

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 06 June 2023

TITLE	Temporary Accommodation Project		
Ward(s)	All wards in Bristol		
Author: Donald Graham	Job title: Director Homes and Landlord Services		
Cabinet lead: Cllr Craig Cheney, Deputy Mayor and Cabinet Member for Finance, Governance and Performance	Executive Director lead: John Smith, Interim Exec Director G&R		
Proposal origin: BCC Staff			
Decision maker: Mayor Decision forum: Cabinet			
Purpose of Report: <ol style="list-style-type: none">1. The report seeks approval to spend of up to £21.4m, to support the delivery of the four major transformation programmes. Within the £21.4m value, £7.4m has been previously agreed and specifically earmarked to the relevant programme or service areas in the 23/24 budget and up to £14.0m will be designated from within corporate held resources for 2023/24 and beyond. The delivery cost associated to the Temporary Accommodation Transformation programme amounts to £0.8m of which £0.5m is specifically earmarked and £0.3m is new and requested from the corporately held resource2. It provides an overview of the Temporary Accommodation transformation programme approach and objectives for 2023/24.3. It seeks approval for the recommissioning of the Emergency Accommodation Framework.			
Evidence Base: <ol style="list-style-type: none">1. Transformation Management Office<ol style="list-style-type: none">1.1. A transformation consulting partner will be procured to provide assurance and support delivery across the portfolio of four transformation programmes: Property Programme, Temporary Accommodation and Homelessness Programme, Children’s & Education Transformation Programme and Adult Social Care Transformation Programme. The Transformation Management Office will oversee the entire programme delivery to build confidence in benefit realisation, provide resilience and support interdependence across			

the programmes.

2. Programme objectives and outcome

- 2.1. The national demand for Temporary Accommodation (TA) has increased significantly. Nationally, there are currently 101,300 households in TA. This includes 127,220 children. In 2010, there were only 49,580 households in TA. In Bristol, demand has continued to grow and has increased 87% since Covid. The council has a legal obligation to house people who are legally homeless and vulnerable. Due to a lack of affordable housing, much of that accommodation is secured via expensive spot purchased accommodation from the private rental sector. The council claims some of the cost back via Housing Benefit, but this is capped by central government, linked to Local Housing Allowance (LHA) rates set in 2011, so the amount that the council pays above the cap results in a loss to the council, known as subsidy loss.
- 2.2. The annual TA subsidy loss for 2023/24 is estimated to total around £11.1m, generating an ongoing budget pressure of £5m, with a risk that demand will increase. There's a need for more supported housing delivered by Registered Providers, where there is no subsidy loss. It is important to note that the council still pays for the support costs which cannot be covered by Housing Benefits (support costs are significantly less than the full subsidy loss we face from private rented properties).
- 2.3. Our project goal is to reduce the Housing Benefit subsidy loss which is the main cost to the council from Temporary Accommodation, by providing more Council-owned TA, and increasing the amount of supported exempt accommodation available.
- 2.4. Our key outcomes are:
- Cashable savings of £2.76m, of which £1.9m is committed for delivery in 23/24
 - A more stable portfolio of TA, so that costs can be more easily controlled
 - More supported housing.
 - Medium term plan to significantly reduce subsidy loss for TA

3. Programme governance

- 3.1. The Temporary Accommodation Programme will have a programme board which will closely monitor the work of the programme, and seek assurance that milestones are being met, the benefits of delivery are being realised, and that improved outcomes and cashable savings are being delivered. This board will be developed in the context of the new Transformation Management Office which will report to the Council's Corporate Leadership Board.

4. Programme scope and approach

- 4.1. Doing nothing is not an option. The consequence of doing nothing would be that TA would continue to overspend and be unable to balance the subsidy loss budget, having a detrimental impact on the overall

council budget.

4.2. The scope and approach of the programme was agreed as part of the budget report approved by Full Council on 21st February 2023. We have since developed an implementation plan for the project. This report seeks approval and authorisation to spend resource to enable programme implementation.

4.3. The Temporary Accommodation Programme is made up of the following workstreams:

- supported exempt accommodation
- conversions of properties on the Council's disposal list
- delivery of permanent new build and demountable homes.
- general needs housing for use as Temporary Accommodation.

5. Emergency Accommodation Framework

5.1 In addition to the above work streams which make up the TA Programme the council needs to recommission its Emergency Accommodation Framework, as it will expire in February 2024. This framework is where we secure properties on a spot and block basis with private providers of emergency TA.

5.2 We intend to make some changes to the existing framework, to better meet our needs for emergency accommodation. These changes will include the addition of some controls around standards and safeguarding, and pricing controls that will reduce the cost to the council of emergency accommodation. In 2022/23, the council spent £18m through the current Emergency Accommodation framework. For the updated framework, we are working within a budget envelope of £16m per year, and we anticipate that as we grow our TA through the TA project work streams, the spend on the Emergency Accommodation Framework should reduce year on year. This cost reduction will help us to mitigate budget pressures from subsidy loss that would otherwise put our committed cashable savings at risk.

5.3 The proposed amendments to the current framework include:

- Changes to who can use the framework – the framework is currently jointly commissioned with South Gloucestershire, but we are considering other arrangements including having a separate lot that South Gloucestershire will manage, or a Bristol only framework. The framework will serve clients of other BCC services - Children's services, Adult Social Care, and No Recourse to Public Funds (NRPF – the Asylum team) as well as Housing.
- Better controls over pricing, including fixed price per size of property, annual inflationary uplift built into the contract, and BCC no longer responsible for recovering service charges from the clients.
- Landlords will be required to meet high standards – including responsibility for repairs and maintenance, safeguarding and DBS checks, gas and electricity safety certification, and inspections to be carried out by BCC prior to use of the properties.
- Providers will be commissioned to provide housing management, and there will be requirements for better accessibility and availability to clients.

6. Project financials:

6.1. Savings target:

6.2. The project needs to deliver cashable savings of £1.9m in 23/24 and £821k in 24/25. The service has been carrying an ongoing budget pressure of £5m, so to reduce this we will need to aim for a higher target in terms of cost avoidance, to enable us to deliver our committed cashable savings in 23/24.

7. Cost of Project:

7.1. Development costs (funded by the capital HRA budget) have previously been approved.

7.2. The below table shows the costs required to deliver the project.

Roles	Funding	23/24	24/25	25/26
Housing Options - TA Project				
Team Manager	Revenue	£33,738*		
Part Funding Housing Officer	Revenue	£6,375**		
Part Funding Housing Officer	Revenue	£6,375**		
Strategy and Enabling Team				
Enabling Officer	Revenue	£30,544		
Transformation Lead/ PMO				
Transformation Lead Team	Revenue	£200,135		
Senior Project Manager	Revenue	£78,350**		
Business Analyst 58 Days	Revenue	£15,776		
Subject Matter Expert 57 Days over 8 Months	Revenue	£20,805		
Commissioning Manager	Revenue	£44,802**		
Finance BP or Finance Manager	Revenue	£36,000	£18,000	
Development roles	Capital HRA funded	341,000	341,000	341,000
Total		813,900	359,000	341,000
Whole Project Spend		£1,513,900		
Capital HRA Approved		£1,023,000		
Change Reserve Approved		£195,000		
Amount for Approval		£295,900		

*7 months of cost for 23/24

** 9 months of cost for 23/24

Councillor Craig Cheney / Officer Recommendations:

That Cabinet provide the following collective approval across the four transformation projects: Property Programme, Temporary Accommodation and Homelessness Programme, Children's & Education Transformation Programme and Adult Social Care Transformation Programme to:

1. Approve spend of up to £21.4m (for the four corporate transformation programmes), of which £14.0m will be designated from within corporate held resources as outlined in the finance commentary.
2. Authorise the Chief Executive in consultation with the Director of Finance and Deputy Mayor for Finance, Governance and Performance to take all steps required to procure and award a contract for a transformation consulting partner (which may be above the key decision threshold and subject to an urgent decision with a retrospective report to Cabinet) to provide oversight and assurance and support delivery across the portfolio of four transformation programmes.

Cabinet recommendation specific to the Temporary Accommodation Programme:

That Cabinet:

3. Approves spend of up to £0.8m, to support the delivery of the Temporary Accommodation Program of which £0.3m will be the initial drawdown from the £14m and £0.5m is funded through other sources.
4. Notes the project's objectives, approach and timeline as outlined in this report.
5. Approves the spend for 23/24 for the project and notes the funding sources identified as outlined in this report.
6. Authorises the Executive Director – Growth and Regeneration in consultation with Cabinet member with responsibility for Housing Delivery and Homes and the Director of Finance (£151 Officer) to spend up to £300k or as required within the overall transformation programmes budget approved with the agreement of CLB, to deliver the Temporary Accommodation project including procuring and awarding contracts above the key decision threshold, as outlined in this report.
7. Authorises Executive Director – Growth and Regeneration in consultation with Cabinet member with responsibility for Housing Delivery and Homes and the Director of Finance (£151 Officer) to take all steps required to recommission the Emergency Accommodation Framework including to invoke any subsequent extensions/variations required as outlined in this report.

Corporate Strategy alignment:

1. Development and Delivery Principle: specifically, ED05 Good Governance

2. HC2 - Low or zero carbon homes: new builds and refurbishments will increase the number of low carbon homes.
3. HC3 - Homelessness: Cost effective Temporary Accommodation for people who are homeless will increase.

City Benefits:

This project and the associated recommendations will benefit the city in the following ways:

1. Reduction in subsidy loss will enable a balanced budget, contributing to the financial sustainability of the council
2. An increase in supported housing from Registered Providers will mean that more people are placed in accommodation that meets their support needs
3. More suitable temporary and emergency accommodation for those who need it, with less reliance on the use of hotels
4. Conversions of properties on the council's disposal list will contribute to social value by providing housing to those in need, rather than selling to private landlords

Consultation Details:
Not applicable

Background Documents:

[A. Budget Report.pdf \(bristol.gov.uk\)](#) 23/24 Budget Report to Full Council

[Temporary Accommodation Partnership](#) Agreement to partner with the hospital trusts to provide temporary accommodation

[Flexible-level supported homelessness accommodation service \(Temporary Accommodation Services\)](#) Agreement to proceed with accommodation frameworks for supported housing provided by RPs 04/10/2022

[Block Contracts for Temporary Accommodation](#) Agreement to award block contracts for the provision of emergency temporary accommodation 14/12/2021

Revenue Cost	£300k total revenue spend for programme	Source of Revenue Funding	Funding Source	
			General Fund Reserves	1.0
			Release of accelerated payment of pensions	1.0
			Release of service budgets as a result of	2.0

			increased external income	
			Flexible use of Capital Receipts*	10.0
			Total	14.0
Capital Cost	£1.02m	Source of Capital Funding	HRA Capital funding	
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>	

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice

This report seeks the approval of spend up to £14m, in addition to specifically funded elements of the programmes amounting to £7.4m, to support the delivery of the major transformation programmes: Property Programme, Temporary Accommodation and Homelessness Programme, Children’s & Education Transformation Programme and Adult Social Care Transformation Programme. This is with the overall aim to contain service need within a sustainable envelope whilst achieving the savings targets required.

This paper specifically addresses the Temporary Accommodation Project, which has a recurrent savings delivery target of £2.7m plus additional cost avoidance to significantly reduce subsidy loss.

The programme outlines costs to deliver of £1.5m based on current assessment, however as the work develops this could be subject to change within the bounds of the overall funding.

There is £1.2m confirmed specific funding identified against this programme, which is funded through a combination of specific grants, reserves and capital allocations, which leaves a residual of £300k to be funded through corporate initiatives.

Where business cases require development these will be progressed in line with the delegations outlined in this report, with the expectation that they are managed within the envelop of funding identified for the overall transformation programme.

Overall the first phase of the work on the top-4 programmes are expected to cost a total of £18.3m, which includes a transformation management office to oversee the entire programme delivery, with £7.4m of funding specifically aligned earmarked funding streams to those programmes. The remaining £11m and further works from latter phases for 2023/24 and beyond is to be managed through a combination of funds totalling £14m as follows:

Funding Source	£m
General Fund Reserves	1.0
Release of accelerated payment of pensions	1.0
Release of service budgets as a result of increased external income	2.0
Flexible use of Capital Receipts*	10.0
Total	14.0

* Flexible use of capital receipts remains subject to availability and requires disposals to meet the overall target of £36m to fund both the capital programme and the transformation £10m in the table above.

Delivery of the savings targets attached to this programme are critical to enable delivery against the budget as set by Council in February 2023, rigorous monitoring of savings, costs to deliver and achievement of capital receipts will therefore be required.

Finance Business Partner: Sarah Chokiewicz, Head of Financial Management deputy Section 151 Officer, 25 May 2023

2. Legal Advice: The framework for emergency accommodation is exempt from the Public Contracts Regulations by virtue of Regulation 10(1)(a) and it not therefore necessary to run a PCR-compliant procurement process or to comply with the council's own procurement rules. It is nonetheless advantageous to run an open process in order to attract as many suppliers as possible to the frameworks with a view to securing best value for the council both in terms of the cost and quality of accommodation.		
Legal Team Leader: Husinara Jones, Team Manager/Solicitor 26 May 2023		
3. Implications on IT: I can see no implications on IT in regard to this activity.		
IT Team Leader: Alex Simpson – Senior Solutions Architect, 25 May 2023		
4. HR Advice: There are no HR implications evident		
HR Partner: Celia Williams, HR Business Partner 22 May 2023		
EDM Sign-off	Donald Graham, Director Homes and Landlord Services	30/05/2023
Cabinet Member sign-off	Cllr Craig Cheney	30/05/2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	30/05/2023

Appendix A – Further essential background / detail on the proposal	NO
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment (template available by following the link on the Decision Pathway page on The Source)	NO
Appendix E – Equalities screening / impact assessment of proposal (Please contact equalities.team@bristol.gov.uk for support. See also equality impact assessments)	YES
Appendix F – Eco-impact screening/ impact assessment of proposal (template available here) Lead officer for support Giles Liddell..	NO
Appendix G – Financial Advice (Financial officer must be the author of the advice)	NO
Appendix H – Legal Advice (Legal Services must be the author of the advice)	NO
Appendix I – Exempt Information (Legal Services must confirm that information is to be exempt in accordance with the constitution)	No
Appendix J – HR advice	NO
Appendix K – ICT Include here additional information from ICT	NO
Appendix L – Procurement Include here additional information from Procurement	NO