

## Members' Library Service Request Form

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Originator	Head Of Housing And Environment
Originator's Ref (if any)	
Document Title	Extension of PSL Contract 2013

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Date	29 <sup>th</sup> April 2013

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**REPORT TO:** Members' Library Service

**MEETING DATE:**

**BY:** Executive Director (Services for Communities)

**SUBJECT:** Extension of Private Sector Leasing Scheme Contract

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## **1 PURPOSE**

- 1.1 To update Members on the current position in relation to the Private Sector Leasing Scheme (PSL) contract, which was initially awarded to Orchard and Shipman Ltd in 2009.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that Members note the extension of the contract until 11<sup>th</sup> November 2013 to allow the re-procuring process to begin under competitive tendering arrangements.

## **3 BACKGROUND**

- 3.1 The PSL contract was awarded in 2009 to Orchard and Shipman Ltd (O&S) following a tendering process managed by Midlothian Council. The contract was a "framework" arrangement with the successful supplier to provide temporary accommodation units from the private sector to Midlothian Council, Scottish Borders Council and East Lothian Council. East Lothian currently has 102 temporary accommodation units provided by Orchard & Shipman.
- 3.2 The major success of the contract has been the reduction in the expenditure on Bed and Breakfast accommodation. In 2009 the B and B spend was £1,189,000 gross, which after Housing Benefit payments resulted in a net spend of £385,000. The comparative spend in 20011/12 was £529,000 gross and £143,000 net. This year's spend is likely to be lower with an estimated gross spend of £376,000 and a net spend of £112,000.
- 3.3 The annual net cost of the PSL contract to East Lothian Council has been approximately £20,000 per year.

- 3.4 Apart from the financial saving, the PSL scheme has allowed the Council to both increase and realign the provision of temporary accommodation to meet the geographic demand for homeless services and to do so whilst minimising the impact on its own stock.
- 3.5 It had been intended that the contract would be re-procured during 2011/12 but delays were encountered as a result of work being undertaken by Scottish Borders Council who were reviewing their future involvement in the project.
- 3.6 The work undertaken by Scottish Borders Council has taken longer than initially anticipated which has led to a delay in the procurement process and the requirement to extend the contract beyond its initial contract period for a period of 4 years.
- 3.7 Scottish Borders Council has now confirmed that they will not take part in the new framework contract.
- 3.8 The procurement of the new framework contract will be managed by Midlothian Council and will be completed within the time scale of the extension of the contract period.

#### **4 POLICY IMPLICATIONS**

- 4.1 There are no policy implications for the extension of the contract, which represents a continuation of existing arrangements. However if the contract were not to be extended then the Council would fail to meet its legal obligations in relation to the provision of temporary accommodation.

#### **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 A review of the Equalities Impact Assessment has found these proposals to have a neutral impact.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – The impact of the PSL contract in assisting with reducing the expenditure on B and B accommodation has been significant, and the savings the Council has enjoyed would not have occurred without the PSL contract
- 6.2 Personnel - None.
- 6.3 Other – If the contract were to cease to be in place the Council would have to replace the 102 properties presently provided by it with a similar number of properties from the public sector stock

## 7 BACKGROUND PAPERS

7.1 Original Cabinet report 2009.

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