

# Nottingham City Council Delegated Decision



Reference Number:

4585

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Department:

Growth and City Development

Contact:

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Subject:

Homelessness Prevention Grant - Winter 2021 COVID-19 rent arrears financial support

Total Value:

£271,837.00 (Type: Revenue)

Decision Being Taken:

To accept £271,837 issued by Department of Levelling Up, Housing and Communities (DLUHC) as Homelessness Prevention Grant (HPG) - Winter 2021 COVID-19 rent arrears financial support. To allocate £91,837 towards spend on flexible solutions to prevent homelessness from private rented tenancies for people who have received a statutory housing assessment due to risk of homelessness because of Covid-19 related rent arrears. To transfer £180,000 revenue under a grant agreement to a consortium of advice sector partners under the lead of the Nottingham Law Centre to enable expansion of their services to deliver a dedicated project established to meet the government funding requirements. To delegate authority to the Corporate Director for Growth and City Development to adjust the remit of spend amongst the specified measures within the funding envelope and to award grant agreements as necessary to allocate the funding.

**Reasons for the Decision(s)**

The Private Rented Sector is increasingly relied upon to provide homes to households in Nottingham. Securing affordable housing in the Private Rented Sector is an ongoing challenge for low-income households as average market rents far exceed the Local Housing Allowance level and therefore many households are subjected to a shortfall that they are required to meet to cover the rental charge. Currently, 17% of households presenting to Nottingham City Council for a statutory housing assessment are at risk of homelessness because they have received notice on their Private Rented Sector tenancy with a significant proportion unable to sustain the accommodation through affordability issues. The Covid-19 pandemic has exacerbated affordability issues in the Private Rented Sector. A survey conducted with local landlords in October 2020 found that even at that early stage of the pandemic, 41% of landlords reported their tenants were citing the pandemic as a reason they were experiencing difficulty paying rent. The same proportion believed that the publicised mortgage holiday scheme had led their tenants to believe this exempted them from paying rent. 15% of landlords stated that they intended to raise rents following the pandemic, which could possibly be due to their own financial uncertainty and vulnerability. Many households living in the Private Rented Sector in Nottingham would have been furloughed on reduced wages or made unemployed from their sector during the pandemic and more recently additional pressures such as rising energy prices and cost of living increases have added to the financial pressures particularly faced by households already with low incomes. Since the lifting of the ban on evictions from the Private Rented Sector, those who have accrued arrears during the pandemic have begun to receive notices and are facing eviction. At the end of October 2021, the Government Department for Levelling Up, Housing and Communities wrote to local authorities (Appendix A) advising of a one-off grant allocation to top-up the Homelessness Prevention Grant which was ring-fenced specifically to support low-income private renters with Covid-19 related rent arrears. Timescales for utilisation of the grant were short with commitment to spend required within the financial year. Through discussion with DLUHC Advisers it was agreed that to meet the grant conditions the funding would be used in Nottingham to: a) provide flexible solutions following a statutory housing assessment. These will be one-off payments to individuals up to an agreed maximum amount (determined by the Homelessness Strategy Manager) but not exceeding £5,000. The payments will be made via an established process of legitimately allocating flexible funding for homelessness prevention via an agreed criteria and at the discretion of the Housing Aid Service Manager. b) bolster delivery of existing financial related advice services in Nottingham to enable provision of targeted wraparound support to address the arrears and prevent them from reoccurring. The Nottingham Financial Resilience Partnership (NFRP) is the umbrella body bringing together any private and charitable partners and providers of financial related services in Nottingham. Nottingham City Council recognised the NFRP as an open and effective route to access this sector and requested that the NFRP collectively agree on an approach to utilise the grant to expand their services towards those identified as most in need following the statutory housing assessment. All partners with interest were invited to join a subgroup and devise a project proposal with specified delivery partners. As a direct outlet source of support, this will meet the requirements of the grant and assist Nottingham City Council to prevent homelessness under the requirements of the Homelessness Reduction Act.

**Briefing notes documents:**

**Appendix A - Support For Vulnerable Renters Letter To Chief Executives 23.10.2021 (002).pdf**

**Other Options Considered:**

**Not to accept the grant from DLUHC. This was rejected because Nottingham City Council is aware of the ongoing pressures experienced by residents and relies upon government grant funding to enable delivery of a strategic response to prevent people from becoming homeless because of financial hardship and helping people to find places to live that are affordable. To accept the grant but spend it in a way other than that specified. This was rejected because the grant funding is ringfenced for spend on interventions that enable the council to fulfil its duties under the Homelessness Reduction Act 2018. Further stipulations contained in the letter at Appendix A. identify low income tenants of the private rented sector as a priority group to target interventions. This is a one-off, time-limited payment with a requirement from DLUHC for spend against this grant to be committed by 31 March 2022 therefore, the deliverable approach is to pass on the grant to expand delivery of existing services to meet the additional need projected by the government.**

**Background Papers:**

**None**

**Published Works:**

**None**

**Affected Wards:**

**Citywide**

**Colleague / Councillor Interests:**

**Consultations:**

**Date: 27/01/2022**

**Other: Nottingham Financial Resilience Partnership**

**The Nottingham Financial Resilience Partnership is the umbrella body connecting all services working to promote financial inclusion in Nottingham. Members were invited to join a subgroup and collectively developed an approach to meet the grant requirements and expand their services towards targeted homelessness prevention activity following the statutory housing assessment conducted by Nottingham City Council.**

**Those not consulted are not directly affected by the decision.**

**Crime and Disorder Implications:**

**None**

**Equality:** EIA not required. Reasons: The grant is being transferred to services who will provide support following the statutory housing assessment delivered by Housing Aid, who as a service of Nottingham City Council are duty bound to deliver in accordance with the Equality and Diversity Policy. Furthermore as the statutory housing authority, the service is under a legislative requirement to be accessible 24 hours a day, 365 days of the year.

**Decision Type:** Portfolio Holder

**Subject to Call In:** Yes

**Call In Expiry date:** 08/04/2022

**Advice Sought:** Legal, Finance, Procurement

**Legal Advice:**

The proposals in this report raise no significant legal issues and are supported. The Council has received money from government for the purpose of supporting individuals to avoid them incurring rent arrears or facing eviction as a result of the pressures imposed upon them from the Covid-19 pandemic. This funding is additional to earlier funding provided for the same purpose. The Council must ensure compliance with any terms and conditions from government and ensure that where required appropriate provisions are captured in any grant agreements with providers.

It is understood that some of the money will be provided directly to individuals and some will be allocated via the Nottingham Financial Resilience Partnership (NFRP) to various delivery partners who can provide a variety of services to those in need. NFRP were approached by the Council to ask what services would be able to be provided with the funding and it has confirmed that the Law Centre and other providers are able to expand upon the services they already deliver in the City to support private rented tenants in furtherance to the funding objectives. Given the short timescales a fair and reasonable process is deemed to have been followed to identify suitable suppliers. Advice provided by Dionne Claire Screatton (Solicitor) on 21/03/2022.

**Finance Advice:**

This decision seeks the approval to receive and allocate grant funding totalling £271,837 from DLUHC. Nottingham City Council is the holder of the grant and will allocate payments by way of grant allocation to the providers described.

The funding is up to 31st March 2022. Any underspend will need to be returned back to DLUHC. Whilst this is not mentioned in the offer letter, I have been assured by the project manager that in discussions had with DLUHC, due to the timeliness of the allocation, it is agreed that as long as funding is committed by 31st March, the grant can be rolled over for allocations to be paid out in the new financial year and will not be classed as underspend, nor need to be returned. The project manager will need to liaise with finance to ensure any grant is rolled over to ensure there is no loss. A dedicated cost centre is already set up for the Homelessness Prevention grant and as this is a one off extension, a separate analysis code will be used to assist in effective monitoring of this element of the grant.

The grant will not exceed any costs due to how it is to be allocated so there is no financial risk to NCC - as long as year end procedures are applied correctly. Advice provided by Michelle Pullen (Commercial Business Partner) on 07/03/2022.

**Procurement Advice:**

**This decision relates to the acceptance and use of Homelessness Prevention Grant funding from DLUHC for providing support to individuals vulnerable to eviction due to financial difficulties, particularly as a result of Covid-19. In relation to the funding proposed to be transferred as grant to the consortium of local advice sector partners, the Council approached the Nottingham Financial Resilience Partnership to invite existing providers supporting citizens in private rented housing to expand their delivery using this funding. Therefore it is considered that a fair and open process has been followed, in view of the short timescales set by DLUHC for using this funding. The grant agreement established with the consortium of agencies led by the Nottingham Law Centre should ensure that the objectives and conditions of the DLUHC grant funding are fully met. Advice provided by Jo Pettifor (Procurement Team Manager) on 18/03/2022.**

**Signatures**

<b>Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)</b>
<b>SIGNED and Dated: 31/03/2022</b>
<b>Sajeeda Rose (Corporate Director of Growth &amp; City Development)</b>
<b>SIGNED and Dated: 31/03/2022</b>