

Finance and Resources Committee

10am, Thursday 4 June 2015

Extension of Short Term Lets for Homeless Households contract

Item number	7.11
Report number	
Executive/routine	
Wards	

Executive summary

This report seeks approval to extend the existing contract to Easylet Scotland (Ltd) for a further 18 months to supply emergency accommodation for households who are homeless.

This report also seeks approval to increase the number of homes for let under the existing contract from 107 to 130 short-term flats to be used as emergency accommodation.

The current contract was agreed for 18 months with the option to extend for a further 18 months. The contract began on the 17 January 2014 and terminates on 16 October 2015 and the extension to the current contract will run for a further 18 months from 17 October 2015 to 14 April 2017.

Links

Coalition pledges	P8 , P30
Council outcomes	C10 , C14 , C16 , C23 , C25 , C26
Single Outcome Agreement	SO2 SO4

Extension of Short Term Lets for Homeless Households contract

Recommendations

It is recommended that Finance and Resources Committee:

- 1.1 Approves the extension of the Easylet Scotland (Ltd) contract for an additional 18 months, in line with the option contained in the current contract.
- 1.2 Agrees to increase the scope of the contract by 23 homes giving a total of 130 homes.
- 1.3 Authorises the Director of Services for Communities to agree the final terms of the contract extension and to enter into the contract.

Background

- 2.1 In order to meet the statutory duties towards homeless people and provide emergency accommodation, the Council has to access a range of accommodation including bed and breakfast (B&B) accommodation and accommodation marketed as short term private lets.
- 2.2 Legislation prohibits the placing of families in B&B so family accommodation is sourced from the private rented sector. Annually, the cost of purchasing short-term let flats is approximately £1,504,000. Procurement is required to both comply with the European Union procurement regulations and relieve budgetary pressures.

Main report

- 3.1 The current contract awarded to Easylet Scotland (Ltd) to provide short-term let flats began on 17 January 2014 and will end on 16 October 2015. This report seeks approval to extend the contract to Easylet Scotland (Ltd) for a further 18 months, which will run until 14 April 2017.
- 3.2 The contract was awarded in January 2014 following a tendering exercise and allows for extension. Performance against the contract requirements has been good and savings have been delivered. A contract extension will allow these benefits to continue without any disruption of service for homeless households occupying short term lets.

- 3.3 The contract commits the Council to paying for 108 properties, with a further 22 properties being available for use but only paid for when required. A condition of the contract is that it allows a flexible response to service demand.
- 3.4 Given the acute lack of affordable housing in the city and the increased legislative requirement to provide settled accommodation to everyone who is unintentionally homeless, demand for temporary accommodation is high.
- 3.5 108 flats will be 'fixed' cost, i.e. pre-paid. Given that current demand is between 108 and 114 flats, it is envisaged that all of these will be utilised. 22 flats will be 'flex' cost and will only be paid for if used.
- 3.6 This flex element will assist the Council to ensure continued compliance with the Homelessness Persons (Unsuitable Accommodation) (Scotland) Order 2004, not to place households with children (or pregnant women), in bed and breakfast accommodation for longer than 14 calendar days.
- 3.7 Local authorities have a legal duty under the Housing (Scotland) Act 1987 and subsequent legislation to assist people if they have nowhere to live and have been assessed as homeless. Short-term let flats are emergency accommodation used primarily for families and pregnant women when they have been assessed as homeless.

Measures of success

- 4.1 Measures of success include:
 - a. Continued compliance with homelessness guidance not to place households with children and pregnant woman in bed and breakfast accommodation.
 - b. Reduction in cost of short-term lets.

Financial impact

- 5.1 In 2013/14, the Council spent £1,622,999 from the General Fund on short-term lets for emergency accommodation.
- 5.2 In 2014/15, spend on short-term let flats was £1,503,925.50, however usage has increased from 29,156 bed nights in 2013/14 to 31,819 bed nights in 2014/15.
- 5.3 By comparing unit price for 2013/14 (based on off contract spend) at £55.84 per night to 2014/15 average unit price of £45.92, it indicates that the Short-term let flats contract has delivered savings of £330,717.43 in 2014/15.
- 5.3 Projected savings from extension 2015 to contract end in 2017 are £270,006.

Risk, policy, compliance and governance impact

- 6.1 An extension of this contract, within the terms of the original procurement is required to comply with the European Union procurement regulations and reduce risk of budgetary pressures.
- 6.2 Procurement of short-term let flats will contribute to the Council meeting its statutory duty to provide appropriate temporary accommodation for homeless households.
- 6.3 If the extension is not approved, it is highly likely that unsuitable B&B accommodation will be used for families and pregnant women requiring interim housing. This would put the Council in breach of the Homelessness Persons (Unsuitable Accommodation) (Scotland) Order 2004.
- 6.2 This contract will be monitored by the Assessment, Homelessness & Support manager, reporting to the Head of Housing and Regeneration.

Equalities impact

- 7.1 The provision of good quality emergency accommodation enhances four areas of equality rights; the right to health, physical security, standard of living and individual, family and social life.

Sustainability impact

- 8.1 The provision of good quality emergency accommodation for households with children who are homeless will have a positive impact on social cohesion and will promote personal wellbeing.

Consultation and engagement

- 9.1 During the initial procurement exercise, consultation and engagement took place with a range of private rented sector accommodation providers. These discussions took place over a period between June 2012 and October 2013.
- 9.2 There is a continued demand for this accommodation and a constructive working relationship with the Provider has been developed throughout the duration of the current contract.

Background reading/external references

[Finance & Resources Committee Report; Procurement of Short-term Lets for Homeless Households Report 16th January 2014](#)

John Bury

Director of Services for Communities

Finance and Resource Committee – 4 June 15

Contract Extension Short Term Lets - vFINAL

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Links

Coalition pledges	P8. Make sure that the city's people are well housed P30. Continue to maintain a sound financial position including long-term financial planning
Council outcomes	C10. Improved health and reduced inequalities C14. Communities have the capacity to help support people C16. Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed C23. Well engaged and well informed – Communities and individuals are empowered and supported to improve local outcomes and foster a sense of community C25. The Council has efficient and effective services that deliver on objectives C26. The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives
Single Outcome Agreement	S02. Edinburgh's citizens experience improved health and wellbeing with reduced inequalities in health. S04. Edinburgh's communities are safer and have improved physical and social fabric.
Appendices	Appendix One Short-term Lets Stock Profile

Appendix One

Short-term Let Flats Report F&R Committee 4th June 2015

Projected Stock profile based upon 130 flats

Number of Bed Rooms	% Required	Number of flats required & size
1	22%	28
2	60%	78
3	16%	21
4	2%	3
TOTAL	100%	130