

## RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

### \*PART 1 – PUBLIC DOCUMENT

#### SERVICE DIRECTORATE: REGULATORY

#### 1. DECISION TAKEN

- 1.1 To enter into a contract with the Black Squirrel Credit Union Limited for the provision of a loan service to help prevent and relieve homelessness in the district.

#### 2. DECISION TAKER

- 2.1 Ian Fullstone, Service Director – Regulatory

#### 3. DATE DECISION TAKEN:

- 3.1 25 September 2020

#### 4. REASON FOR DECISION

- 4.1 The Black Squirrel Credit Union (BSCU) has worked closely with the Council's Housing Team since 2010 to provide affordable loans to those at risk of homelessness in the district. There is an ongoing need for this service with additional pressures arising from the COVID-19 pandemic and resulting impacts on households' incomes. The BSCU is the only local provider of a homelessness loan service and has a proven track record of providing a flexible and competitive service in the district.
- 4.2 Funding for the BSCU service has been provided by the Ministry of Housing, Communities and Local Government (MHCLG). Approval for the allocation of this funding was agreed under delegated authority by the Service Director for Regulatory Services in conjunction with the Executive Member for Housing and Environmental Health on 12 August 2020 and the contract commenced on 1 October 2020.

#### 5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 None; there is no alternative local service provider. A local, accessible and responsive service for residents is crucial to the success of the loan scheme as many face financial challenges that require an immediate and/or flexible response in order to prevent homelessness.

#### 6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

- 6.1 The Executive Member for Housing and Environmental Health, Cllr Gary Grindal, has been consulted and is supportive of this decision.

#### 7. FORWARD PLAN

- 7.1 This decision is not a key Executive decision and has therefore not been referred to in the Forward Plan.

#### 8. BACKGROUND/ RELEVANT CONSIDERATIONS

- 8.1 The Council has long recognised the importance of prevention work in combatting homelessness, undertaking a good deal of non-statutory prevention work where resourcing has allowed. The Homelessness Reduction Act 2017 (HRA) brought this work under a statutory framework, introducing new ‘prevention’ and ‘relief’ duties on local authorities to assist eligible households threatened with homelessness and those already rendered homeless.
- 8.2 Local residents can face the threat of (or experience) homelessness for many reasons, but typically they may struggle to pay their rent following a change in personal circumstances or may find it difficult to afford alternative accommodation. Many clients are unable to access conventional high street lending and some resort to borrowing money at excessively high interest rates. The availability of a Council backed loan scheme enables the provision of affordable loans, with funding recycled for other households in need as loans are repaid, providing a valuable homelessness prevention tool alongside limited grant budgets.
- 8.3 The Council’s Housing Team has been working successfully with the BSCU since 2010. They refer clients to the BSCU for affordable loans, typically to fund tenancy deposits, rent in advance or to pay back rent arrears for tenancies in both the social and private rented sectors. The BSCU manages all aspects of the loan process directly, from the Council’s referral through to credit control when required. Furthermore, many clients have poor financial management skills and they are also encouraged to develop good savings habits, with a proportion of loan repayments going to build up savings with the credit union. First Garden Cities Homes (formerly Howard Cottage Housing Association) and settle also refer their tenants to the BSCU.
- 8.4 Recent years have seen a significant demand for BSCU loans, with the number of loans issued averaging at over fifty a year for the past few years. The COVID-19 pandemic creates further pressures for the service, particularly with the Furlough Scheme due to end at the end of September 2021 and the ‘eviction ban’ due to be lifted at the end of this month.
- 8.5 The BSCU is the only provider of a homelessness loan service in the district, with their main office in Letchworth, and it has built up a strong working relationship with the Council’s Housing Team in order to offer clients the most appropriate and affordable housing solutions. In practice, this means that the BSCU is happy to agree loans for our clients that are appropriate for their individual circumstances, rather than imposing pre-determined limits on value or number of loans issued. The turnaround of loan applications is always prompt, meaning that at-risk tenancies stand a greater chance of being saved, or a new home secured. Furthermore, the BSCU has consistently demonstrated a flexible approach to assisting our clients, including for example seeing clients outside of normal BSCU opening hours and maintaining high service standards throughout the COVID-19 lockdown periods.
- 8.6 Since 2010, the Council has provided total grant funding of £165k to fund the BSCU homelessness loan service (although no additional grant has been requested by the BSCU since 2014). The entirety of this funding has been provided by the MHCLG, or its equivalent, in the form of homelessness grant. This decision is to extend the service until the end of March 2024 on the basis that the funding will be recycled for use by new clients as loans are repaid.

## **9. LEGAL IMPLICATIONS**

- 9.1 A single tender procurement was approved on 25 September 2020 by the Service Director: Regulatory, Service Director: Resources and Service Director: Legal and Community in accordance with Section 14.1c (iii) of the Contract Procurement Rules which states that:

*“A single tender may be obtained when:*

- a) Prices are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available; or*
- b) The works, goods, or services to be supplied consist of repairs to or the supply of parts or upgrading of existing proprietary machinery, equipment, software, hardware or plant and the repairs or the supply cannot be carried out practicably by alternative contractors; or*
- c) Specialist consultants, suppliers, agents or professional advisors are required and:
  - (i) Evidence that there is no satisfactory alternative; or*
  - (ii) evidence indicates that there is likely to be no genuine competition; or*
  - (iii) it is in the Council’s best interest to engage a particular consultant, supplier, agent or advisor; (Contact Legal for advice) or**
- d) Products are sold at a fixed price and market conditions make genuine competition impossible.”*

The BSCU is the only local provider of the required loan service and it has effective, established working relationships with both the Council and local housing providers.

- 9.2 The notification contained in this report follows on from the decision of the Service Director – Regulatory, in consultation of the Executive Member for Housing and Environmental Health, that £75k of MHCLG homelessness grant should be allocated to a credit union. This decision was taken on 12 August 2020 and it was published in the Members Information Service on 21 August 2020. Following the approval of the single tender in favour of the BSCU on 25 September 2020, the contract commenced on 1 October 2020. Notification of the contract award has been delayed due to ongoing workload pressures directly caused by the pandemic.
- 9.3 The total value of the proposed contract does not equal or exceed the applicable threshold under the Public Contracts Regulations 2015 therefore the contract does not need to be competitively tendered.
- 9.4 The decision in this report meets the MHCLG requirements for use of the ring-fenced grant and is also consistent with the aims and objectives of the Housing Strategy (2019-2024) that has a specific focus on actions regarding the prevention and management of homelessness and rough sleeping.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The total cost for extending the BSCU loan service until the end of March 2024 is £75k. The funding has been provided by the MHCLG and is ringfenced for use in the prevention and relief of homelessness. This allocation was been agreed under delegated authority by the Service Director for Regulatory Services in conjunction with the Executive Member for Housing and Environmental Health on 12 August 2020.
- 10.2 There are no specific capital implications.

## **11. RISK IMPLICATIONS**

- 11.1 There is a risk that without an accessible and affordable local loan service, a significant number of local households will be at risk of homelessness. This will have negative outcomes for individuals and the community as well as putting financial pressure on the Council, which has a legal duty to provide accommodation

for homeless households in priority need, including rough sleepers deemed vulnerable in the current pandemic.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2 This initiative is ongoing and has been in place since 2010 and there are no equality implications. This initiative is designed to continue to assist a select group of people; those at risk of homelessness and those without somewhere to live. This client group is diverse, including those with physical and mental health issues, families with dependent children and those in ethnic minority groups.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 The Social Value Act and “go local” policy do not apply to this decision.
- 13.2 The contract value is above the Go Local policy scope, however as the BSCU is based within North Hertfordshire, it brings the positive association of a local opportunity for voluntary activity to the district.

## **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

## **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no human resource implications.

## **16. BACKGROUND PAPERS**

- 16.1 None.

## **17. APPENDICES**

- 17.1 None.

**NOTIFICATION DATE: 6 May 2021**

**Please Note: that *unless urgency provisions apply* EXECUTIVE decisions cannot be implemented until 5 clear working days have elapsed after the decision has been taken to allow for scrutiny call-in.**

**Call-in does not apply to NON-EXECUTIVE DECISIONS**