



Report to Policy Committee

Author/Lead Officer of Report: Jonathan South, Service Manager – Supported Housing

Tel: 0114 2930883

Report of: *Janet Sharpe, Director of Housing*

Report to: *Housing Policy Committee*

Date of Decision: *2nd November 2023*

Subject: *Commission of a new Furnished Accommodation Framework.*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

Purpose of Report:

The purpose of this report is to seek approval for Sheffield City Council to commission a new furnished accommodation framework as outlined in this report.

Recommendations:

It is recommended that the Housing Policy Committee:

- Approves the commission of a Furnished Accommodation Framework as outlined and detailed within this report.

Background Papers:

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Helen Damon
	Legal: Gemma Beecroft
	Equalities & Consultation: Louise Nunn
	Climate: Jonathan South
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	SLB member who approved submission: <i>Ajman Ali, Executive Director, Operational Services.</i>
3	Committee Chair consulted: <i>Councillor Douglas Johnson</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Jonathan South
	Job Title: <i>Service Manager – Supported Housing</i>
Date: 9 October 2023	

1. PROPOSAL

- 1.1 The Furnished accommodation service has operated since 1998. The Service provides an essential furnished offer to Housing Clients, the Local Assistance Scheme, The Refugee Resettlement Team and other Sheffield City Council (the Council) teams. The Furnished Accommodation service has also worked to provide furniture to the Furnished Service of Rotherham Metropolitan Borough Council (RMBC) since July 2018.
- 1.2 The main role of the service is to provide furnished accommodation, we currently have approximately 3308 furnished properties within the Councils housing stock. It forms part of an offer to vulnerable households who present to the Housing Solutions Service in need of emergency housing and are unable to afford to furnish their home following rehousing. We offer a variety of items ranging from carpets and curtains to white goods such as fridge freezers and washing machines. Items are given a points value and customers can access what they need and what is affordable to them. This is paid via a service charge which is covered by housing benefit to a cost of £11.03 (10 points), £16.55 (15 points), £22.06 (20 points) per week depending on the value and number of items.
- 1.3 The team also furnish properties that are used as Temporary Accommodation for homeless customers, with the cost being included in the overall service charge of these schemes. Customers who require furniture can also apply for a grant under our Local Assistance Scheme giving them access to the same standard of furniture. In addition, we have started to allow Care Leavers to access this provision and the team links in with personal advisors to arrange furniture delivery. The framework is also used to furnish properties provided to refugees resettled in Sheffield under grant agreements with the Home Office. We receive income to set up properties ready for the arrivals of vulnerable people fleeing their home country and who have lived in camps whilst waiting to be resettled in Sheffield.
- 1.4 Despite having a number of different clients, we have standardised the agreed range of goods provided for all recipients of the service enabling us to increase our buying power with the market, streamline the offer and bring efficiencies to the ongoing administration of the supply chain for example by raising fewer purchase orders.
- 1.5 The goods will be supplied via a new Framework replacing the current agreement. The former agreement ended in 2019 and the process of renewal was put on hold due to the outbreak of the Covid pandemic which placed uncertainty across several factors including the supply chain, manufacturing and pricing.
- 1.6 The re-procurement of a Framework and the specification of it will ensure that the Furnished Accommodation service has a reliable and

continual supply of suitable goods to ensure service delivery is maintained.

- 1.7 The Framework will be let across 10 LOTS with bidders eligible to bid for one or more LOTS, again offering flexibility.
- 1.8 The LOTS are as follows:
- Lot 1 – Electrical Appliances
 - Lot 2 – Lounge Furniture
 - Lot 3 – Dining Room Furniture
 - Lot 4 – Bedroom Furniture
 - Lot 5 – Bed Frames
 - Lot 6 – Mattresses
 - Lot 7 – Mattress Protectors
 - Lot 8 – Bedding and Linen Products
 - Lot 9 – Curtains and Tracks
 - Lot 10 – Household Consumables
- 1.9 The tender will be based on a price / quality criterion split so we secure contracts for quality goods at a competitive price. The split will be:
- Price – 50%
 - Quality – 50%
- 1.10 Social Value and the PayPlus Early Payment Discount Scheme will be included as part of the tender documents.
- 1.11 The contracts will be let per lot and will be for a period of 3 years with an optional additional 12 months. As this will be a Framework contract, the Council's Framework Terms and Conditions will be used.
- 1.12 Each lot will have a minimum of 2 suppliers up to a maximum of 3 suppliers to ensure alternative sources of supply. Orders will be based on a price basis with the lowest priced supplier being approached first, the other suppliers being used in the case of lack of supply or extended supply timescales approached in price order.
- 1.13 The price element of the bids will be evaluated by the procurement lead and the quality element of the bids will be evaluated by the client led evaluation panel.
- 1.14 The framework contract will be managed by the City-Wide Housing Service who will also manage the relationship with RMBC.
- 2. HOW DOES THIS DECISION CONTRIBUTE?**
- 2.1 This decision allows us to provide good quality furniture to furnish Council homes and provide vulnerable people access to goods to help sustain tenancies and develop thriving communities:

- 2.2 It supports the corporate objective of generating income for the organisation.
- 2.3 Working initially in collaboration with Rotherham and latterly contractually has enhanced our offer to the market, specific manageable lots will encourage the use of SME's and standardised product specifications across the piece regardless of end user makes bidding easier and supply less complex and therefore more inclusive.
- 2.4 Offers opportunities for SME's and small local family run businesses and supports employment in the region.
- 2.5 Social Value and Local Economic Impact are integral to the evaluation criteria of this procurement as scored elements which will give our local supply chains the opportunity to showcase the impacts, they have in a manner that is influential.
- 2.6 Anticipated lower purchase prices will increase the number of awards that can be granted by the Local Assistance Scheme benefitting more vulnerable impoverished people in the city.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 There has been no direct consultation with customers on the proposed re-procurement of this framework. The Furnished Team do review customer comments and complaints. The durability of items provided is also monitored and concerns fed back to suppliers to be remedied.
- 3.2 A planned review of the Furnished Service and offer will follow the completion of the City-Wide Housing Review and restructure. As part of the review, we will consult all customers to involve them in the future design of the service, what it provides, and what choice and cost efficiencies we can make.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 Advice received that an EIA is not required.

4.2 Financial and Commercial Implications

- 4.2.1 The estimated value of the contract is £10million over 4 years if the 12-month contract extensions are taken. A procurement strategy has been developed by Commercial Services to tender for this process.
- 4.2.2 There always will be an ongoing, upfront requirement to purchase goods and place them into stock prior to sending out to customers including third parties like RMBC. This Stock is usually distributed from Solpro to our clients but for bulk purchase clients like RMBC we

arrange some direct deliveries to client's premises to assist with efficient logistics.

- 4.2.3 Bulk Call Off orders are placed with the most frequently used suppliers and quantities are called off at regular intervals based on stock availability and third-party demand.
- 4.2.4 As part of our offer to the market this time suppliers will be offered the opportunity to consider the Supply2Sheffield Early Payment scheme under our Ethical Procurement Policy as we feel this could have a very positive effect on this supply chain given some of our current suppliers are SME's and we are hoping to continue to attract the small suppliers under any new arrangements.
- 4.2.5 Some purchase outlay is off set by the revenue from service agreements with Council tenants and the sale of goods to third parties and other agencies such as the Local Assistance scheme.
- 4.2.6 Given the value of the procurements across the service and for the Framework duration of four years the tender will be the Council's Standing Orders and OJEU compliant.
- 4.2.7 The current arrangement operates under a rebate scheme of 5% on all goods purchased. This rebate can be reviewed each year and during the course of the existing contract has remained at 5%.
- 4.2.8 There are no direct financial implications from this request to retender and award a contract for furnished accommodation procurement framework. The cost of purchasing the furnishings through the contract will be recovered through the service charge to customers of the service.
- 4.3 Legal Implications
 - 4.3.1 Section 1 of The Localism Act 2011 provides the Council with a 'general power of competence' which enables them to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local need. This enables the Council to carry out the commission of the Furnished Accommodation Framework as outlined in this report.
 - 4.3.2 The procurement and award of public contracts must be in accordance with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders.
 - 4.3.1 The successful suppliers will be required to enter into a framework agreement with the Council following the compliant procurement process.

4.3.2 The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018 and the Equality Act 2010.

4.4 Climate Implications

4.4.1 This procurement of new contracts affects three elements within the Climate Impact Assessment. A score of 21 is recorded with similar levels of CO2e emissions compared to before.

4.4.2 The team will work with the contractors to maintain the same energy ratings on electrical items purchased as current and will continue to work to promote the use of packaging that can be recycled through our waste contractor.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Alternative option 1 -Continue with the current purchasing arrangements.
The scheduled recommissioning of these suppliers was 2019 and as highlighted in this report has been delayed due to the Covid 19 pandemic. If the current arrangements were left in place this would potentially result in risks in the supply of items with only one appointed supplier for each of the current lots. The current framework is also not compliant with the Public Contracts Regulations 2015, having expired in 2019.

6. **REASONS FOR RECOMMENDATIONS**

6.1 This decision will allow us to provide good quality furniture to furnish council homes and provide vulnerable people access to goods to help sustain tenancies and develop thriving communities:

6.2 It supports the ability to deliver this service with the service changes meeting service costs and will improve our ability to prevent disruptions in supply through having two nominated contractors for each lot.

6.3 Lower purchase prices will also maintain the number of awards that can be granted by the Local Assistance Scheme benefitting more vulnerable impoverished people in the city.

6.4 The successful tender and contract awards will benefit vulnerable residents of the city and offer opportunities to develop the Furnished Accommodation Service with other Local Authorities and Registered Social Landlords.

This page is intentionally left blank