is determined that a full housing duty is owed, temporary accommodation must be provided until the duty is discharged by providing permanent accommodation. Generally, most homeless households spend around six months in temporary accommodation.

2. To meet its duty, the Council uses a variety of interim and temporary accommodation. The homeless persons hostel at Norway House, North Weald is generally used for families with children (or expectant mothers). Hemnall House, Epping is generally used to house families who are in need of less support, on a temporary basis. The Council also works in partnership with East Thames Housing Group and Swan Housing Association to provide privately leased accommodation and floating support services to vulnerable single homeless people respectively.

3. In addition, in order to meet with the Government's requirement that no families are placed in bed and breakfast, the Council provides accommodation from within its own

general housing stock, which is offered to homeless families on a non-secure basis. However, at its meeting on 18 December 2006, when considering the Review of the Allocations Scheme, the Cabinet agreed from 1 April 2007, that all such non-secure tenants will be granted secure tenancies of their existing accommodation to ensure that the Council meets another Government target to reduce the numbers living in temporary accommodation by half by 2010.

4. Although families are not generally placed in Bed and Breakfast, such accommodation is often used for single homeless applicants where there is no capacity at Norway House, or if it may not be suitable for placing them in the homeless persons hostel or other temporary or interim accommodation. All hotels used for this purpose are inspected to ensure that they provide adequate living conditions and the costs are reasonable. Although room rates have been negotiated on an individual basis, to date there has not been a competitive process used to obtain room rates (although Officers endeavour to use those with the lowest negotiated rates). Moreover, a recent review of Contract Standing Orders identified that formal tendering of terms should be undertaken.

5. There are currently 19 single people being housed in bed and breakfast accommodation. This has reduced from 31 in June 2006, mainly due to the success of the Homeless Prevention Service. The expenditure budget for 2005/2006 was £376,000 with an actual out turn of £336,000. Income received, mainly through Housing Benefit, was £301,000.

Proposed Future Procurement of Bed and Breakfast Accommodation:

6. Often, when placing single homeless applicants in bed and breakfast accommodation, officers have to telephone each hotel on the list of hotels usually used to find a vacancy. This may mean placing someone in a hotel whose rates are not necessarily the lowest, and in some cases located outside of the District.

7. Therefore, in order to ensure that the best room rates possible are achieved, in accordance with Contract Standing Orders (C6 and C11 refer), it is proposed that the Council places a Notice in the Official Journal of the European Union (OJEU) seeking expressions of interest from suitable bed and breakfast establishments to accommodate single (and other) homeless applicants. In addition, a Notice would be placed in local papers, both within the District and in neighbouring local authority areas. The Head of Housing Services will also contact all hotels regularly in use by the Council to draw their attention to the advert.

8. Tenders will then be sought from a shortlist of bed & breakfast establishments that express an interest, for various room rates, based on a period of three years (including rate increases for Years 2 and 3). All hotels submitting quotations would be inspected to ensure they meet an acceptable standard.

9. It is suggested that the Housing Portfolio Holder be authorised to accept the tendered room rates.

10. Following receipt of room rates, it is proposed that hotels will then be used to accommodate homeless applicants based upon the most economically viable option. This will take into account room rates, availability, the needs of the homeless applicant and any other management reasons.

11. For this reason, on some occasions, it may not be possible or appropriate to place applicants in accommodation that is provided by the lowest tenderer. Therefore, in accordance with Contract Standing Order C20, (2), where this is the case, the Cabinet is asked to provide a general approval to allow officers to place some homeless applicants in bed and breakfast accommodation not provided by the lowest tenderer.

Statement in Support of Recommended Action:

12. The proposal will enable the Council to ensure that a local bed and breakfast service

is available for homelessness applicants at the lowest possible cost whilst meeting the needs of applicants.

Other Options for Action:

13. To require the Cabinet to accept the room rates tendered by hotels.
14. To continue to place single homeless applicants in bed and breakfast accommodation on an ad hoc basis and to seek an annual waiver of Contract Standing Orders.

Consultation undertaken:

15. No external consultation undertaken.

Resource implications:

Budget provision: Expenditure budget for 2006/2007 in the sum of £318,000.

Personnel: N/A.

Land: N/A.

Community Plan/BVPP reference: N/A.

Relevant statutory powers: Housing Act 1996.

Background papers: Homelessness Strategy 2006.

Environmental/Human Rights Act/Crime and Disorder Act Implications: N/A.

Key Decision reference (if required): N/A.