



## Chelmsford City Council Cabinet

12<sup>th</sup> March 2024

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### Temporary Accommodation Placement and Procurement Plan

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Report by: Cabinet Member for a Fairer Chelmsford

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#### Purpose

This report presents a refreshed policy framework for the procurement, supply and management of Temporary Accommodation to help address management of the increasing demand and effectively manage cost and value for money.

#### Options

1. Approve the Temporary Accommodation Placement and Procurement Plan.
2. Approve the Temporary Accommodation Placement and Procurement Plan with amendments.
3. Decline to approve the Temporary Accommodation and Procurement Plan.

#### Recommendations

1. The Temporary Accommodation Placement and Procurement Plan be approved as presented.
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#### 1. Introduction

- 1.1 The Temporary Accommodation Placement and Procurement Plan sets out how decisions are made on who is placed into which units of accommodation and the procurement principles which the Council will operate to ensure there is a supply that aligns with the needs of those to whom we have a duty to accommodate.

- 1.2 The plan proposed is aligned to Chelmsford City Council's Homelessness and Rough Sleeping Strategy 2020-24 and reflects the increased demand for Temporary Accommodation.

## 2. Temporary Accommodation and Placement Policy Statement

- 2.1 The Temporary Accommodation Placement and Procurement Plan is attached at Appendix 1.
- 2.2 The primary purpose of the plan is to robustly document how the Council makes decisions about the need for, where and when to place people in temporary accommodation to ensure the Council is meeting its legal obligations and adopts good practice.
- 2.3 The plan sets out how the Council analyses and projects demand for temporary accommodation regarding numbers, size, and location of units, and manages delivery to ensure a sufficient supply of suitable accommodation whilst minimising the financial impacts. It also uses supporting data to enable projections of demand to be made to help inform future procurement of temporary accommodation that is appropriate, realistic, and affordable.
- 2.4 Procurement and management of temporary accommodation is essential to achieve security of supply, achieve value for money and manage the provider market. The plan establishes principles for procurement of temporary accommodation.

## 3. Conclusion

- 3.1 The demand for social and affordable housing is increasing as is the number of people approaching the Council for advice and assistance due to homelessness or the threat of homelessness.
- 3.2 A comprehensive and planned approach to placement and procurement of temporary accommodation is essential to ensure compliance with legislation and good practice, it also enables robust management and procurement practice to minimise the financial impact whilst retaining an effective supply to meet the Council's statutory duties.

### List of appendices:

Appendix 1- Temporary Accommodation Placement and Procurement Plan

### Background papers:

None

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## Corporate Implications

Legal/Constitutional: The plan is an essential element for the planning and management of the Council's legal duties to those who are at risk of homelessness. This decision falls within the remit of Cabinet to approve.

Financial: Effective management of temporary accommodation will make best use of the Council's financial resources.

Potential impact on climate change and the environment: None

Contribution toward achieving a net zero carbon position by 2030: None

Personnel: None

Risk Management: Procuring the best quantity and quality of temporary accommodation minimises financial and legal risks to the Council and those it has a duty to accommodate.

Equality and Diversity: An Equality Impact Assessment has been completed.

Health and Safety: None

Digital: None

Other: None

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### Consultees:

Counsel

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### Relevant Policies and Strategies:

Chelmsford Housing Strategy 2022-2027

Chelmsford Homelessness and Rough Sleeping Strategy 2020 -2024

## **Temporary Accommodation Placement & Procurement Plan (the Plan)**

### **April 2024 - 2026**

#### **1.0 Overview**

Under the Housing Act 1996 (as amended) Chelmsford City Council (referred to in the Plan as the Council) has a number of duties that require it to provide temporary accommodation to households which meet certain criteria. This Plan sets out the how decisions are made on who is placed into which units and how the Council will procure sufficient suitable units of accommodation to meet the needs so as to comply with the Council's homelessness duties. Its overriding aim is to make sure that the Council continues to have access to an adequate level of suitable accommodation and is making best use of limited financial resources, whilst also ensuring that the Council has the ability to meet its legal duties to those who are homeless.

The Plan has been adopted so to allow an approach which considers and complies with relevant legislation, case law and guidance including:

- The Housing Act 1996, as amended by the Homelessness Act 2002 and the Homelessness Reduction Act 2017
- The Localism Act 2011
- Homelessness (Suitability of Accommodation) (England) orders 2003 and 2012
- Equality Act 2010
- Children Act 2004
- Caselaw R (G) v London Borough of Southwark (2009) R (on the application of Carstens) v Basildon DC [2007] and Kensington and Chelsea LBC, ex p Kujtim [1999]
- Nzolameso v City of Westminster (2015)
- Homelessness code of guidance for local authorities (referred to in the Plan as the Code of Guidance 2018). (As at the date of this Plan, the current version of guidance was published on 22 February 2018 and updated in October 2023.) .

The Plan is aligned to Chelmsford City Council's Homelessness and Rough Sleeping Strategy 2020-24 and reflects the increased demand for temporary accommodation (arising from the Homelessness Reduction Act 2017, which introduced new accommodation duties towards homeless households) reflecting current housing market conditions and will inform the Council's new Homelessness and Rough Sleeper Strategy.

Generally, where the Council has a duty to provide temporary accommodation under Part VII of the Housing Act 1996, it will seek to accommodate homeless households within Chelmsford as far as is reasonably possible and will consider the suitability of any temporary accommodation offered. However, due to the limited availability of temporary accommodation, it is necessary to place some households outside of the Council's area as it would not be reasonably possible to accommodate them within it.

A light-touch desktop review of the Plan will be undertaken annually, considering the patterns of demand and the availability of temporary accommodation.

## 2.0 Content of the Plan

- **Establishes the placement principles and decision-making approach.** The Plan, alongside the relevant legislation and Code of Guidance sets out how the Council makes decisions about where and when to place people in temporary accommodation to ensure we meet our legal obligations and adopt good practice.
- **Current provision & future requirements.** How the Council projects demand for temporary accommodation regarding the type, numbers, size, and location of units, to ensure a sufficient supply of suitable accommodation which is appropriate, realistic, and affordable and meets the needs of households. Effective demand management and projections to inform future procurement of TA.
- **Establishes the procurement principles.**
- **Establishes the market management of private providers (nightly lets)**

## 3.0 Temporary Accommodation Placement Principles and Decision Making

This section establishes the approach towards the placement of homeless households in temporary accommodation. It covers all offers of temporary accommodation made under any of the provisions of the homelessness legislation, which are set out in Part VII of the Housing Act 1996 (as amended) and the Homelessness Reduction Act 2017 and is guided by the Homelessness Code of Guidance 2018 (as amended).

This policy does not apply to final offers of accommodation to discharge the main homelessness duty made under either Part VI or part VII of the Housing Act 1996 (as amended) or offers of accommodation to prevent or relieve homelessness under HRA 2017.

When discharging housing duties under Part VII of the Housing Act 1996, section 208(1) provides that local authorities must, so far as reasonably practicable, secure that accommodation is available for the applicant's occupation in their own district. This applied to the duties to provide temporary accommodation.

This means local authorities have a statutory duty to provide temporary accommodation in their own area "so far as is reasonably practicable" (ref para 17.47 Code of Guidance 2018), and statutory guidance requires councils "where possible" to try and secure accommodation as close as possible to where an applicant was previously living (ref para 17.51 Code of Guidance 2018), although not being constrained by the preference of the applicant. The Council is also required to consider the suitability of any accommodation offered (Chapter 17 Code of Guidance).

### 3.1 Principles for Placement in Temporary Accommodation

- The that the Council will wherever reasonably practicable try and secure suitable accommodation in its area/district.
- If it is not possible to provide temporary accommodation within the district, accommodation will be offered in a neighbouring area wherever possible, considering the distance of that accommodation from where the applicant was previously living. The Council will only look beyond Essex County if it is not possible to provide anything suitable.
- In order to determine the suitability of any temporary accommodation, each case will be individually assessed by an officer at the Council having regard to the relevant legislation, guidance, case law and the Council's [add in title of new policy about priorities].

- If temporary accommodation outside the Council's district should prove necessary, the Council will endeavour to provide accommodation with good transport links to the area where the applicant was previously living if essential for employment, education, medical or support needs.
- Households placed outside the district may be considered for temporary accommodation within the district once a suitable unit becomes available, subject to their needs being assessed alongside the needs of other households who are owed a duty at the same time.
- Where the Council concludes its enquiries and decides that applicants placed in temporary accommodation are not owed an ongoing or any housing duty, under Part VII of the Housing Act 1996, they will be asked to leave and will be given reasonable notice to vacate the temporary accommodation. Reasonable notice will be such notice as the Council's deems reasonable for an applicant to find alternative accommodation. The length of that reasonable notice period will be determined on a case-by-case basis and will take account of the circumstances of the household.
- The usual approach will be that applicants will be made one offer of suitable temporary accommodation which will comply with all the considerations set out within this Plan. This is subject to any successful challenge as to the suitability of that offer and the Council's continuing obligation to keep the suitability of accommodation under review until such time as any relevant duty is brought to an end.
- There is no obligation to enable applicants to view the accommodation prior to acceptance, and in most cases, this will not be practically feasible, but the Council will facilitate this in exceptional circumstances where there is a special need to do so. The Council will provide the applicant with as detailed information on the property as is possible.

### **3.2 Temporary Accommodation Placements: location and suitability assessments**

The Council will keep weekly records of what properties or units are available on each day and assess the best use of vacancies based on the needs of all households requiring accommodation.

The Council will operate in the following Zones.

- Zone A - located in Chelmsford City Council area
- Zone B - located in an adjacent district Braintree, Maldon, Rochford, Basildon, Brentwood, Epping and Uttlesford
- Zone C - located elsewhere in the County of Essex.
- Zone D - located outside of Essex.

Where it is not reasonably practicable to offer temporary accommodation in Zone A due to the availability a sequential search for temporary accommodation in Zone B or Zone C may be sourced depending on suitability for the household before considering a property in Zone D.

In relation to how the Council assesses priority for each zone, please see the Council's Private Rented Sector Offer Policy

In addition, when assessing the suitability of the location of temporary accommodation regard must be had to the Homelessness Code of Guidance 2018 as well as the relevant legislative provisions

(including sections 206, 208, and 210 of the Housing Act 1996 and the Orders including the Homelessness (Suitability of Accommodation) (England) Order 2012, article 2 and caselaw. Importantly, temporary accommodation must be suitable not only for the applicant but for all members of the applicant's household *i.e.* those who normally reside with the applicant, or who might reasonably be expected to reside with them.

The Code of Guidance 2018 sets out a number of factors that should be considered when deciding whether the accommodation is suitable or not. Households have the right to request a review of the suitability of accommodation under Section 202 of the 1996 Housing Act.

Suitability assessment will include (as is relevant to any individual case):

- Education:
  - The ages and key educational stages of children will be taken into consideration, including any exams at Key Stage 4 (GCSE) or Key Stage 5 (A Levels or equivalent Stage 3 vocational courses such as BTECs).
  - The practicalities of travel arrangements to existing schools, colleges or other educational establishments will be considered including the cost, ease and length of time of travel.
  - Support and assistance provided to any children with special educational needs will also be taken into consideration.
- Children:
  - In accordance with Section 11 of the Children Act 2004 and *Nzolameso*, the needs and welfare of all children in the household will be considered and any arrangements for safeguarding those needs. The key areas that will be considered are risks to health, safety, to enjoyment and achievement and economic well-being. The obligation in section 11, is to identify the needs of children but that *"does not in terms require that the children's welfare should be the paramount or even a primary consideration"*: *Nzolameso* at [28]).
  - Households with children at risk, on the Child Protection Register or significantly disadvantaged, will be prioritised for an offer of temporary accommodation within the district, ideally close to where they previously lived. In 'out of district' placements Essex County Council's Children's Services will be notified about the temporary accommodation placements. Where a placement is made out of district, the practicalities of maintaining existing childcare and / or other caring duties may be considered. The cost and availability of caring arrangements in the new area will also be explored, including travel time to that care provision.
- Employment:
  - Where the applicant or their partner or working age members of the household are accepted as being in employment and has been working continuously for a period of six months in the district under a written contract of employment (temporary or permanent) which requires at least 16 hours work a week at a site located within the district (*i.e.* remote or home working is not feasible), the place of employment will be taken into consideration.
  - Parents who are on parental leave who intend to return to work will also have their work location considered under this criterion. The ease and cost of travel to and from the location of the temporary accommodation to an existing place of work, including any shift patterns, may be considered.
- Risk and domestic abuse:

- Where a household is perceived to be at risk from others, or where there is a history of risk to others, the extent, nature, likelihood and gravity of the risk will be assessed and considered.
- Under Part 4 of the Domestic Abuse Act a partnership approach will be taken with Essex County Council to ensure the provision of suitable temporary accommodation for households at risk of domestic abuse. In cases of domestic abuse, particular regard shall be had to chapter 21 of the Code of Guidance 2018 and the Domestic Abuse Act statutory guidance.
- Where accommodation is sourced outside the district, the distance of the property to the district, together with services, amenities and transport links in the new area may be considered. The potential impact of the location on family members will be considered.

#### **4.0 Current provision & future requirements.**

Homeless demand can be difficult to predict. By looking at the number of applications and current provision it enables the Council to project demand for temporary accommodation regarding the type, numbers, size, and location of units, to ensure a sufficient supply of suitable accommodation which is appropriate, realistic, and affordable. Effective demand management and projections are critical to inform future procurement of temporary accommodation.

The Council has seen an increase in homelessness applications since the implementation of the Homelessness Reduction Act 2017 (which came into effect in April 2018) and a reduction in the availability of affordable homes.

- In 2018/19 the number of homeless enquiries was 776 but in 2022/23 the number of applications rose to 1155.
- In October 2023, there were 474 households in temporary accommodation, 196 of whom are waiting for a permanent solution.

There are two types of properties usually referred to as temporary accommodation:

- i) Interim (or emergency) accommodation for use during the relief stage of homelessness and whilst a household's homelessness application is being assessed ( *i.e.* accommodation provided under Section 188, Housing Act 1996). Shorter-term accommodation is generally "nightly booked" and could be self-contained or shared accommodation, either through a private proprietor arrangement or through a Registered Provider. Such accommodation tends to be more expensive but it is only meant to be provided for short period of time.
- ii) Temporary or longer-term accommodation for households where the Council has accepted an ongoing accommodation duty (*i.e.* the Council has accepted a housing duty under Section 193 of the Housing Act 1996). This accommodation is provided until a suitable offer to discharge the Section 193 duty can be made.

#### **4.1 Current Provision**

The Council currently sources a range of accommodation to meet its statutory duties.



The Council currently has access to the following range of options for longer-term temporary accommodation (*i.e.* Section – 193 Accommodation for households where a statutory rehousing duty has been accepted).

- Units owned by the Council (retained and purchased)
- Modular Units owned by the Council
- Private sector leasing
- Registered Provider

The Council has access to the following range of options for shorter-term / emergency accommodation (*i.e.* Section 188 – where investigations are ongoing to determine duty)

- B&B
- Nightly Let – accommodation sourced from private providers and procured on a weekly basis.

#### 4.2 Estimating and meeting need.

Social and affordable housing in the Chelmsford is in high demand, and there are far more people on the Housing Register than there are homes available. In July 2018, there were approximately 4,000 households on the Register. Following a review of eligibility restricting access, the number of households on the Register is now 1,300.

In 2023 to date, 118 households have been successfully rehoused from the register. Therefore, most households are not likely to be successful in finding a home through the Housing Needs Register.

Homelessness demand in the longer term is difficult to predict as it is driven by a complex range of social, economic, and external factors, as well as changes to national legislation and policy. The rate of growth in the need for affordable homes has risen faster and now exceeds the expected supply.

#### 4.3 Year to date usage (October 2023) and projections

Accommodation type Section 193	No of Units available	Average monthly use year to October 2023	Occupancy rate
Units owned by the Council (retained and purchased)	59	49	83%
Modular Units	18	17	94%
Private sector leasing	81	74	91%
Registered Provider (TA)	56	49	87%*some units temporarily not in use
Total	214		
Short term / emergency accommodation (Section 188)	No of Units available	Average monthly use year to	No of Units available
B&B	n/a	12	n/a
Nightly lets	n/a	224	n/a

## Property type

Accommodation type Section 193	1 bed	2 bed	3 bed	4 bed
Units owned by the Council		1	46	12
Modular Units	8	10		
Private sector leasing	22	38	16	5
Registered Provider (TA provision)	22	23	11	0
Total	52	72	73	17
Short term / emergency accommodation (Section 188)	1 bed	2 bed	3 bed	4 bed
Anne Knight House		11		
B&B	13			
Nightly lets	124	78	40	16

From current and previous use of temporary accommodation it is known that 70% of those needing a 2- or 3-bedroom home will be accommodated under s193 (needing a home that gives protection from eviction, i.e. a property owned by a Registered Provider (including the Council) or provided as an assured shorthold tenancy). For 4-bedroom need this is 90% of households in temporary accommodation.

Based on the need for temporary accommodation at the end of 2023, this proportion of households accommodated under s193 means there is an indicative need for temporary rather than interim accommodation to meet the bedroom need as follows:

- 70 2-bedroom homes
- 40 3-bedroom homes
- 15 4-bedroom homes

The need for 1-bedroom need has not been included as many in this category will need support as well as accommodation and this supply is considered in the Council's Housing and Homelessness Strategies.

The projected need for temporary accommodation is monitored on a monthly basis to help identify and work with trends, this will be reviewed no less than twice a year to update and inform the estimated need.

## 5.0 Procurement Principles

As set out in section 4 of the Plan, the Council currently owns 59 homes plus 18 modular units. As such, the Council's homes are accounted for within the General Fund. The Council's current position is that it does not wish to expand its own stock provision beyond 199 homes as the Council is not a stock holding authority and is therefore unable to effectively manage a large number of properties.

The Council is, however, operating as a local housing authority and landlord to ensure homelessness statutory duties are met and value for money is achieved. In order to meet the demands for temporary accommodation so as to comply with its statutory duties, the Council will follow the key principles

outlined below and seek to procure accommodation within the Chelmsford area for temporary accommodation.

If there is a need to procure accommodation out of district, the Council will apply the same principles and also seek to achieve this by looking at neighbouring authorities in the first instance. Areas further afield will be considered if it is necessary to meet a specific need or because there is nothing available closer to the Council's area when it is required.

The procurement principles are as follows.

- The Council will act to ensure it complies with all relevant legal obligations and have regard to all relevant legal guidance.
- Properties should be, and need to be, affordable and sustainable in the longer term to the households that occupy them. This means considering benefit dependent households in receipt of Housing Benefit or Universal Credit, and subject to Local Housing Allowance rates.
- Each property offered to a homeless household will be suitable for that household, compliant with health and safety requirements and in a decent condition.
- Landlords may on occasion be offered incentives to allow the Council to procure properties to prevent homelessness and to discharge its homelessness duties, and where the practice will help secure longer-term savings.
- Procurement offers value for money and social value.

## **6.0 Establishing the market management of private providers (nightly lets)**

Whilst the procurement principles above apply to all types of temporary accommodation to which this Plan applies, the Council also needs to manage how it approaches the procurement and management of shorter-term, temporary accommodation to achieve value for money, effective management of the provider market, and is compliant with procurement rules.

The intention is that this type of shorter-term accommodation is used to discharge the Council's Section 188 duties. However, the shortage of other more secure forms of temporary accommodation means that the Council is reliant on nightly lets to also accommodate around half of the households in temporary accommodation under s.193.

Numbers of applicants in this type of accommodation is constantly in flux as decisions are made and other settled accommodation is sourced.

### **Current Nightly lets December 2023\***

	1 bed	2 bed	3 bed	4 bed	Total
Nightly Lets	124	78	40	16	258

The main driver of increased requirements for temporary accommodation is based on the lack of throughput / availability of social and affordable rented housing in the area.

The lack of availability of wheelchair-accessible homes is an identified area where there is lack of provision.

## **6.1 Additional procurement principles for nightly lets**

- Assessment of the spend by provider, to determine relative VFM / quality assurance.

- Prioritise development of supplier relationships with VFM providers and encourage investment in additional stock (where appropriate)
- Increase surety of accommodation supply and reduce administration, through effective contract management capacity and market management.
- Encourage private providers to convert temporary accommodation to assured tenancies where appropriate to discharge homelessness duties.
- Agree a procurement approach to control supply, quality, and cost.
- Develop a supplier framework, including registration.
- Establish cost & quality parameters with maximums.  
If possible, across Essex Councils and consider collective bargaining power.
- Establish pricing structure - rent, service charges and utilities to be separated and the landlord is responsible for collecting service charges & utilities.
- Establish an outcome-based specification, to include weekly checks on occupancy & support service outcomes by providers.
- Implement new procurement approach to include range of contracts.
  - Reduce costs and provide accurate forecasting of costs for 2024/25 – offer 12-month contract arrangements for self-contained non secure accommodation,
  - Block book for 3, 6, 12-month periods to fix costs.