

**Report for:** Cabinet Member for Housing & Planning(Deputy Leader)

**Title:** Approval of Hotelier Framework Agreement Second Variation

**Report authorised by:** Beverley Tarka, Director of Adults, Health and Communities.

**Lead Officer:** Sara Sutton  
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**Ward(s) affected:** N/A

**Report for Key/ Non-Key Decision:** Key decision

**1. Describe the issue under consideration.**

This report seeks approval from the Cabinet Member for a second variation of the existing contract values, for the current provision of the Hotelier Framework for Lime Tree Care Services Ltd to the Council, for the remaining contract term, to April 2025, subject to Cabinet Approval.

- 1.2 The Council has a statutory duty to provide interim accommodation to households where the Council has reason to believe they are homeless, eligible for assistance, and in priority need while the Council seeks to relieve their homelessness and complete our investigations. If the Council accepts that it owes a household a main housing duty, the Council has a duty to provide suitable temporary accommodation until the households receives an offer of social housing or a suitable tenancy in the private rented sector. In Haringey, over 2,600 households are currently living in temporary accommodation.
- 1.3 Haringey Council uses a range of types of accommodation to meet these duties, including use of our own hostel stock, general needs council homes on regeneration schemes and elsewhere and properties leased or licensed from private property owners or using nightly paid accommodation. However, the continued lack of supply and increasingly challenging housing market has meant that the Council, alongside many other London boroughs, has been unable to secure access to enough longer-term temporary accommodation and has been using hotel accommodation since 2023, costs of which are funded by the homelessness prevention grant.
- 1.4 To meet the increasing demand for accommodation, the Council entered into direct arrangements with hotels and on the 17th of October 2023, Cabinet formally approved for a Hotelier Framework contract to be established to award block contracts for hotel accommodation commissioned from the Hotelier Framework valued from £500,000 up to a maximum of £2 million.

- 1.5 Subsequently, the Hotelier Framework was established in accordance with the Public Contract Regulations and following providers were approved under this framework in July 2024: Limetree Care Services Ltd, Woodside Estates Limited, OYO Technology and Hospitality Ltd and Switch Management Ltd.
- 1.6 Call off contracts were subsequently entered into with Limetree Care Services Ltd and Woodside Estates Limited in accordance with CSO 7.01 b) (selecting a contractor from a framework) and in accordance with CSO 9.07 d) (award of contract above £500,000 by Cabinet) as delegated by Cabinet to the Director of Adults, Health and Communities (following consultation with the Lead Member), in the 17th October 2023 Cabinet report by the approval of a delegated authority report in 2nd October 2024 by the Director of Adults, Health and Communities in consultation with the Cabinet Member for Housing and Planning (which included the retrospective period from July 2024).
- 1.7 Current projections show that despite a range of mitigations in place to prevent demand and increase supply and move on options, the current contractual arrangements are insufficient to meet the Council's demand. Therefore, a new call off contract is required with Limetree Care Services Ltd under the Hotelier Framework to ensure the Council meets its statutory obligations until at least 2026/2027.
- 1.8 Whilst the authority to enter into call off contracts under the Hotelier Framework Agreement was delegated by Cabinet to the Director of Adults, Health and Communities (following consultation with the Lead Member) approval is being sought from the Lead Member due to the significant levels of continued expenditure that is forecast.
- 1.9 APPENDIX 1 PART B - Exempt Information

NOT FOR PUBLICATION by virtue of paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

This part of the report is not for publication as it contains information classified as exempt under Schedule 12A of the Local Government Act 1972 under the category (3) information in relation to financial or the business affairs of any particular person (including the authority holding that information);

## **2. Cabinet Member Introduction**

London's housing crisis is acute and worsening. We welcome the £233m announced in the government's first budget in October for homelessness and rough sleeping. It's just a first step of course though to undoing 14 years of austerity cuts.

The cost of housing has pushed more and more Londoners into homelessness. Local councils across London need to house a growing number of people – and the cost of that housing is growing even more rapidly than in recent years.

The cross-party London Councils group published a report recently recognising that homelessness in the capital is at record levels and describing the current situation is “utterly unsustainable”. It also shows that the cost of temporary accommodation across London jumped by a dramatic 68% in just one year (comparing 2022-23 to 2023-24).

London boroughs collectively spent £114m every month on average – or £4m daily – on temporary accommodation for homeless Londoners in the 2023-24 financial year. This is still increasing, and more than 183,000 Londoners are estimated to be homeless and living in temporary accommodation arranged by their local borough.

This is the highest-ever level of recorded homelessness in the capital – equivalent to at least one in 50 Londoners.

The shortage of suitable accommodation means boroughs are increasingly reliant on placing homeless families in B&Bs. Over the past two years there has been a 662% increase in families placed by London boroughs in B&Bs.

In Haringey, we have worked hard to keep our use of B&Bs to a minimum. We’ve put in place a number of actions and have managed keep our increase down to just 105% (based on data Nov 2023 to Nov 2024). However, due to an increase in demand and a market that is broken we are faced with the reality that we have to rely on the continued use of hotel accommodation to meet our statutory obligations.

### **3. Recommendations**

#### **That the Cabinet Member for Housing and Planning**

- i) Approves the award of a block contract to Limetree Care Services Ltd up to a maximum value of £2 million under the call-off procedure within the Hotelier Framework Agreement. Whilst in accordance with CSO 7.01 b) (selecting a contractor from a framework) and in accordance with CSO 9.07 d) (award of contract of £500,000 and above by Cabinet) this decision was delegated by Cabinet to the Director of Adults, Health and Communities (following consultation with the Lead Member), on 17<sup>th</sup> October 2023.

### **4. Reasons for decision**

- 4.1 It is a legal requirement to provide interim accommodation to households who approach us for homelessness assistance if the Council have reason to believe they are homeless, eligible for assistance and in priority need, and to provide temporary accommodation to households once the Council have accepted a housing duty.
- 4.2 The continued shortage of supply has meant that the Council is unable to source enough self-contained accommodation and has thus needed to continue using hotels to meet its statutory duties.

- 4.3 In the absence of available alternative temporary accommodation, the Council has no alternative but to house families in hotel accommodation resulting in the requirement for this Framework.

## **5. Alternative options considered.**

- 5.1 Despite being one of the best performing Councils for homelessness prevention, last year alone we received more than 4,000 homelessness applications because of the housing crisis. Doing nothing is not an option as we would not be able to meet our statutory duties. We have a comprehensive plan and programme structure in place to help, to ensure that we rely less on hotel accommodation in the future including:
- A commitment to deliver 3,000 council rent homes by 2030.
  - Purchasing new homes to support the Growth of the Haringey Community Benefit Society.
  - Collaborating closely with private landlords to increase the availability of private sector lets to meet homelessness need and as temporary accommodation.
  - A focus on improving the turnaround time of voids through the appointment of a new contractor

## **6. Background information**

- 6.1 The Council continues to experience an elevated level of homelessness demand. A report released recently titled London's Homelessness Emergency, highlights a 662% increase in families placed by London boroughs in B&Bs from April 2022 to April 2024. Although we continue to deliver top quartile performance on homelessness prevention, we are seeing an increase in demand in three primary areas – evictions from the private rented sector, approaches from refugee households and approaches from people fleeing domestic abuse. There has also been a significant reduction in the availability of affordable private sector lets, which has affected our ability to move families who are facing homelessness to alternative settled accommodation rather than into temporary accommodation.
- 6.2 The supply of temporary accommodation across London has also been falling as owners look to exit the sector or are able to get higher rents from private tenants than they can from offering their properties for use as temporary accommodation.
- 6.3 Many London Boroughs are using commercial hotels, such as Travelodge, to meet their immediate homelessness need. Along with many other boroughs, Haringey has needed to enter into arrangements with hotels to meet this pressure and this report seeks to provide information on the additional spend incurred in order to meet our statutory requirements and to provide information on the arrangements we have entered into to meet its statutory obligations to homeless households. The Council has a statutory duty to provide interim accommodation to households where the Council has reason to believe they are homeless, eligible for assistance, and in priority need while the Council seeks to relieve their homelessness and complete our investigations. If the Council accepts that it owes

a household a main housing duty, the Council has a duty to provide suitable temporary accommodation until the households receives an offer of social housing or a suitable tenancy in the private rented sector.

- 6.4 The table below sets out the number of households we have in temporary accommodation, the total number of new households and those households in bed and breakfast accommodation per month since the start of March 2024 until the end of October 2024:

HM0204 - Households in TA	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
New into TA	69	53	83	51	53	42	48	66
No of households in TA (all households)	2652	2662	2682	2692	2661	2664	2669	2675
No of households in B&B	119	111	119	138	146	148	162	154

## 7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

- 7.1 This report supports the delivery of theme 5 of our Corporate Delivery Plan – Homes for the future, where our vision is of a borough where everyone has a safe, sustainable, stable and affordable home.

To address these issues and achieve our vision, we will pursue changes across the following outcome areas:

- An increase in the number and variety of high-quality and sustainable homes in the borough.
- An improvement in the quality of housing and resident services in the social rented sector.
- An improvement in the quality of the private rented sector.
- A decrease in homeless households and households presenting as homeless, including those who sleep rough.

## 8. Carbon and Climate Change

- 8.1. Officers will work with providers to understand how they can have a positive impact on carbon reduction.

## 9. Statutory Officers comments (Director of Finance, Procurement), Head of Legal and Governance, Equalities)

### Finance

- 9.1. This cost of the existing contract with the current hoteliers, up to the end November 2024, and the cost of extending the contract up to the end of end 24/25 has been reflected in Housing demand's most recent end of year forecast.

### Procurement

- 9.2. Strategic Procurement confirm that the Hotelier Framework was established in accordance with the Regulation 33 of the Public Contract Regulations 2015 with a commencement date of 1<sup>st</sup> July 2024.
- 9.3. Strategic Procurement confirms the framework allows for direct awards and the call off from the hotelier framework is in accordance with the terms stated in the framework and in accordance with CSO 7.01 b) (selecting a contractor from a framework).
- 9.4. Strategic Procurement confirms in October 2023, Cabinet delegated the award of block contracts under the hotelier framework to the Director of Adults, Health and Communities (following consultation with the Lead Member). Therefore, the Recommendations stated in Paragraph 3 above are in accordance with CSO 9.07 d) (award of contract above £500,000 by Cabinet) as per the delegation by Cabinet.

### **9.3 Legal**

- 9.3.1 The Assistant Director for Legal and Governance has been consulted in the preparation of this report.
- 9.3.2 In accordance with the provisions of the Council's Contract Standing Order (CSO) 7.01.(b), the Council may procure a contract by selecting one or more contractors from a Framework established by a public sector body in accordance with the contract standing orders of that public sector body and Strategic Procurement has confirmed that the Framework from which the contracts in this report are to be procured was established by the Council in accordance with the Council's CSO.
- 9.3.3 Pursuant to CSO 9.07.1(d) Cabinet has authority to award a contract valued at £500,000 or more and on 17<sup>th</sup> October 2023, Cabinet delegated the award of the contracts under the hotelier Framework from which the contracts in this report are to be awarded to the Director of Adults, Health and Communities following consultation with the Lead Member
- 9.3.4 Further to paragraph 9.3.3 above Cabinet has power under the Local Government Act 2000 to delegate the discharge of any of its functions to an officer (S.9E (Discharge of Functions)) and as such the recommendation in paragraph 3.1 of the report is in line with law.
- 9.3.5 The Assistant Director for Legal and Governance sees no legal reasons preventing the approval of the recommendations in the report.

## **10 Equality**

The council has a Public Sector Equality Duty (PSED) under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

The decision in this report relates to the approval of the Hotelier Framework Agreement. This decision is not expected to have any positive or negative impacts on those with protected characteristics and as such will have a neutral impact on equalities in the borough.

As an organisation carrying out a public function on behalf of a public body, the contractors appointed will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above.

## **11.0 Appendices**

Appendix 1 - Exempt Part covering breakdown of numbers

## **12.0 Background papers**

a) Cabinet report 17<sup>th</sup> October 2023

