

Nottingham City Council Delegated Decision



Reference Number:

4396

Author:

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Department:

Growth and City Development

Contact:

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Subject:

Homelessness Prevention Grant 2021/22

Key Decision (decision valued at more than £1million):

Yes

Total Value:

£1,714,299 (Type: Revenue)

Decision Being Taken:

1) To accept £1,296,452 in grant income from the Ministry of Housing, Communities and Local Government (MHCLG) and reinvest £417,847 of the accrued grant to spend in accordance with the schedule outlined in Exempt Appendix 1 (EA1). 2) To extend the employment contracts of the existing Council posts at points 1.1.1 to 1.1.7 of EA1; to make permanent the employment contracts of the existing Council posts at points 1.2.1 to 1.2.9 of EA1; and to create and recruit to the new Council employment posts at points 1.3.5 to 1.3.8 and 1.4.3 to 1.5.1 of EA1. The staffing budget is being approved by the Leader of the Council as an executive decision and the establishment of the posts is being approved by the Corporate Director as a non-executive decision under Delegation 16. 3) To approve dispensation from Contract Procedure Rules 4.1.2, in accordance with Financial Regulation 3.29 (Operational Issues), in order to vary and extend the contract at point 2.1 and extend the contract at point 2.3 of EA1. and continue the services without carrying out a tendering process. 4) To approve dispensation from Contract Procedure Rules 4.1.1, in accordance with Financial Regulation 3.29 (Operational Issues), in order to extend the contract at Point 2.2 and commission the services at Point 4.1 to 4.2 without carrying out a tendering process. 5) To approve the purchase and extension of the IT licences at point 3.1 of EA1. 6) To delegate authority to the Corporate Director of Growth and City Development to adjust the remit or reinvest any grant underspend on homelessness prevention and relief (in accordance with grant conditions), within the financial envelope of the grant.

Reasons for the Decision(s)

The threat of homelessness is a significant national issue and preventing that risk is a challenging priority for many Local Authorities, including the Council. 2020-21 was a very unique year because of the Covid-19 pandemic and, numerically, saw homelessness decreasing across the country. However, the number of single people in need of assistance has drastically increased and so has the pressure on temporary accommodation provision. Any dip in numbers has been almost exclusively because of the exceptional circumstances temporarily changing behaviour and the range of support schemes and protections that had been introduced. The Council believes that the after-effects of the pandemic and the pent-up pressure, in conjunction with the societal, social and personal issues that remain, will lead to an influx of demand that will supersede the levels prior to the Covid-19 outbreak. Currently, around 130 different households per week are presenting to the Council's Housing Aid service at risk of homelessness and the Service has an open caseload of over 1500 households.

For a number of years, the MHCLG has provided Councils with grant funding to help reduce homelessness and to fulfil the requirements of the Homelessness Reduction Act. The Homelessness Prevention Grant 2021-22 replaces the Flexible Homeless Support Grant and Homelessness Reduction Grant from last year. This grant is awarded as an allocation based on a formula using historic monitoring data, rather than a bidding process. This means that Local Authorities do not have any control or influence over the amount they receive to deal with their local pressures.

The Council leads the cities Homelessness Prevention Strategy and is wholly committed to reducing the number of households who become homeless, minimising the need for, or time in temporary accommodation for those who do, addressing the causes of homelessness and tackling rough sleeping. The Council utilises the available Government funding to ensure that the local housing authority can respond appropriately to the statutory requirements within the Homelessness Reduction Act and that when required, temporary accommodation is suitable and use of hotels is avoided as much as possible.

Other Options Considered:

- 1) To not accept the Homelessness Prevention Grant: this option is rejected because the need for homelessness prevention services in Nottingham remains acute and there is no other available funding source to enable delivery.
- 2) To accept the Homelessness Prevention Grant, but not spend it according to the programme outlined at Exempt Appendix 1: this option is rejected because a condition of the grant is that it is ringfenced to ensure Local Authorities are resourced to take action to prevent homelessness from occurring and provides the funding to continue to implement the Homelessness Reduction Act.

Background Papers:

MHCLG: Homelessness and Rough Sleeping Funding for 2021/2022 - Letter to Local Authority Chief Executives

Unpublished background papers:

HPG Funding - Chief Execs Letter (004).pdf

Published Works:

None

Affected Wards:

Citywide

Colleague / Councillor Interests:

None

Any Information Exempt from publication:

Yes

Dispensation from Financial Regulations:

Yes

Exempt Information:

Description of what is exempt:

The Programme for use of Homelessness Prevention Grant 2021-22.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

1 - Information relating to any individual

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the programme contains personal salary and employment information relating to individual officers.

2 - Information which is likely to reveal the identity of an individual

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the programme contains personal salary and employment information relating to individual officers.

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because the programme contains service costings that are commercially sensitive and, if published, could prejudice the Council's negotiating position for future commissioning, as well as unfairly disadvantaging the provider in a competitive tender process.

Documents exempt from publication:

Exempt Appendix 1. Programme for use of Homelessness Prevention Grant 2021-22 v1.2.docx

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: A recent EIA relating to homelessness has been developed already in August 2021 and applies to this decision.

Social Value Considerations: Not applicable.

Any implications affecting IT: Yes

Relates to staffing: Yes

Decision Type: Leader's Key Decision

Subject to Call In: Yes

Call In Expiry date: 18/10/2021

Advice Sought: Legal, Finance, Procurement, Human Resources, IT

The Council may accept the grant under its general powers granted by the Localism Act 2011.

With regard to the decisions on staffing, I would refer the decision maker to the advice provided by the HR Advisor.

This report is also requesting a number of dispensations be granted to contracts detailed in the Exempt Appendix in order to extend existing contracts to maintain service delivery, rather than conducting a procurement process in accordance with the Council's Constitutional requirements, as set out in the Contract Procedure Rules. The values of the proposed extensions, together with the original contract values, are such that they fall below the threshold for the application of procurement legislation, and specifically the Public Contracts Regulations 2015 (as amended). Accordingly, subject to Financial Regulation 3.29, a dispensation may be granted. Financial Regulation 3.29 currently permits the Chief Finance Officer and relevant Portfolio Holder (or the Leader in respect of this decision) to grant a dispensation for operational reasons. It is for the report author to set out those operational reasons and why a dispensation is required. The decision-maker must be satisfied that the operational reasons justify the need to dispense from conducting a procurement process as set out in Contract Procedure Rules 4.1.1 and 4.1.2.

In addition, the decision-maker must be satisfied that the extensions to those contracts set out in the Exempt Appendix demonstrate Best Value in accordance with s.3(1) Local Government Act 1999 and a continuing improvement of the Council's functions in respect of economy, efficiency and effectiveness. Best Value in the award of contracts is generally best demonstrated by conducting a procurement process. The decision-maker should be made aware that the contracts to be extended were originally awarded by way of a direct award rather than through a tender process. As already stated, this action is legally permitted given the values of the contracts, however, if the Chief Finance Officer and Leader of the Council are minded to grant a dispensation on this occasion the legal advice would be that the market should be tested for service requirements beyond the proposed extension period.

Advice provided by Naomi Vass (Senior Solicitor) on 29/09/2021.

Finance Advice:

The Ministry for Housing, Communities and Local Government (MHCLG) has awarded the Council £1,296,452 for the financial year 2021/22 in order for them to continue with Homelessness Prevention and continue working towards implementing the Homelessness Reduction Act. This decision seeks the approval to receive and spend the allocation along with a further £417,847 of unspent, accrued funding from previous years as approved by MHCLG.

This is an increase in allocation from the previous year (£969,035) and a decision to combine the 2 previous grant streams, Flexible Homeless Support and the Homelessness Reduction Grant to create one fund for ease is now referred to as the Homeless Prevention Grant (HPG).

The schedule of planned spend totalling £1,714,299 as detailed in the Exempt Appendix is aligned to the purposes of the grant. It is to be monitored monthly. Any re-allocation or reasonable adjustments require the approval of the Corporate Director for City Development and Growth, but must stay within the the funding envelope. The planned spend also seeks the approval to fund permanent posts. This will not affect the financial element of this project as most post holders have worked on this project for a number of years. Any entitlement to exit payments need to be considered if future funding streams are to reduce/end.

The request for dispensation of Financial Regulations is considered to be appropriate as it requires the continuation of contracts with providers with specialist knowledge and expertise with a good track record of delivery of outcomes.

Advice provided by Michelle Pullen (Commercial Business Partner) on 10/09/2021.

Procurement Advice:

Dispensation from the Contract Procedure Rules 4.1.1 and dispensation from Contract Procedure Rules 4.1.2 for the services as set out in the Exempt Appendix 1, in accordance with Financial Regulation (3.29) (Operational Issues), are supported from a Procurement perspective for funding to be spent as specified in the Programme for use for Homelessness Prevention Grant 2021-22 in Exempt Appendix A. This funding will ensure that the Council utilises the available Government funding to ensure it can respond appropriately to the statutory requirements within the Homelessness Reduction Act and that when required, temporary accommodation is suitable and use of hotels is avoided as much as possible. The individual values of these proposals fall below the UK procurement threshold, and is supported from a Procurement perspective. It should be ensured that there are appropriate contractual arrangements in place with providers. The use of this funding should comply with the Ministry for Housing, Communities and Local Government grant conditions and suitable agreements should be in place with external providers to ensure compliance and satisfactory performance.

Advice provided by Julie Herrod (Procurement Officer) on 29/09/2021.

HR Advice:

The proposal seeks to utilise the outlined funding to enable a restructuring of the Service. This restructuring will involve the extension of existing contracts, conversion of temporary contracts to permanent arrangements and finally the creation of new job roles to assist with service delivery.

In making the decision, regard should be given to the following:

- 1. Appropriate resourcing levels will not only help with direct service delivery and capacity, but also support the wellbeing and workload management of existing officers.
- 2. Consideration, however, needs to be given to potential additional liabilities that may occur, should alternative funding streams not become available at the end of the funding, or should the funding reduce. In particular, this would include redundancy costs. An increased, permanent establishment would have a higher potential exit cost liability.
- 3. Recruitment to new roles should see employees recruited to the 'level 1' salary of their grade, so consideration and budgeting to allow for an increase to 'level 2' at the end of the first 12 months should be made.
- 4. The restructuring process will require the Service to engage and consult with both the affected workforce and its recognised representatives. A further paper detailing this process is due to be submitted, but management should make provision for a 45-day consultation process. External recruitment processes can take between 3 and 6 months, depending on required notice periods, before resources can be secured, and so a short term strategy to manage this transition should be considered.

Advice provided by Paul Slater (HR Business Lead) on 17/09/2021.

IT Advice:

The IT Service supports the proposals made in this delegated decision. The IT Service will work with colleagues to ensure that suitable IT systems are acquired and operated to fulfil the delivery of the planned services.

Advice provided by Paul J. Burrows (IT Change, Projects and Strategy Manager) on 24/09/2021.

Signatures:

David Mellen (Leader/ PH Strategic Regeneration Communications)
SIGNED and Dated: 08/10/2021
Sajeeda Rose (Corporate Director of Growth & City Development)
SIGNED and Dated: 05/10/2021
Clive Heaphy as Chief Finance Officer (Chief Finance Officer) - Dispensation from Financial Regulations
SIGNED and Dated: 05/10/2021
Chief Finance Officer's Comments: