

Item No. 13.	Classification: Open	Date: 6 March 2024	Meeting Name: Cabinet
Report title:		Gateway 1 – Procurement Strategy Approval Temporary Accommodation	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Helen Dennis, New Homes and Sustainable Development	

FOREWORD - COUNCILLOR HELEN DENNIS, CABINET MEMBER FOR NEW HOMES AND SUSTAINABLE DEVELOPMENT

The current housing crisis is having a profound impact on Southwark residents across all tenures, and the impact is especially acute for those on lower incomes, for whom the private rented sector is increasingly out of reach. Across the country we have seen homelessness figures on the rise again, with the latest figures showing a further 10% increase in the number of people in temporary accommodation, a record high of over 105,000 households. At the same time, procurement is becoming ever more challenging for local authorities as private landlords exit the market, reducing the number of homes available for temporary accommodation.

In this context, we are bringing forward a new approach to procurement which was outlined through a recently approved Gateway 0 report, and which is expanded upon in this report.

This report addresses our need to modernise and improve our supply chain, allocation and contract management needs. A Dynamic Purchasing System (DPS) and contractor management tools, delivered through a single platform will enable the council to have the assurance that we are achieving value for money, quality accommodation in line with our Southwark Good Homes Standard, and a prompt service through external providers. The identification of an established DPS provider has been identified as the solution.

This report sits alongside our renewed placements policy, our draft Homelessness Strategy, and further work being undertaken on acquisitions and allocations. We are determined to play our part in response to this escalating crisis in temporary accommodation and to ensure that our processes are the best they can be to meet the needs of our residents who find themselves without a secure home.

RECOMMENDATIONS

That the Cabinet:

1. Approves the procurement strategy outlined in this report to undertake a procurement exercise for the establishment of a Dynamic Purchasing System (DPS) for the supply and management of Temporary Accommodation (TA) for a period of six years from August 2024 at an estimated cost of up to £45m per annum, making a total estimated cost of £270m.
2. Notes that the appointment to the DPS does not constitute any award of contract with the supplier and delegates to the Strategic Director of Housing where this may be required.
3. Notes that the procurement strategy in this report for the DPS will result in bidders being required to provide all forms of temporary accommodation properties, subject to individual negotiation for the call-off process that will be approved in line with the council's governance, for leases of three, five and up to ten years as well as Nightly Paid Accommodation (NPA). Further notes that the Council reserves the right to procure properties outside of the DPS as and when required.
4. The council will provide an annual performance report a year after implementation of the DPS to the Lead member for Council Homes and Sustainable Development. This report will include information on the location and quality of the accommodation as well as the financial impact to the council.

BACKGROUND INFORMATION

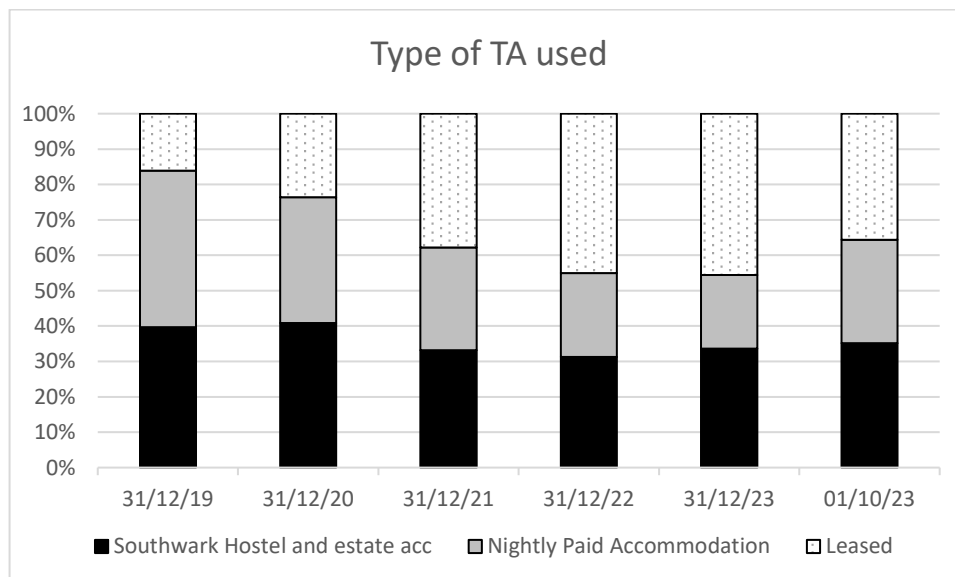
5. The Homelessness Reduction Act 2017 and the Housing Act 1996 (Part VII) requires, that where the duty exists, the council provides accommodation to a household. In all forms of temporary accommodation, the council is the accountable landlord. When the accommodation is acquired via a provider in the form of Private Sector Leasing (PSL) or NPA, the cost to the council also covers repairs and housing management. This report therefore refers to the procurement of providers, for the supply and management of accommodation. Currently just over 50 suppliers that provide both leased and NPA accommodation. Over time the use of TA in Southwark has been increasing, most particularly between 2019 to early 2022. This is displayed within the table 1 below:

Table1 – Households in Temporary Accommodation

Year End	31/12/2018	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Total in TA	2568	2820	3176	3463	3610	3,807
% increase	-	9.8%	12.2%	9.2%	4.2%	5.4%

6. NPA, is based on a daily arrangement, and PSLs account for a large proportion of the total portfolio. The cost to the council for PSL and NPA, after rent collection, accounts for around 50% of the total cost of the procured property. The Housing Revenue Account properties, including those on Estates and Regeneration schemes, are a vital cost effective additional supply, which has a positive impact on budget management strategies.
7. The council has been using these forms of TA for decades but the use of nightly paid and leased accommodation has been gradually increasing in the last few years and it is now a dominant element of the council's procurement landscape for TA.
8. The graph below shows a snapshot of the TA portfolio at the year end and the most recent snapshot.

Graph 1



9. The council, in line with all other London Boroughs, procures NPA and PSL properties based on the rates set out in the Inter Borough Accommodation Agreement (IBAA), this being the maximum cost per property in each area and requires boroughs to comply with those rates or report a breach if exceed. Until 2022, this had brought a level of control to the market and ensured that boroughs did not out bid each other further increasing costs. However, these rates no longer match market expectations and many

boroughs, including Southwark, are having to pay above the rates simply obtain the accommodation required.

Summary of the business case / justification of the procurement

10. TA procured in the private market is for units and management of the properties; repairs, tenancy management, inspections, void turnaround, but excluding rent collection. The nature and value of the supply of temporary accommodation and its management means that the full tendering requirements of the Public Contracts Regulations 2015 (PCR 2015) (as amended) apply.
11. The council has over 1,300 PSL units and are overly reliant on NPA which is of varying quality and high in cost. The PSL stock is leased for a three year period and on average there are over 500 renewals negotiations per year resulting in large scale hand backs, significant cost increases or conversion to NPA.
12. TA is also required in other circumstances and not just for homeless households. For example council tenants who need to move to allow works to be completed or households who have no recourse to public funds, or another circumstances where the council may require TA but it does not fall under the duties within homelessness legislation.
13. The council needs to formalise its procurement approach and have the tools to support it to better control the quality and cost of accommodation in a transparent manner. The procurement of TA will fall within one council approach to ensure consistency across different services.
14. The IBAA sets out maximum rates payable by individual authorities for PSL and NPA. These rates, for most London Boroughs were increased by 10% in March 2023 but market rates have increased well above these rates, on average 20-30%, and continue to increase further in line with the general private rented sector. There is an opportunity to expand the geographical location, subject to due diligence and compliance with the law, for the procurement and allocation of accommodation in order to make provision to those requiring it.
15. While there is a developed and mature market in the private rented sector market, the council will want to appoint providers that are able to address the demands for accommodation and the level of quality housing management services to residents that meets the council requirements.

Market Considerations

16. The IBAA Agreement and the rates, as described in paragraphs 8 and 12, is now outdated. Market factors, reflected in higher costs and pressures on budgets, is showing a dramatic lack in PSL supply and a corresponding increase in NPA. Table 2 below, show the new acquisitions, renewal of existing leases and hand back of properties where the lease is not renewed

primarily due to not being to reach agreement on the cost of a new lease. This is a national issue but is specifically a London crisis which has seen TA cost increase by 30-40% in the last eighteen months. Given the lack of housing supply in London and ever increasing costs, procuring outside the London area will improve the supply of more properties that are suitable and affordable.

17. At present the council has no approved suppliers and the arrangements for putting in place and maintaining TA arrangements are resource intensive. The proposed Southwark TA DPS would automate a number of processes and provide a route to market for TA that is quicker and that makes placements in a transparent way. While, this procurement route is not in itself a solution to the crisis, a DPS will ensure that Southwark is engaging with the market in a proactive and consistent way.
18. Following the pandemic, the provision of TA by all London boroughs has worsened as a result of market conditions and increased demand. The council is required to apply a stronger emphasis on governance, contractual compliance and contract management. Of greater concern is how the use of type of temporary accommodation has changed. Table 2 below provides a simple summary of the changes in the last few years; showing a reduction in PSL accommodation given the rate of expired leases that are not being renewed when compared to renewals and new acquisitions.
19. Table 2 – Leased property acquisition activity

Year	New Leases	Lease Renewal	Property Handed back
2019	290	1	47
2020	671	24	104
2021	339	17	116
2022	296	3	246
2023	6	181	406

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

20. This procurement route will regularise the leasing of interim and temporary accommodation, maintain the Southwark Good Homes Standard and related policies. However, it must be noted that, on its own, this is not a long term solution to the supply crisis.
21. The following procurement options have been considered:
 - (a) **Do nothing:** The council has statutory duties to prevent and relieve homelessness for all eligible homeless applications and to secure accommodation for homeless households who fall into a 'priority

need' category under Part 7 of the Housing Act 1996 (as amended). The council therefore cannot stop procuring and providing this form of accommodation.

- (b) **Continue as is:** this option is not viable or practical for the council. Accommodation is currently procured on a spot purchase arrangements and the proposed DPS will formalise the contractual position with providers. Financially, the council is increasingly overspent on NPA, due to a lack of alternative PSL supply of accommodation.
- (c) **The council provides this service/supply in-house** – The council already uses its own stock in a targeted manner, but the level of supply required means that other supply in addition to its own stock is also required.
- (d) **The use of external DPS or Shared Services** – There is no specific benefit from using an external or shared service such as benefiting from economies of scale as individual councils procure according to their own demands. The WREN (North East London sub-region), DPS has been established for a number of years. The fee for joining is £90Kpa.
- (e) **A Southwark DPS** - A DPS offers a more efficient method of managing TA including streamlined processes by reducing time sourcing, as well as and providing assurance that governance requirements and property compliance has been achieved. Properties are proposed to be obtained from approved suppliers on the DPS where managing quality and cost, through monitoring against the service specification by ongoing contract monitoring.

Proposed procurement route

- 22. The recommended option is to establish a Southwark DPS as outlined in (e) above.
- 23. The procurement will follow the rules of a restricted tender subject to the provisions contained in regulation 34 of the PCR 2015.
- 24. The criteria specified within the DPS and working mechanisms will assist in achieving the following:
 - A bank of existing quality assured providers from Access UK Ltd
 - A clear choice of approved providers
 - Best 'market value' in terms of cost and quality of the service
 - Improved business processes for both the council
 - Relieve pressure carrying out administrative tasks for both the council

- Providers will benefit from a clear contract management process and engagement.
25. The establishment of a Southwark DPS will also realise a number of benefits the providers will receive. This will include:
- Implementing clear contract management and engagement processes.
 - A reduction in the administrative burden through automated tracking and usage of accommodation obtained through the system.
 - Streamline the invoice process to reduce a delay payments being made.
26. To support the implementation of the DPS from procurement initiation through to operational transactions, the council has procured Access UK Ltd, via a separate Gateway 1 and subject to cabinet approval of this report.
27. A call off process will be approved as part of the next stage following this report and published tender including the call for properties and submission by providers.

Identified risks for the procurement

28. Table 3

	Risk	Risk level	Mitigation
1	The procurement process fails due to inadequate quality and quantity of submissions	Low	Publication of a Prior Information Notice (PIN) and market engage will ensure that providers are aware of this procurement. This will be issued in February 2024
2	The selected suppliers for the DPS fails to provide properties at acceptable cost	Medium	Part of the call-off process will allow the council to negotiate rates according to size, type and location of the property. The procurement will also need to focus on outside of London areas.
3	Existing and potentially new providers are unwilling to join the DPS	Low	The private market is already well used to DPS and Frameworks and most have already engaged in this process. The council will engage with current providers that may not be aware of the process.
4	Nightly Paid Accommodation remains a dominant factor in the market	High	This is a market condition and it will remain an on-going issue. Part of the

	Risk	Risk level	Mitigation
			call-off process will allow the council to consider alternatives outside of London in line with TA Placement Policy
5	Scarce procurement of properties in Southwark and immediate vicinity meaning the DPS will require greater engagement from suppliers further afield.	Medium/ High	The council is making use of its own stock to support local provision and the availability of accommodation to meet the need.

Key / Non Key decisions

29. This report deals with a key decision.

30. Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	30/10/2023
DCRB Review Gateway 1	13/11/2023
CCRB Review Gateway 1	01/02/2023
CMT Review Gateway 1	06/02/2023
Brief relevant cabinet member (over £100k)	06/02/2023
Notification of forthcoming decision - Cabinet	29/02/2024
Approval of Gateway 1: Procurement strategy report	06/03/2024
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	14/03/2024
Completion of tender documentation	14/03/2024
Publication of Prior Information Notice	22/02/2024
Publication of Find a Tender Service Notice	22/03/2024
Closing date for receipt of expressions of interest	22/04/2024
Completion of short-listing of applicants	10/05/2024
Invitation to Participate – DPS round 1	13/05/2024
Forward plan – Gateway 2	01/05/2024
Closing date for return of tenders	13/06/2024

Activity	Complete by:
Completion of any clarification meetings/presentations/evaluation interviews	20/06/2024
Completion of evaluation of tenders	30/06/2024
DCRB Review Gateway 2:	08/07/2024
CCRB Review Gateway 2	18/07/2024
Notification of forthcoming decision	29/07/2024
Approval of the Gateway 2: Contract Award Report	31/07/2024
Debrief Notice and Standstill Period (if applicable)	07/08/2024
Contract award	08/08/2024
Add to Contract Register	09/08/2024
Place award notice on Find a Tender Service	10/08/2024
Place award notice on Contracts Finder	10/08/2024
DPS starts	12/08/2024
Initial DPS completion date	11/08/2029

Development of the tender documentation

31. The tender documentation to be used for application to the DPS will consist of Part 1 – questionnaire assessment as set out in Table 1 and 2. Part 2 will be the qualitative assessment based on the service specifications and standards which will form part of the contract this will be done in conjunction with procurement. This will make specific reference to Southwark’s Good Homes standard to ensure all providers will supply accommodation that meets Southwark’s requirements.
32. Part 1 – Questionnaire assessment – Included with the tender documentation will be a pre-qualifying questionnaire. The questionnaire will assess the organisation’s financial viability, organisation’s legal capability to trade and experience. Organisations will be evaluated on their response to questions covering specified criteria outlined within table 4 below.

Advertising the contract

33. PIN notice will be issued on 22 February 2024.
34. DPS documentation will be made available via the council’s e-tendering system - ProActis. To gain access to the DPS documents organisations were asked to register their details on the ProActis system.

Evaluation

35. The evaluation of all parts of the tender submission will be carried out by a

panel consisting of officers from finance housing, procurement. Access UK Ltd will provide technical support. The DPS Evaluation will consist of two parts; a questionnaire and method statement assessment. A scoring range of between 0 and 5 will be used to score Bidders response to the questionnaire (where appropriate) and the method statement. The assignment of scores will be based on the following assessments:

Table 4 – Scoring matrix

Assessment	Score	Basis of score
Cannot be scored	0 points	No information provided or incapable of being taken forward either because the Supplier does not demonstrate an understanding of our requirements or because the solution is incapable of meeting our requirements.
Unsatisfactory	1 point	Although the Supplier does demonstrate an understanding of our requirements there are some major risks or omissions in relation to the proposed solution to deliver the service and we would not be confident of our requirements being met.
Satisfactory	2 points	A response which is capable of meeting our requirements but is unlikely to go beyond this.
Good	3 points	A response which shows that the Supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service and could evolve into additional benefits.
Very good	4 points	A response which shows that the Supplier demonstrates an understanding of our requirements, and has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value.
Excellent	5 points	A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements and/or offering significant added value to the Council's overall strategic requirements and objectives.

36. Table 5 – Evaluation Criteria

Evaluation area	Pass/fail or scored question including weightings
Professional conduct	Pass/fail
Economic and financial standing	Pass/fail
Insurance	Pass/fail
Health and Safety	Pass/fail
Quality assurance	Pass/fail

Evaluation area	Pass/fail or scored question including weightings
Equality	Pass/fail
Environmental weighting	Pass/fail
Experience	Scored questions
Sub-contracting/consortia arrangements	For info only – not scored

37. For the part one, the assessment (questionnaire assessment) providers will be required to obtain a pass for each of the questions/sections where it is stated as being a pass or fail assessment and at least satisfactory for each of the marked questions in order to be considered eligible for progressing for the second part of assessment process.
38. For the part two assessment (method statement assessment) bidders are required to obtain at least 3 marks out of the available five for each question in each section in order to be considered eligible to be appointed on to the DPS.
39. Part 2 – Method Statement assessment - Submitted method statements will be evaluated based upon 100% quality to appoint successful organisations onto the DPS. The price for each property will be fixed as part of the call off process and term of the lease. Therefore no score or weighting will be allocated to price at this stage.
40. The criteria and weightings assigned to the method statements are:

41. Table 6

Method statement (Criteria)	Weightings
<p>Question 1 - Procurement</p> <p>Outline the areas in line with the Placement Policy in which you are confident you can procure an on-going supply of good quality properties, the methods by which you propose to procure properties and your anticipated relationships with the properties owners, landlords or other agents.</p>	40%
<p>Question 2 - Repairs and Maintenance</p> <p>Outline your approach to the boroughs' requirements with respect to the initial standard of the properties, repairs and maintenance as detailed in the specification. In particular, how you propose to resource the repairs and maintenance function, how you would ensure all emergency repairs are carried out within the specified timetables, your approach to gas safety inspections and your approach to access difficulties.</p>	25%
<p>Question 3 - Complaints and management</p> <p>Outline how you will ensure that complaints from both landlords and our tenants are effectively managed to deliver the minimum customer care standards detailed in the specification. In your response, detail how you would treat the households in the properties, the wider community and any liaison with the council and host boroughs.</p>	15%
<p>Question 4 - Anti-Social Behaviour</p> <p>Outline how your organisation will manage anti-social behaviour for this contract in relation to the specification. You should cover the possibility that a household referred by a borough could be a victim as well as a perpetrator. The council is particularly interested in how tenderers would liaise with referring and host boroughs and the sensitivities which may be involved particularly with respect to child and adult safeguarding issues.</p>	5%
<p>Question 5 - Equalities</p> <p>Please detail how your organisation would adapt the service to meet the needs of households bearing in mind that they may share different protected characteristics such as Age, Race, Religion or Belief, Disability, Sex, Pregnancy and maternity, or Sexual orientation. Please provide examples in your response which address two or more of the protected characteristics.</p>	5%

Method statement (Criteria)	Weightings
<p data-bbox="293 309 676 342">Question 5 – Resettlement</p> <p data-bbox="293 383 1182 674">Outline your approach to resettling households referred by the council who may be unfamiliar with the area where the accommodation is located and what support will be provided. The council is particularly interested in the information and advice you will be required to give with respect to the property and its usage, local education, health and other practical welfare issues. Please include an example of your Welcome Pack.</p>	<p data-bbox="1209 309 1278 342">10%</p>

42. During the lifetime of the DPS, new organisations will be given the opportunity to competitively tender in order to be added as a supplier under the DPS.

Plans for the monitoring and management of the contract

43. The council will develop key performance indicators that will measure the success of the operations of the providers who have been acquired through the DPS in line with the overall objectives. The council will monitor performance against these indicators in order to measure the overall performance and set future strategic objectives. This will also include specific reference to Southwark’s Good Homes standards and performance in compliance within this area. Operations and publishing of performance will be done in compliance with the introduction of the upcoming Procurement Act from October 2024.
44. The providers will be paid monthly in arrears through the councils existing systems, and monitored monthly through the council’s budget monitoring processes.
45. The council’s contact register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The council will ensure that all appropriate details of this procurement are added to the Contract Register via the eProcurement system.

Policy framework implications

46. The council has statutory duties to prevent and relieve homelessness for all eligible homeless applications and to secure accommodation for homeless households who fall into a ‘priority need’ category under Part 7 of the Housing Act 1996 (as amended). This report provides the necessary tools to implement the proposed Homelessness Prevention and Rough Sleeping Strategy and revised TA Placement Policy, to enable the council to successfully avoid homelessness by resolving residents’ housing difficulties

at an early stage, or by securing suitable alternative accommodation. In the longer term, this prevents the need for temporary accommodation. In most cases, given market conditions and government's temporary accommodation rent policy, the use of temporary accommodation or emergency accommodation is unavoidable and therefore effective arrangements are required to access accommodation quickly which offers value for money. By utilising the DPS to source temporary accommodation placements, the council will be implementing an open, transparent procurement process.

47. The procurement of these contracts will follow the Fairer Future Procurement Framework to support the Borough Plan and Fairer Future Commitments to deliver value for money and be open, honest and accountable.
48. The delivery of these contracts fit with the council's objectives as outlined in the Fairer Future Commitments, specifically:
 - A place to call home
 - A place to belong and
 - A great start in life.
49. There are a number of related policies that determine how and where homes are procured, how they are allocated and the minimum property and management standards, such as:
 - Temporary Accommodation Placement Policy
 - Temporary Accommodation Procurement Policy
 - Homelessness and Rough Sleeping Strategy.

The latest policy documents will be available on the council's website and listed within the background papers listed within this report.

50. The Placement Policy for TA will be kept under constant review to ensure the policy is compliant with the relevant legislation. In doing so, the council will explore the DPS to ensure the operations are aligned to meet any further needs identified.

Community, equalities (including socio-economic) and health impacts

Community impact statement

51. The council has over 1,200 properties used as TA within the borough. On average it makes over 100 new TA placements per month and most households remain in the same property for over just two years subject to ongoing availability and the supply of longer term homes in the private sector or through the Housing Register. Residents facing homelessness will face significant disruption to their day to day life as they may not be able to be placed in the borough. This could include accessing health care, attending work, etc. Securing TA through a DPS will enable the council to strategically place households into all available accommodation provided to the council in

accordance with other published policies such as the Placement Policy for TA.

52. Those households facing homelessness and the authority has a duty to provide accommodation will be provided accommodation in line with the legislation. This availability of suitable and appropriate TA for households facing homelessness will have a positive impact on such households.

Equalities (including socio-economic) impact statement

53. Southwark council works in accordance with the Public Sector Equality Duty under the Equality Act 2010, which requires a council to have due regard to the needs of those individuals and groups having a protected characteristic under the Act.
54. The provision of TA and subsequent placement will be made in accordance with the Councils Placement policy for TA and private rented sector accommodation which has had a full Equalities Impact and Needs Assessment completed in October 2023. This can be found within the background documents referenced within this report.
55. The DPS will have due regard to promoting the acquisition of accommodation that will meet the needs of households who have protected characteristics including mental and physical disabilities.

Health impact statement

56. Poor property standards can have a negative impact on health equalities within the borough. The introduction of a TA DPS will have a positive impact on health inequalities as the DPS will include specific criteria relating to the property standards of accommodation acquired for temporary accommodation. Therefore all providers who sign up to the DPS will have been evaluated and assessed as to whether they will be able to provide accommodation that the council has deemed to be appropriate.

Climate change implications

57. The council has a commitment to consider the climate change implications for any decision in line with the Council's Climate Change Strategy.
58. The recommended DPS option will have a positive impact on the climate as the contract requirements for each TA provision will include minimum energy efficiency ratings.
59. Any larger scale accommodation made available to the council will have a key focus on climate change consideration through the impact of the buildings ensuring they are in line with the Climate Change Strategy.

Resource implications

60. A central feature of the DPS platform will be a comprehensive management tool and a consequential improvement in back office functions. Staffing will require training as processes and procedures will be updated following the introduction of the DPS.

Legal implications

61. Please see concurrent from the Assistant Chief Executive of Governance and Assurance.

Financial implications

62. In 2022-23, payments to private landlords totalled £40.3m per annum for an estimated 2,400 properties. In 2023/24 the service has seen rising numbers of homeless cases, exacerbated by the cost of living crisis. In addition, there is an emerging and more serious financial pressure on the supply-side as providers are exiting the private rental market due to rising interest rates impact on the financial return, availability issues and escalating rental costs. At month eight, the forecast for payments to private landlords was estimated to be £48m and an overall forecast to TA after being offset by rental income was £20.1m (compared with £12.9m in 2022/23).
63. The procurement of temporary accommodation through DPS will not necessarily alter the council's financial budgetary position, rather it will ensure compliance with regulations and provide some certainty as well as better quality accommodation, and therefore unlikely to lead to a reduction in costs in the current market but will hopefully ensure best market value. It is also expected to help reduce the use of expensive nightly paid, the extent not yet known, and improve financial planning and operational management.
64. Alternative investment opportunities and the increased use of the housing revenue account (HRA) estate voids need to be considered alongside this.

Consultation

65. There is no legal requirement for consultation however the council will issue a Prior Information Notice (Pin) with a view to alerting the market of the proposed procurement. Further market engagement will take place prior to the formal agreement of the procurement strategy. This will be expanded upon as details of the proposed new arrangements with providers are undertaken. This will include consultation with service users and third sector organisations.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance (Ref:FC23/008)

66. The Strategic Director for Finance notes the procurement strategy and the

need for greater governance around TA procurement to provide greater cost certainty and assurance of standards for TA and accommodation to discharge the homeless duty. It is also noted there is unlikely to be any savings as a result of the procurement due to the current market uncertainty, however, better quality accommodation, as well as improvements in financial planning, best market value and operational efficiencies are expected.

67. Alternative investment opportunities and the use of HRA properties will need to be taken into account to ensure the right numbers and mix of properties are procured.

Head of Procurement

68. This report seeks approval from cabinet to undertake a procurement exercise to establish a Dynamic Purchasing System for the supply and management of all forms of Temporary Accommodation for a period of six years from August 2024 at an estimated cost of up to £45m per annum, making a total estimated cost of £270m.
69. Cabinet note the procurement route and detailed are in paragraphs 20 to 27 and 31 to 41, the risks are detailed in paragraph 28, management and monitoring of the contract are detailed in paragraphs 43 to 45, the impact on equalities, health and climate change are detailed in paragraphs 53 to 59, there is NO details with regard to the payment of London Living Wage or social value commitments.

Assistant Chief Executive – Governance & Assurance (Ref; Con/CD/20240206)

70. This report seeks cabinet's approval to the procurement strategy to establish a Southwark Dynamic Purchasing System (DPS) for the supply and management of temporary accommodation for a period of six years commencing August 2024 at an estimated annual cost of up to £45m per annum, making a total estimated cost of £270m.
71. Cabinet is requested to note that appointments to the DPS do not constitute any award of contract with the supplier and cabinet delegates to the Strategic Director of Housing where this may be required.
72. Cabinet is further requested to note that the call off process will be subject to negotiations that will be approved in line with the council's Contract Standing Orders (CSOs) and the council reserves the right to procure properties outside of the DPS, as and when required.
73. The nature and value of the DPS is such that it is subject to the tendering requirements of the Public Contracts Regulations 2015 (PCR 2015). Regulation 34 of the PCR 2015 provides that the council may use a DPS for commonly used purchases, the characteristics of which, as generally available in the market, meet their requirements. The Regulation sets out the compulsory and elective features of a DPS and rules for its operation and use for competition, tender, and award. Any contract that is entered into must

comply with the council's CSOs.

74. Cabinet's attention is drawn to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, which requires public bodies to have due regard, when making decisions, to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Cabinet is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 51 to 56 of this report that which sets out the consideration that has been given to these issues, which should be considered when approving the recommendation in this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
GW0 Temporary Accommodation Procurement strategy	Housing Solutions – 160 Tooley Street, SE1	cheryl.russell@southwark.gov.uk
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/mglIssueHistoryHome.aspx?lId=50033332&Opt=0		
Placement policy for Temporary accommodation and private rented sector offers	Housing Solutions – 160 Tooley Street, SE1	cheryl.russell@southwark.gov.uk
Link: https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=8009		
Temporary Accommodation policy and Action plan	Housing Solutions – 160 Tooley Street, SE1	cheryl.russell@southwark.gov.uk
Link: https://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=7450		
Homelessness Strategy 2018-2022	Housing Solutions – 160 Tooley Street	cheryl.russell@southwark.gov.uk
Link: https://moderngov.southwark.gov.uk/ieIssueDetails.aspx?lId=50017432&PlanId=0&Opt=3#AI50580		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Helen Dennis, New Homes and Sustainable Growth	
Lead Officer	David Quirke-Thornton, Strategic Director of Children and Adults Services covering the role of Strategic Director of Housing	
Report Author	Roberto Bruni, Procurement Specialist	
Version	Final	
Dated	22 February 2024	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Director of Exchequer (For Housing contracts only)	No	No
Contract Review Boards		
Departmental Contract Review Board	Yes	No
Corporate Contract Review Board	Yes	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		22 February 2024