

Report – Finance Committee

Emergency and Temporary Accommodation Placements – Stage 1 Strategy Report and Stage 2 Award

To be presented on Thursday, 20th June 2024

*To the Right Honourable The Lord Mayor, Aldermen and Commons
of the City of London in Common Council assembled.*

SUMMARY

The Corporation has a statutory duty to provide Emergency and Temporary Accommodation for Homeless Households under the Housing Act Pt VII 1996 and the Homeless Reduction Act 2017; and for people identified as Street Homeless in the City of London on a discretionary basis as part of their resettlement.

This Report seeks the Court's approval of the recommended procurement strategy to access Emergency and Temporary Accommodation by way of a call off from the Yorkshire Purchasing Organisation (YPO) Procurement Framework and award to the Access Group for the use of their Housing Placements Platform, Adam Housing. Approval is sought for a four-year contract (two years plus an optional two-year extension) at a total value of £8,000,000. The cost of the contract will be funded from within existing local risk resources within existing budgets.

Following market research, the Adam Housing platform was identified and is in use by the WREN Group of Local Authorities (Waltham Forest, Redbridge, Enfield, and Newham) and is rolling out across other London Boroughs including Southwark and Croydon.

In accordance with the Procurement Code Part Two Rule 14, the contract value has been determined at £8,000,000 (total amount payable). Members should note however that the actual cost of the Access Group contract is £81,950 with the remaining spend being the cost of the individual placements. Member approval is sought in accordance with Section 16.2 of the Procurement Code Part One as this value exceeds £2,000,000.

Your Finance Committee agreed to delegate authority to the Town Clerk to approve the procurement strategy, pending the decision of Projects and Procurement Sub-Committee at its meeting on 10 June 2024. The Sub-Committee approved the proposals, and the Town Clerk subsequently approved the submission to Court on 12 June. The proposals were also reviewed by the Housing and Rough Sleeping Sub-Committee at its meeting on 10 June.

Recommendation(s)

Members of the Court of Common Council are invited to:

- Approve the procurement strategy via a direct award call-off from the YPO framework (Commissioning Solution ref 1017 / Commissioning Solution 2 ref 001231) to the Access Group.

- Authorise the Community and Children's Services Director to approve the two-year extension, should it be required.

MAIN REPORT

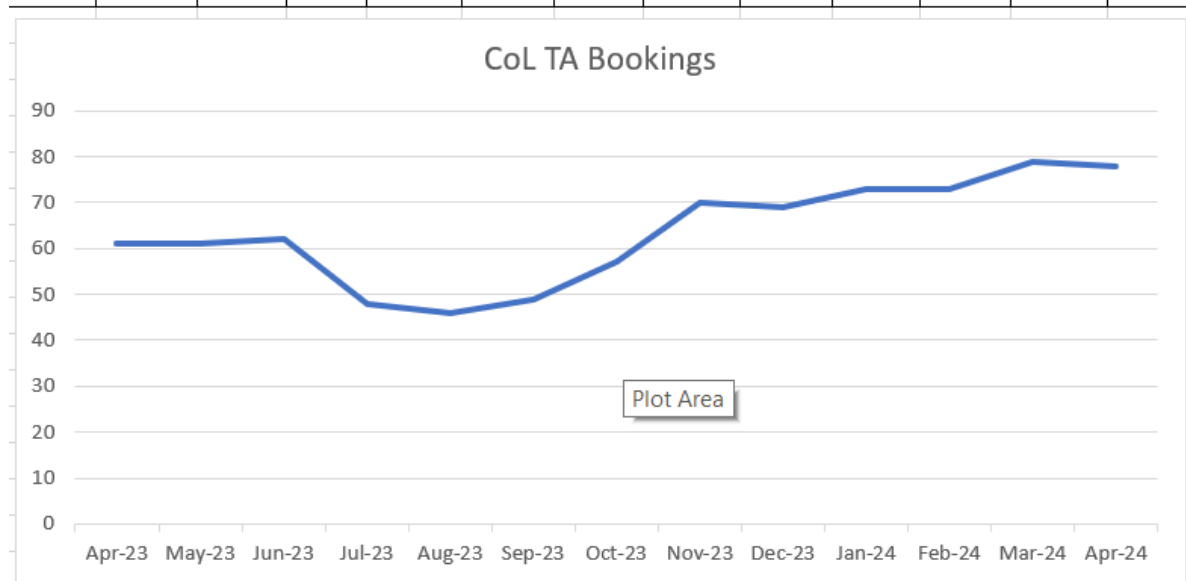
Background

1. The City of London Homeless and Rough Sleeper Service has an ongoing need to procure on a regular basis, Emergency and Temporary accommodation for a host of clients ranging from Homeless Households for whom a relief duty under the Homeless Reduction Act is owed; Rough Sleepers as an emergency route away from the dangers of sleeping out, and people fleeing or at risk from domestic or other abuse or violence. The provision of such accommodation stems not only from statutory duties under the Housing Act 1996 and Homeless Reduction Act 2017, but also the City of London's Homelessness Strategy 2023 - 27 and ongoing work to tackle rough sleeping in the Square Mile.
2. Provision of Emergency and Temporary Accommodation is currently subject to a non-compliant waiver approved by your Community and Children's Services Committee in 2023 which expires in August 2024. The proposed recommendations in this Report will also allow for placements to continue with the existing suppliers.
3. A previous strategy was presented to your Projects and Procurement (Finance) Sub-Committee on 12 February 2024. However, an emerging risk due to market pressures identified with the commercial envelope, requiring adherence to the pan-London nightly paid rates agreement saw this strategy halted following legal advice from the Comptroller & City Solicitor's Department.

Current Position

4. Soft Market testing has been conducted and a Prior Information Notice published. The response from the market was very limited with only four providers expressing an interest in tendering for a City of London Corporation Framework which would have required a minimum of 15 suppliers.
5. The working group assigned to this project continued to undertake wider market research and in doing so, identified an alternative route to market via Adam Housing, a specialist software platform supplied by the Access Group.
6. Following a supplier presentation and a demonstration by the London Borough of Redbridge enabling officers to assess and evaluate the system in use, the working group have determined that this is the best strategy for the Corporation to fulfil its statutory requirements. The system allows the service to benefit from access to a wider range of providers, automate the process of individual property searches and bookings, on-boarding of new providers, and enhances financial management offering greater efficiency in managing the process.
7. The platform is in use by the WREN Group of Local Authorities (Waltham Forest, Redbridge, Enfield, and Newham) and is rolling out across other London Boroughs including Southwark and Croydon.
8. There is a rising demand for emergency and temporary accommodation. The Homeless and Rough Sleeper Service currently make some bookings on a block basis and the rest as and when demand requires.

Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
61	61	62	48	46	49	57	70	69	73	73	79	78



Options

9. The following Route to Market Options were considered:

a. **Option 1** – Direct Award via Call off from YPO Framework

Advantages: Compliant Route to Market, Single Supplier, Increased Efficiency, Best Value, Access to Competitive Rates.

Disadvantages: Cost of the System Licence, however, this has been significantly discounted following negotiation.

b. **Option 2** – Direct Award via call off from G-Cloud Framework

Advantages: Compliant Route to Market, Single Supplier, Increased Efficiency, Best Value, Access to competitive rates.

Disadvantages: Higher cost as demonstrated in Paragraph 13 (below), Higher administration burden to access framework.

c. **Option 3** – Open Tender for City of London Corporation Framework Agreement

Advantages: Potential access to a range of providers, No system licence fee payable, no reliance on a third-party system.

Disadvantages: Need to develop terms for the framework, very resource intensive to manage, no control over market interest, high level of manual processing.

Finance

10. In accordance with the Procurement Code Rule 14, the contract value has been determined at £8,000,000 (total amount payable), however Members should note that the actual cost of the Access Group contract is £81,950 with the remaining spend being the cost of the individual placements.

11. Costs are increasing as suppliers' rates also increase. The current cost projections based on current provider invoices are as follows. It should be noted that these are for current bookings, some of which were made some time ago with historic lower nightly rates.

	Blocks	Invoices	Total
Provider 1	£ 19,231.33	£ 63,218.85	£ 82,450.18
Provider 2	£ -	£ 37,617.00	£ 37,617.00
Provider 3	£ -	£ 12,110.00	£ 12,110.00
Provider 4	£ -	£ 1,922.00	£ 1,922.00
Total per Month			£ 134,099.18
Annual Projection			£ 1,609,190.16

12. A 33% discounted quotation has been negotiated with the Access Group and a compliant route to market identified via the YPO Framework.

13. The table below demonstrates the costings via each of the frameworks

Access Group - Call-off through G-Cloud		Access Group - Call-off through YPO	
4 Years Total Licence Fee	Average Technology Implementation Fee	4 Years Total Licence Fee	No Implementation Fee, only one of the Initial fees
£129,303.75	£20,000	£80,000	£1,950
Total for 4 years £149,303.75		Total for 4 years £81,950	

Total Savings for 4 years if calling off from YPO £67,353,75

Proposals

14. The proposed recommendation is Option 1, which is to direct Award via a Call off from the YPO Framework. The YPO Framework grants access to the established Adam Housing Software Platform for a negotiated licence fee of £20,000 per annum and a one-off onboarding fee of £1,950. This platform will allow the Homeless & Rough Sleeper Service to automate their onboarding of accommodation providers whilst adhering to Corporations Service Specification and standards; and automate their searches, bookings, quality management, dispute resolution and financial management of the emergency and temporary accommodation bookings. This will free up officer resource and not necessitate specific officer time to manage a local framework.

15. Benchmarking nightly rates on the Adam Housing System against rates given to the Homeless and Rough Sleeper Service by regular providers demonstrate some significant difference.

Unit Size – North London location	Rate via Adam Housing	CoL available rates 9/5/24
1 bed s/c Family	£ 62.00	£ 80.00
3 bed s/c Family	£ 115.00	£ 150.00
2 bed s/c Family	£ 85.00	£ 130.00
Studio (single person)	£ 48.00	£ 60.00

Corporate & Strategic Implications

Strategic implications

16. This procurement allows the Corporation to continue to meet its statutory obligations under the Housing Act Part 1996 VII and to contribute to the Homelessness Strategy.

Financial implications

17. The Financial implications are as set out in the body of the Report. The cost of the contract will be funded from within existing local risk resources.

Resource implications

18. Use of the Adam Housing Software Platform effectively outsources and automates the resource needed to onboard providers and manage the framework. This creates a saving in resources compared to current arrangements and other potential procurement strategies. This enables the Homeless and Rough sleeper service to focus its resources on customer service and their core business.

Legal implications

19. Due diligence has been undertaken upon the YPO Framework in accordance with Rule 20 [Using Frameworks created by External Contracting Authorities] of the City's Procurement Code, and it is legally permissible for the City to utilise the YPO Framework. If the City utilises the Framework, then further approval will be required from the Comptroller and City Solicitor and the Chamberlain in accordance Regulation 13.6 of the City's Financial Regulations to enter into the indemnity set out in the terms of the YPO Framework. Any UK GDPR implications will also need to be considered. The YPO have clarified that TUPE will not apply to the YPO Framework as the use of the Solution will enable the City to contract with Adam HTT Ltd who will create the DPS or framework for the City if it utilises the YPO Framework, and current providers then onboarded to the DPS or framework the City will create.

Risk implications

20. The failure to provide accommodation in line with statutory duty would expose the City Corporation to the risk of legal challenge. Equally, providing temporary accommodation of insufficient quality exposes a further to risk to the Corporation of legal challenge surrounding suitability under Section 202 of the Housing Act 1996. The use of the Adam Housing Platform contributes to mitigating these risks.

Equalities implications

21. An Equalities Impact Assessment has indicated that the needs of people with disabilities, and of old age are chiefly those most impacted by the use of Temporary Accommodation. The procurement takes this into account, ensuring that a full range of accommodation can be made available to the City of London, including ground floor and accessible accommodation.

Climate implications

22. Due consideration to the Corporation's responsible procurement commitments has been considered as part of procurement options and the Access Group's carbon reduction strategy and social value strategy have been provided and reviewed.

23. Providers on the platform will be required to adhere specifically to the City of London's Service Specification for Emergency and Temporary Accommodation which includes sustainability standards.

Security implications

24. None.

Conclusion

25. This Report seeks the Court's approval of the recommended procurement strategy to access Emergency and Temporary Accommodation by way of a call off from the Yorkshire Purchasing Organisation (YPO) Procurement Framework and award to the Access Group for the use of their Housing Placements Platform, Adam Housing. Approval is sought for a four-year contract (two years plus an optional two-year extension) at a total value of £8,000,000. The cost of the contract will be funded from within existing local risk resources.

All of which we submit to the judgement of this Honourable Court.

DATED this 4th day of June 2024

SIGNED on behalf of the Finance Committee.

Deputy Henry Nicholas Almroth Colthurst
Chairman, Finance Committee