

Supported Accommodation Housing Provider Framework

Summary of Market Approach

Proposed Framework

- Currently the Council doesn't have any route to secure a formal contractual relationship with providers of housing management services (landlords). To establish a route that is compliant with the Councils Financial Regulations and Procurement Act 2023 and Procurement Regulations 2024 Commissioners are intending on working closely with colleagues from Procurement and Legal in the coming months. Initial conversations with colleagues in Procurement have indicated that a Framework Agreement of Providers of Housing Management Services may be most suitable. A Framework Agreement is a type of contract which housing management providers would be invited to join further to demonstrating compliance, satisfying certain conditions and responding to award criteria (as part of a tender process). A Framework Agreement does not guarantee any volume of work to those that are successful in joining it and would give the Council full flexibility to use it at any point during its term to establish individual contracts (known as 'Call-Off Contracts') for the delivery of housing and related housing management services in line with individual specifications developed by Commissioners (and the scope of the wider Framework Agreement).
- In order to comply with the Procurement Act 2023 and the Procurement Regulations 2024 a framework is required to procure the development of new supported living accommodation.
- The framework is a procurement device, which registered housing providers (RPs) will be invited to join, subject to satisfying some general quality, status and viability criteria, on a pass/fail basis. In part, the framework will function as an approved list of housing providers.
- Associated with the framework will be specification/s for types and categories of supported housing scheme, setting quality standards and expectations for models of delivery, outcome measures and roles and responsibilities.
- When the Council identifies a need for a supported housing scheme of a certain type, at a certain scale and in a particular locality, RPs will be invited to bid to supply the accommodation via 'mini-tenders' or competitions. Multiple bids will be evaluated to identify the best bid.
- Nominations agreements will be awarded as a result of bids which will give the Council access to these properties once they become available for the people that have been identified. Bids will generally involve properties which are in development and ready for occupation within 12 to 30 months. Consequently, the Council will need to include conditions and milestones within the agreements, to provide some assurance of delivery and timescales.
- For this framework it is proposed that an initial term of up to 4 years is procured with the option to extend for up to a maximum of 8 years.

Market Profile

- Extensive engagement has been undertaken with developers and providers, providing key themes for a Supported Accommodation Framework:
 - the requirement for a broad specification (providers)
 - flexible timescales for delivery of units, (providers and developers)
 - timely decision making about offers by developers (providers and developers)
 - offer of nomination and voids agreements (providers)
- Best practice for delivering supported accommodation across a range of local authorities has also been researched to support the framework model.
- The composition of supported housing markets varies according to the user group/sector and local/regional conditions. Frequently the care and support and housing are provided by different organisations and this is particularly common in adult social care. In Nottinghamshire, there are frequently three different parties, with the landlord collecting rent and carrying out housing management, being separate from the owner of the property and the care provider. This would be called a lease-based model with a partnership to provide the care.
- This multi-party model provides further complexity to the commissioning of supported housing, which the Council has to navigate to achieve quality outcomes and value for money, without having the powers of a strategic housing authority.
- The proposed framework is part of a suite of approaches to different parts of this complex market, intended to optimise a dependable supply of accommodation.
- The multi-party scenario is often associated with the 'lease-based model' of supported housing, where the landlord leases all its property from owners and therefore has fixed costs, whilst relying on income which is not always fixed.
- The Government and Housing Regulator have recently published concerns about the lease-based model and the risks posed to security of tenancies and continuity of accommodation and services. It highlights that risks can be mitigated somewhat through robust governance.
- Therefore, the framework will be utilised to provide guarantees around quality standards as well as seeking to mitigate these risks. It will also explore and encourage development by RPs which are local or regional housing stockholders and do their own development, so reducing reliance on the lease-based model.
- The registered provider framework will provide an additional route to the accommodation required for supported living (alongside the Care Support and Enablement Framework) as part of a suite of options which include:
 - Contracts with the registered housing provider
 - Contracts with the care provider
 - Contracts with the care provider who is also able to deliver a housing option

- This range of options reduces the risk of having one provider delivering all aspects of provision particularly if there are concerns about one element of delivery.

Supply and Demand

- Supply and demand is complex in the large scale development of supported housing, linked to unpredictable timescales for new-build, conversion and acquisition.
- The proposed framework will enable Commissioners to seek offers of accommodation as, when and where they are needed, allowing for the timescales required for delivery. Each mini-tender will be subject to specific requirements around location, scale, building quality, physical access, parking and other factors
- The risk of over-supply of accommodation through this pipeline approach is limited, given the nature of specific requirements and the general scarcity of land. Landowners also have other commercial options available to them. The framework will enable the development of properties to be needs-led with nominations agreements being entered into only once an agreed need has been identified.
- In relation to potential under-supply, either by quantity or relating to timescales, the framework will complement other routes to securing accommodation, via commissioning of care and support and interaction with property developers.