

Finance and Resource Committee

10.00am, Thursday, 3 March 2022

Homelessness Services – Use of Temporary Accommodation

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Finance and Resources Committee:
- 1.1.1 Approve, through a waiver of the Council's Contract Standing Orders (CSOs), extending 41 current contracts for the provision of temporary accommodation. This arrangement covers the period 1 April 2022 to 30 June 2022, up to a cost of £5.2m using a spot purchase arrangement (Appendix 1- (B Agenda));
 - 1.1.2 Note that the values requested per provider are indicative only and are dependent on accommodation requirements, therefore Committee is asked to grant delegated authority to the Executive Director of Place to adjust (within the agreed budget) the values between the named providers as necessary depending on need, type and appropriateness of properties available from these providers;
 - 1.1.3 Approves, through a waiver of the Council's CSOs, extending the current contract for the Haymarket Hub until the end of March 2023, to meet ongoing demand for temporary accommodation. A proposal for using this building should an alternative venue for the Welcome Centre not be found is also contained in this report. The value of this contract is noted in Appendix 1 (B Agenda);
 - 1.1.4 Note the short-term extensions that have already been awarded to 14 contracts, as noted in Appendix 2 (B Agenda); and

1.1.5 Note the additional awards made under urgency procedures for 2020/21, as noted in Appendix 3 (B Agenda).

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Executive Director of Place

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Report

Homelessness Services – Use of Temporary Accommodation

2. Executive Summary

- 2.1 During the COVID-19 emergency, the Council has been required to significantly increase the amount of temporary accommodation available 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 This report seeks approval, through a waiver of the Council's Contract Standing Orders (CSOs), to extend 41 current contracts for the provision of temporary accommodation for the period March 2022 to June 2022 in the first instance, totalling £5.2m on a spot purchase arrangement (the affected contracts are noted in Appendix 1 (B Agenda)).
- 2.3 This report also seeks approval, through a waiver of the CSOs, to continue to use the Haymarket Hub for the provision of temporary accommodation until the end of March 2023. A proposal for using the Haymarket Hub if no alternative venue for the Welcome Centre can be found is also contained in this report. The value of this contract is noted in Appendix 1 (B Agenda).
- 2.4 Committee is also asked to note the short-term extensions that have already been awarded to 14 contracts, as noted in Appendix 2 (B Agenda). These extensions having been awarded under urgency provisions, 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.
- 2.5 Committee is also asked to note the short-term extensions that were awarded during 2020/21 under emergency provisions to ensure sufficient temporary accommodation for homeless households was available, as noted in Appendix 3 (B Agenda).

3. Background

- 3.1 Since the beginning of Coronavirus (COVID-19) lockdown restrictions, the Council has been required to secure additional temporary accommodation to meet public

health objectives and manage a lack of throughput into all forms of settled accommodation, 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 1,072 placements to meet demand and accommodate households that are homeless. Pre-pandemic there were 3,570 households in temporary accommodation. This has risen to 4,642, an increase of 30%.
- 3.3 In addition, 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

- 4.1 The increase in temporary accommodation use is mainly a result of three factors: provision of additional accommodation for those rough sleeping; 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 This report seeks approval to continue to use 41 current providers on a spot purchase basis in the short term to meet demand. The cost is expected to be £5.2m (at current prices) for the period March 2022 to June 2022. The number of spot purchases will reduce over time as contract awards for providers who have been admitted to the Flexible Purchasing System (FPS) are made, negating the ongoing need for spot purchases.
- 4.3 22 of the current 41 providers have applied and have been successfully admitted to the FPS. Contract awards will begin to be made to these providers once all documentation and certifications are in place.
- 4.4 While these contracts are being progressed, Committee is asked to agree that these services can be spot purchased until such time as the new contracts begin.
- 4.5 20 of these providers have not applied to the FPS. These providers will be encouraged to apply to join the FPS at the next available opportunity. Given the ongoing demand for temporary accommodation, it is likely that there will be a continued requirement to spot purchase from these providers.
- 4.6 The Haymarket Hub currently provides 115 rooms for temporary accommodation. The building also hosts the Welcome Centre from October to May. This currently has an additional 65 rooms. Due to the ongoing demand for temporary accommodation it is proposed that this accommodation continues to be utilised until the end of March 2023. Following negotiations with the provider, a new rate and number of rooms (147) has been proposed for the Haymarket Hub.
- 4.7 Officers are currently seeking an alternative building to operate the Welcome Centre from. Should an alternative not be found, it is proposed to increase the total number of bed spaces at the Haymarket Hub from 147 to 160 to accommodate both temporary accommodation and the Welcome Centre which is managed by Bethany

Christian Trust. The full cost of these proposals are noted in Appendix 1 (B Agenda).

- 4.8 There are 14 providers who 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.
- 4.9 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 £2.156m, please see Appendix 2 (B Agenda) for detail.

5. Next Steps

- 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.
- 5.2 The Council will continue to liaise with civil servants to obtain the Scottish Governments position on the continued provision of support to people who may have no recourse to public funds.

6. Financial impact

- 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 £2.0m. The increase was reported to Committee on 3 February 2022 and can be contained within the overall position of the Council in 2021/22.
- 6.2 The additional waivers, which were approved under urgency provision (set out in Appendix 2 (B Agenda), total £2.156m and can be contained within the position reported to Committee on 3 February 2022.
- 6.3 Through the 2022/23 budget process, additional funding of £5.6m was provided to address the continued impacts of the COVID-19 pandemic, resulting in total additional funding of £17.6m for 2022/23. This increase is required to address the full year impact of the 2021/22 growth and to provide for estimated further growth during 2022/23.
- 6.4 The waivers outlined in Appendix 1 (B Agenda) can be contained within the funding approved for 2022/23. The estimated cost is expected to be in the region of £5.2m for 1 April – 30 June 2022 plus a further £3.1m for the Haymarket Hub in the period 1 April 2022 – 31 March 2023.

- 6.5 Temporary accommodation services have been included in a Council wide financial assessment of the additional costs being incurred in response to the pandemic.
- 6.6 This expenditure can be contained within the 2022/23 revenue budget approved by the Council on 24 February 2022. 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

7. Stakeholder/Community Impact

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

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – B Agenda - Waivers from 1 April 2022 to 30 June 2022 and Haymarket Hub.
- 9.2 Appendix 2 – B Agenda - Waivers agreed under urgency to March 2022.
- 9.3 Appendix 3 – B Agenda – Waivers agreed under urgency for 2020/21.