

# Finance and Resource Committee

10.00am, Thursday, 9 December 2021

## Homelessness Services – Use of Temporary Accommodation

Executive/routine Wards Council Commitments	Executive All
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### 1. Recommendations

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- 1.1 It is recommended that Committee:
- 1.1.1 This report seeks approval through a waiver of the Council's Contract Standing Orders, to extend 10 current contracts for the provision of temporary accommodation to 31 March 2022 on a spot purchase arrangement (the affected contracts are noted in Appendix 1). This will complement the existing contracted provision and is required as a result of ongoing increased demand as a result of the COVID-19 pandemic;
  - 1.1.2 Note the short term extensions that have already been awarded to five contracts, as noted in Appendix 1. These extensions were awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place in consultation with the Convenor and Vice Convenor of the Committee; and
  - 1.1.3 Note that at Committee on [4 March 2021](#) a request totalling £16,149,640 was approved. This report requests approval of an additional £2,145,000, taking the total approved to £18,294,640.

**Paul Lawrence**

Executive Director of Place

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## Homelessness Services – Use of Temporary Accommodation

### 2. Executive Summary

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- 2.1 During the COVID-19 emergency, the Council has been required to significantly increase the amount of temporary accommodation it has to meet demand. There continues to be a demand for additional temporary accommodation to allow the Council to meet its statutory duty to accommodate people who are homeless.
- 2.2 On [7 October 2021](#), Finance & Resources Committee approved the award of the Flexible Purchasing System (FPS) seeking to increase the capacity in temporary accommodation. This will enable more providers to be contracted and reduce the need for spot purchase arrangements. This is expected to result in significantly reduced spot purchase requirements from 2022/23 onwards.
- 2.3 This report seeks approval, through a waiver of the Council's Contract Standing Orders, to increase the previously approved amount by £2,145,000 to address the continued increase in the numbers requiring temporary accommodation. These additional costs have been factored into the month six forecast for homelessness services reported to this Committee and takes account of the potential for further increases to 31 March 2022.
- 2.4 Committee is also asked to note the short term extensions that have already been awarded to five contracts, as noted in Appendix 1. These extensions having been awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place in consultation with the Convenor and Vice Convenor of the Committee.

### 3. Background

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- 3.1 Since the beginning of lockdown restrictions, the Council has been required to secure additional temporary accommodation to meet public health objectives to fulfil its statutory duties to homeless people.
- 3.2 During the period of the COVID-19 restrictions, the Council has secured access to an additional 721 placements to meet demand and accommodate households that

are homeless. Pre-pandemic there were 3,570 households in temporary accommodation, this has risen to 4,525, an increase of almost 30%.

- 3.3 Throughput from temporary accommodation services has slowed during the pandemic across all tenures including alternative temporary accommodation, the private rented sector and social housing.

## 4. Main report

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- 4.1 The increase in temporary accommodation use is mainly a result of three factors: the provision of additional accommodation for those rough sleeping, the provision of temporary accommodation for people who may have no recourse to public funds and a lack of move on or settled accommodation.
- 4.2 Finance and Resources Committee agreed to spot purchase contracts of £16,149,640 at the meeting of 4 March 2021. A further award was made to the Haymarket Hub in April 2021. This award was subsequently reported to Policy and Sustainability Committee on 10 June 2021.
- 4.3 Ten accommodation providers require additional approvals to cover the increased costs as a result of the ongoing increase in the numbers requiring temporary accommodation (see Appendix 1). The details in Appendix 1 are included in the B agenda papers for Committee due to the commercial information contained within.
- 4.4 Six of these accommodation providers have been successful in their application to join the FPS. Contract awards will begin to be made to these providers once all documentation and certifications are in place.
- 4.5 While these contracts are being progressed, Committee is asked to agree that these services can be spot purchased until such time as the contracts begin.
- 4.6 Four of these providers have not applied to the FPS. Due to demand, Committee agreement is requested to agree to continue to spot purchase these properties until March 2022. These providers will be encouraged to apply to join the FPS at the next available opportunity.
- 4.7 Five providers required immediate payment where services had already been delivered. This was to ensure that households, including families, were protected and the Council could meet its statutory duty to provide temporary accommodation and continue to meet the ongoing public health requirements.
- 4.8 These short term extensions having been awarded as an urgent decision in accordance with section 4.1 of the Council's Committee Terms of Reference and Delegated Functions by the Executive Director of Place in consultation with the Convenor and Vice Convenor of the Committee. These extensions have an aggregate value of £484,000, and this sum is included in the total request to increase the previously agreed amount by £2,145,000.

## **5. Next Steps**

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- 5.1 Officers will continue to progress the work required to award contracts as part of the FPS and will continue to encourage providers who have not applied to be part of the FPS to apply.
- 5.3 The Council will continue to liaise with civil servants to obtain the Scottish Government's position on the continued provision of support to people who may have no recourse to public funds.

## **6. Financial impact**

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- 6.1 Through the 2021/22 budget process additional funding of £12m was provided to address the increase in temporary accommodation costs as a result of the COVID-19 pandemic. Due to the continued increase to date, and assuming similar levels of increase to March 2022, the service is reporting a further estimated pressure of £2.8m, as reported at month six. This increase can be contained within the overall financial position of the Council as reported to this Committee on 9 December 2021.

## **7. Stakeholder/Community Impact**

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- 7.1 This is an update report and did not require any specific stakeholder engagement.

## **8. Background reading/external references**

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- 8.1 Link to Previous Report Finance and Resources, 4 March 2021- [Homelessness Services Use of Temporary Accommodation 04032021](#)
- 8.2 Link to previous report – Finance and Resource Committee, 7 October 2021 - [Award of Flexible Purchasing System and Contracts for Temporary Accommodation](#)

## **9. Appendices**

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- 9.1 B AGENDA - Appendix 1: Projected Spot Purchase contracts for temporary accommodation 1 April 2021 – 31 March 2022