

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO CABINET

14 MARCH 2023

### REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

#### TEMPORARY ACCOMMODATION FOR HOMELESSNESS

#### 1. Purpose of report

- 1.1 The purpose of this report is to seek approval from Cabinet to suspend the Council's Contract Procedure Rules (CPRs) in order to secure temporary accommodation for homelessness cases, to meet the Council's statutory housing duty.

#### 2. Connection to corporate well-being objectives/other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:
- **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.

#### 3. Background

- 3.1 At the start of the Covid 19 Pandemic Welsh Government introduced an 'All In' approach to homelessness and directed local authorities that no-one was to be without accommodation due to the public health imperative.
- 3.2 To meet this requirement the use of temporary accommodation had to be expanded within Bridgend and the service made arrangements with a number of venues to meet the needs of people presenting as homeless. At the start of the Covid pandemic it was expected that the use of such accommodation would be for the short term only and as such short-term block booking arrangements were entered into as part of the Council's emergency response to the pandemic. It was expected that services would, within a period of time, revert to pre covid conditions and therefore this arrangement would not need to be continued for a long period.
- 3.3 At the end of the initial period of bookings, the pandemic and its public health restrictions remained in place and further tranches of 6 monthly bookings were required. Additional units, such as self-contained holiday lets were also required to meet ongoing demands, including from families. Service Level Agreements (SLA's) between the hotels / other accommodation providers and the housing service were agreed.
- 3.4 These arrangements ended on 30 September 2022 and Cabinet was due to receive a report requesting approval for the re-negotiation of arrangements

with accommodation providers. However, due to the passing of Her Majesty in September 2022 Cabinet was postponed and Emergency Delegated Powers were instigated to approve the entering into of a 6-month arrangement with providers to secure accommodation until the 31 March 2023. At that point Welsh Government had not confirmed changes to the priority needs group outlined below and it was unclear whether the on-going need for temporary accommodation would need to be maintained at its current level or increased.

- 3.5 Subsequent to these arrangements being put in place, Welsh Government has confirmed a new category of 'priority need' and as of 24 October 2022 a new category of priority need came into force. Specifically, a person who is street homeless, that is people with no accommodation they are entitled to occupy, are to be provided with temporary accommodation. This has therefore become a statutory duty and the pressing need for temporary accommodation has not ceased or reduced, with the result that the tourism accommodation initially taken on a short-term basis has become key in the Council's ability to meet the Council's legal duties, without which the Council may face legal challenge. This is also the position across other authorities in Wales.
- 3.6 The additional expenditure incurred to meet these demands has, to date, been largely funded by the Welsh Government.

#### **4. Current situation/proposal**

- 4.1 The current arrangements with 13 unique landlords, providing 50 accommodation settings, will come to an end on the 31<sup>st</sup> March and approval is sought to enter into arrangements with current and new partners for a period of 'up to' 12 months dependent upon predicted needs for that unit. This will allow the opportunity to negotiate rates with the intention of reaching more favourable arrangements with providers and will also allow the service to have the security of accommodation for homelessness cases.
- 4.2 The demand for temporary accommodation has significantly increased post Covid 19 which has placed extraordinary and sustained pressure on the service to deliver which could not have been predicted. At the end of the financial year in 2019/2020 there were 83 households in temporary accommodation. At the same point during 2020/2021 this figure had increased to 187, and at 2021/22 increased further to 199. During the week of 6 February – 12 February 2023 45 homelessness applications were received. At that point there were 253 households in temporary accommodation comprising 491 people of which 187 are children. This has meant that suitable family accommodation has had to be found from within the tourism sector. Although there is a constant flow of people out of temporary accommodation as a variety of outcomes are reached for these cases, the consistent inflow of applicants needing temporary accommodation means that any vacancies are filled immediately. As a result -
- the increase in family presentation has meant that increased family units have been used from within the tourism sector and 51% are from within the tourism sector.
  - The Council is routinely having to book hotels out of county to accommodate those on a waiting list for temporary accommodation, whose options run out.

- As of 24 February 2023 there are a further 180 households who are not homeless currently, but who are either waiting or may imminently need temporary accommodation. This is an indicator of the continued pressures on the housing service.

- 4.3 Initial exploration of procurement processes to secure this resource has identified a number of challenges to the procuring of this provision. As providers of this accommodation tend to be small businesses, or individual entities, securing the provision through established processes raises the following queries which require further discussion with legal and procurement colleagues -
- experience of council procurement process is expected to be limited or unknown and a period of time for contractor engagement would be required;
  - the model of procurement and contractual arrangements needs to be carefully defined as providers are not a collective body but are instead a series of individuals that will require individual contracts;
  - any procurement process will need to fit the unique nature of this provision and be streamlined to ensure that providers are not deterred from working with the Council;
  - There are thought to be a limited amount of accommodation providers who would be willing to offer their properties for the purpose of temporary accommodation.
- 4.4 The points identified above, means that a formal procurement process has not been able to be developed currently and will be subject to further clarification of the above issues, over the next 12 months. To allow the continuation of the arrangements with existing accommodation providers, and where new providers are required, it is proposed that Bridgend County Borough Council (BCBC) enter into further SLA's of 'up to' 12 months as required, in order to meet presenting need. It is proposed that the agreements with existing accommodation providers be used, to enable consistency in provision for both BCBC and any service users accommodated. This will ensure that the Council meets its statutory duties in relation to homelessness and the new priority need category.
- 4.5 Cabinet needs to be aware that in taking forward this action, the Council is exposed to the risk of potential challenge from other accommodation providers. The Council's CPRs ensure that procurement exercises are lawful and carried out in compliance with Public Procurement Law, in particular the Public Contract Regulations 2015. This report proposes entering into agreements without any competition which breaches the requirements of the Public Contract Regulations 2015 and therefore requires Cabinet's approval to set aside the Council's CPRs.
- 4.6 The risk of challenge is not possible to quantify, however given the need to continue service provision to vulnerable people, the pressures on current homelessness services, and the limited availability of suitable and willing accommodation providers to provide such accommodation, Cabinet may take the view that the potential for challenge is one it is prepared to accept. In addition, due to the specialist nature of provision there are relatively limited providers of such services.
- 4.7 It is acknowledged that the use of tourism accommodation at this scale is not a suitable or sustainable way to meet statutory housing duties. Several strands of

work are ongoing to secure more suitable temporary accommodation and also more permanent, move on accommodation. A new Homelessness Strategy, Housing Prospectus and a Rapid Rehousing Transitional Plan will be presented to Cabinet in a separate report which outlines proposals to reduce the level of temporary accommodation used and includes proposals to –

- Expand existing accommodation and housing related support projects, such as the Alternative to Bed and Breakfast Accommodation service
- Progress capital projects through the Social Housing Grant or other capital funding sources that may become available
- Working with a private landlord to provide additional accommodation units
- Work in partnership with other statutory and 3<sup>rd</sup> sector organisations to ensure that housing related support for households is maintained and expanded where needs identify a gap in provision

4.8 Whilst the strands of work detailed above are ongoing, they are challenging pieces of work, which will take time. For example capital projects will take time to be delivered and engaging with the private rent sector at this stage is extremely difficult due to wider market conditions which have left rents and property prices inflated.

4.9 As such whilst the long-term unsuitability of the current temporary arrangements are acknowledged they are necessary in order to meet statutory duties and safeguard vulnerable individuals, who may otherwise be rough sleeping.

## **5. Effect upon policy framework and procedure rules**

5.1 This report is requesting a suspension of the Council's CPRs, but no amendment to the CPRs is being sought.

## **6. Equality Act 2010 implications**

6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales, the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

7.1 The report contributes to the following goals within the Well-being of Future Generations (Wales) Act 2015:

- A prosperous Wales
- A resilient Wales
- A Wales of cohesive communities
- A globally responsive Wales

7.2 It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

## **8. Financial implications**

- 8.1 The cost of the additional units of accommodation is dependent on size and nature of the property with larger properties costing more than smaller properties. Final costs will be negotiated during discussions with accommodation providers but the service will seek to keep any costs to a minimum.
- 8.2 Welsh Government 'Homelessness – No One Left Out Approach Grant' has been used to cover accommodation costs and was uplifted for 2022/23 to the sum of £2,067,175. The indicative allocation for Bridgend for 2023/2024 is currently £898,694. This funding will be used towards the cost of the accommodation, with the balance being met from the BCBC core budget of £2.192 million that was approved by Council as part of the budget setting process in February 2021 to continue the commitment to focus support for homelessness individuals providing them with accommodation.

## **9. Recommendations**

- 9.1 It is recommended that Cabinet:
- Suspends the relevant parts of the Council's Contract Procedure Rules with regards to the requirement to tender for a contract and delegates to the Group Manager – Housing to enter into Service Level Agreements with accommodation providers for a period of 'up to' 12 months, in order to continue the provision of additional temporary accommodation, as necessary to meet BCBC's statutory duties.
  - Delegates authority to the Group Manager - Housing to approve the final terms of the Service Level Agreements on behalf of the Council and to arrange execution of the agreements on behalf of the Council.

**Carys Lord**  
**Chief Officer - Finance, Performance and Change**  
**24<sup>th</sup> February 2023**

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### **Background documents:**

None