

MUNICIPAL YEAR 2019/2020 REPORT NO.

OPERATIONAL REPORT

OF: Director of Housing & Regeneration – Place

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Agenda – Part: 1

Item:

Subject: Procurement & Supply of Temporary Accommodation

Wards: All

Key Decision No: KD 5040

Cabinet Member consulted: N/A

1. EXECUTIVE SUMMARY

- 1.1. This report seeks approval to extend the existing partnering arrangements between Waltham Forest, Redbridge, Enfield and Newham (WREN) by extending the use of the existing Dynamic Purchasing System for temporary accommodation.

2. RECOMMENDATIONS

- 2.1 To award a further contract to adam HTT Ltd for its Dynamic Purchasing System model to support the continuation purchase of temporary accommodation. The length of the contract will be four (4) years between the Authority and the Provider.

3. BACKGROUND

- 3.1. The Council has been procuring temporary accommodation using a Dynamic Purchasing system since June 2015. This has been procured and used as a partnership arrangement between Waltham Forest, Redbridge, Enfield and Newham (WREN). The supplier of the system is adam HTT Ltd. The system was originally procured using a single supplier framework
- 3.2. The Dynamic Purchasing System (DPS) is used in the main to acquire emergency accommodation for placing households whilst the Council determine whether a long-term homelessness duty is owed. Once a decision is made on the homelessness application, we can move them to longer term / settled accommodation such as our Private Leased Annexe (PLA) Scheme, this is also procured via the DPS.
- 3.3. Waltham Forest is the lead authority on the procurement and management of the contract. As this is a framework agreement it could not be extended and is therefore subject to re-procurement. Waltham Forest have now set up a new framework agreement with adam HTT Ltd.
- 3.4. This report seeks approval to draw down on the new framework and to award the Enfield contract to adam HTT Ltd for the use of its Dynamic Purchasing System.
- 3.5. This will ensure continuity of services and extend our existing partnership arrangements with the WREN consortium. It should also be noted that it is part of our strategy to over the next 4 years substantially reduce the use of temporary accommodation.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. We have reviewed the current market situation and it is apparent that there are no other suppliers able to provide an off the shelf system. This means that the alternative options are extremely limited..
- 4.2. Do nothing: As the authority has a statutory duty to place homeless applicants into emergency accommodation it is likely there will always be a need to secure some level of temporary accommodation from private agents/landlords. To ensure effective supply the Council needs to take innovative approaches to create and / or identify properties.

5. REASONS FOR RECOMMENDATIONS

- 5.1. The proposed annual cost of the *adam* HTT solution is £45,000 per borough based on contractual period. Up to additional £20,000 is payable if the supplier meets agreed key performance indicators. The total cost of accommodation provided is this year estimated at £40.6m per annum, of which £35.8m can be recovered through rent collection /

housing benefit or government grant and as previously noted we intend to reduce this amount year on year. This is of course subject to the lifting and transition out of the emergency housing measures in place

- 5.2. Due to the success of the current contract there has been a desire to continue in a similar progression in collaboration with LB Redbridge, LB Enfield and LB Newham. *adam* HTT has provided a contract renewal proposal which gives us the option to continue with the current housing solution but also addressing key focus points on how to improve the overall process for both users and providers.
- 5.3. The current system has allowed the borough to increase its compliance against legislative and Council requirements. Incidents that have occurred outside of the Council's control has meant that a robust process for strategies such as Fire Risk Assessments or Gas Safety Certificates has been required. The proposed solution will provide a platform to improve upon what has already been achieved, allowing for a single source of data with onus on suppliers to keep their information up to date.
- 5.4. There is a further opportunity for income generation through the proposal submitted by the recommended supplier, which is predicated on the 'selling' of the solution and the joining of other organisations into the WREN collaboration. This has been scoped within the proposal by the provider but has been deemed commercially sensitive at this stage.

6. **COMMENTS FROM OTHER DEPARTMENTS**

6.1. **Financial Implications**

- 6.1.1. The maximum cost of the DPS per annum will be £65k, this cost is comprised of a £45k guaranteed annual licence fee and £20k in performance related bonuses. The bonuses are not guaranteed and are dependent on KPI's being exceeded in order for the Council to incur the full cost each year.
- 6.1.2. The cost of the DPS is currently funded via the Temporary Accommodation budget and will continue to be monitored and reported in the monthly budget monitoring. As this contract has no cost increase compared to current rates there is no additional budget pressure.

6.2. **Legal Implications**

- 6.2.1. *Legal implications provided by SM on 16th March 2020 based on the report circulated on Fri 06/03/2020 11:55.*
- 6.2.2. Any award under the YPO framework must be in accordance with the procedures set out under the YPO Framework Agreement and any

contract entered into with *adam* HTT Limited must be in accordance with the terms and conditions required by the YPO framework.

- 6.2.3. The council must be satisfied that the terms and conditions of the contract to be entered into with *adam* HTT Limited are acceptable to the council and Legal advice should be sought on the terms of the agreement where required.
- 6.2.4. The call off the YPO framework is to set up a Dynamic Purchasing System ('DPS') under which multiple providers can join. Any award of contracts under the DPS must be subject to further competition in accordance with the terms of the DPS system and the Public Contracts Regulations 2015.
- 6.2.5. The Council must ensure compliance with the Councils Constitution, and in particular the Contract Procedure Rules in the procurement of services under the DPS system set up.
- 6.2.6. The Council has a general power of competence under section 1(1) of the Localism Act 2011 to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. This includes the power to enter into contracts. Section 111 of the Local Government Act 1972 also permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions.

6.3. **Procurement Implications**

- 6.3.1. Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.3.2. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
- 6.3.3. All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.
- 6.3.4. *adam* HTT solution has been accessed via the YPO framework, which is a single supplier framework (Dynamic Category Solutions – 723). https://www.ypo.co.uk/framework/detail/900220#framework_details
- 6.3.5. London Borough of Waltham Forest have led the procurement process, but LBE will be calling from the framework in their own right.
- 6.3.6. It is expected that the information relating to this call off will be uploaded into the LTP to create a contract record, and that this will be managed by the service, and that a procurement will begin in good

time to allow for a compliant process as the agreement comes to an end.

6.3.7. Implications provided by C E Reilly 04/03/2020

7. KEY RISKS

7.1. Not applicable.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1. Not applicable

9. EQUALITIES IMPACT IMPLICATIONS

9.1. Not applicable

10. PERFORMANCE AND DATA IMPLICATIONS

10.1. Not applicable

11. HEALTH AND SAFETY IMPLICATIONS

11.1. Not applicable

12. HR IMPLICATIONS

12.1. Not applicable

13. PUBLIC HEALTH IMPLICATIONS

13.1. Not applicable.

Background Papers

None