

# Scrutiny Report



8 SEPTEMBER 2021

## TEMPORARY ACCOMMODATION UPDATE

Name of Scrutiny Committee **Community and Housing Scrutiny Committee**

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|---|---|
| Exempt / confidential / not for publication | <b>No</b>                               |
| Council Plan reference                      | <b>Ref number / Not in Council Plan</b> |
| Wards affected                              | <b>All wards</b>                        |

### Purpose

To provide an update on the new Supply and Acquisitions Service and its role in providing temporary accommodation and developing move on accommodation.

### Background

#### The Supply and Acquisitions Service process

The new Supply and Acquisitions Service (SAS) was established in 2021. This followed an Invest To Save proposal that sought to create sufficient staffing establishment, and new ways of working, to reform our approach to homelessness through developing sustainable solutions and deliver financial efficiencies. This proposal was agreed by the Corporate Leadership Team and supported by the Council through the provision of the required funding in the 2021/22 budget.

The SAS has replaced the Temporary Accommodation Team and as such has a new focus. Its remit is no longer to simply source temporary accommodation (TA) as an end in itself. Whilst the SAS continue to source TA, the service now also seeks to deliver long term accommodation for those households that the council has a duty to house under the Homelessness Reduction Act 2016 and other housing legislation.

The scale of the problem facing Milton Keynes Council (MKC) is well known – there has been a 36% rise in the use of temporary accommodation since July 2019. As a result, there is now a programme under way to source Assured Shorthold Tenancies (AST’s) in the private rented sector market, to provide move on accommodation for those currently in TA, and those in the future who are assessed by the new Housing Solutions Team that the council has a duty to house.

Two new schemes have been developed to aid the process of sourcing both suitable TA and AST’s: a dynamic purchasing system externally provided by a company called Adam; and a cash incentive scheme for landlords to offer AST’s.

- adam – This scheme is a dynamic purchasing system, an electronic process that is common in procurement<sup>1</sup>. In this case it is essentially an online platform for landlords to enrol and register their properties as being available for TA and AST’s. Following an accreditation process the SAS can access both types of property, TA or AST. When a property for TA is sought the system allows for landlords to ‘bid’ for their property to be utilised. This process allows SAS to access lower cost properties through the bidding process. adam is now up and running and a significant number of landlords are now enrolled. At this time 766 properties are registered. The system also pays landlord invoices for the cost of TA and the cash incentive when an AST is provided.
- AST cash incentive scheme – Following a Delegated Decision in April, the scheme has been co-developed with adam and went live in August. It has been established to actively encourage landlords to offer AST’s, to meet our objective of increasing the supply of move on accommodation. Once a prospective takes up an AST the landlord will be offered the incentive, based on the size of the property and the length of tenure (see Table 1)

|         | 6m AST Cash Incentive | 12M AST Cash Incentive | 24M AST Cash Incentive |
|---------|-----------------------|------------------------|------------------------|
| 1 Bed   | £660                  | £890                   | £1,340                 |
| 2 Bed   | £840                  | £1,130                 | £1,700                 |
| 3 bed   | £990                  | £1,340                 | £2,010                 |
| 4/5 bed | £1,320                | £1,780                 | £2,670                 |

<sup>1</sup> A dynamic purchasing system is an electronic purchasing system which suppliers can join at any time. It is a procedure available for contracts for works, services and goods available on the market (Dynamic Purchasing Systems, Crown Commercial Service, The Public Contracts Regulations 2015)

The costs of the AST cash incentive scheme are being met through the Homelessness Prevention Fund.

### The role of SAS

The SAS have several areas of responsibility:

- To source crisis accommodation for the homeless
  - Deliver sufficient TA capacity through utilising the adam system
  - Reduce the cost of TA
  
- To ensure that properties are of sufficient quality and compliance
  - Undertake property inspections, advise landlords on quality standards and legal compliance
  - Ensure compliance with Housing Health & Safety Rating Standards (HSSRS) liaising with the Private Rented Sector Housing team where applicable
  
- That the supply of move on accommodation is maximised
  - Work and negotiate with landlords to promote the increased availability of AST's
  - Utilise the adam system for cash incentivisation
  - Reduce the use of nightly let TA

### **Key Issues**

Several issues are currently impacting upon the delivery of the new service.

- **The impact of Covid 19**

During the recent pandemic an eviction ban was in place which has masked the levels of potential homeless households. This ban ended on April 30<sup>th</sup>. Whilst there is some data available, in particular those households set for eviction court hearings, there is an unknown quantity. However, a forecast in the initial Invest to Save proposal estimated 515 households may be at risk of homelessness due to eviction proceedings.
  
- **Preventative services**

Several new preventative services have been commissioned during 2020/21. These include a mediation service for young people at risk of homelessness and a debt advisory service. Whilst both services are now up and running, because of the eviction ban we are yet to see the impact of these two new services.

- **Transition of tasks**

Through the creation of the new Housing Solutions service, a number of tasks previously undertaken by the Temporary Accommodation team are to be transferred over. However, the Housing Solutions team has only recently been fully established. Therefore, a number of tasks are still in the process of transition e.g., issuing of licences, eviction processes etc. The SAS and Housing Solutions are collaborating to ensure the transition of tasks take place smoothly and efficiently.

- **The housing market**

The housing market has been buoyant during the pandemic and this has impacted upon the supply of private rented accommodation. The SAS are now negotiating with known landlords, and seeking to on board new landlords, to improve supply. The AST cash incentive scheme is seen as a crucial element in this process.

- **TA debt**

A significant number of households currently in TA have known debt relating to previous and current tenancies. This impacts upon the ability to move on these households to, for example, registered providers who are currently reluctant to offer AST's in these cases. A new TA debt resolution process is now being developed to reduce the number of households with debt. Key to this will be a process of maximising benefit income. Additionally, a new nominations agreement process for registered providers is being developed and will be negotiated with registered providers in the coming months.

## **Performance**

Over a five-year period, the SAS has a number of targets to achieve including:

- annual savings rising from £0.215m in 2021/22 to over £3.8m per annum by year 5, 2025/26.
- reducing the number of current TA households by over 660 through a planned strategy of delivering AST's
- reducing the average length of stay in TA from an average of 374 to 203 Days
- reducing the average rate of nightly lets from £45 per night to £28-£32 per night.

A summary of available data since July 2020 is below. However, it should be borne in mind that the SAS was only fully established from April 2021. Furthermore, this data doesn't include those schemes that have only just commenced e.g. the AST cash incentivisation scheme. A clearer picture will be available in October following quarter 2.

1. Number of general households in TA

July 2020 = 583

July 2021 = 785

2. Global average length of stay in TA

July 2020 = 722 days

July 2021 = 352 days

3. Average gross rate of nightly lets

July 2020 = £45 per night

July 2021 = £38.45 per night

**Governance arrangements**

A new Invest to Save Board has been established to monitor the progress of both the SAS and Housing Solutions team. This board will be routinely assessing available data, managing operational issues, recommending remedial actions and developing a number of workstreams to improve the efficacy of the services e.g. the use of new technology. Currently this board meets weekly and will report into the Housing Strategy and Performance Board chaired by the Chief Executive.

**Conclusion**

The SAS is a new departure for Milton Keynes Council, and it has already begun to develop new processes and initiatives. This will undoubtedly have an impact on the local and potentially regional housing market. Over the next five years it is anticipated that it will make a significant contribution to the success of the Invest to Save proposal.