

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3770

Author:

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Department:

Development and Growth

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Subject:

Age UK Notts Staying Put Service (Home Improvement and Decent Homes Assistance Loans)

Total Value:

£78,000 (Type: Capital and Revenue)

Decision Being Taken:

1. Approve the award of a contract to Age UK Notts to provide a range of services, primarily project management of works, to eligible citizens in connection with the Council's equity loan fund.
2. Authorise dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulation 3.29 to award the contract described above to Age UK Notts. The total expenditure falls below the procurement threshold.
3. For the Equity Loan Fund to provide £5,000 interest free loan to Age UK as restart monies

Reasons for the Decision(s)

Age UK Notts were commissioned to engage eligible citizens with NCC's equity loan fund (which is managed and administered by a separate, FCA regulated third party) in 2008 and to provide project management of the associated works. This function continued as part of a range of measures and schemes that formed the Nottingham's Home Safety and Improvement Service (HIS) from 2015 to 2018. The HIS and its activities have now ceased, however the equity loan fund has and will continue to have ringfenced funds available for loan that can continue to be used to carry out significant, preventative works to peoples' homes.

Continuing to provide access to the equity loan fund will help to improve property standards, enabling independence among older and vulnerable citizens, making the home suitable and sustainable as well as preventing poor health outcomes. All remain key objectives of the strategic housing agenda and part of continued efforts to effectively link health and social care objectives, including delaying the requirement for social or residential care as long as possible by way of making homes suitable, safe and sustainable.

Age UK Notts remain best and almost uniquely placed in terms of client group and experience to engage the main target service users (households aged 60+) and to provide the necessary assessment and project management. Age UK Notts is the established gateway for this service for this client group.

Age UK Notts will refer qualifying City residents to the equity loan fund (a separately appointed and FCA regulated organisation will provide financial assessment and administration of the loan) ,either for a Home Improvement Loan (for eligible households requiring over £3,000 of assistance) Decent Homes Assistance Loans for assistance under £3,000, as well as providing an assessment of serious hazards, deficiencies or faults in the home, and will commission and oversee works to remedy these faults.

In consideration Age UK Notts will receive 12% of the net cost of works for each loan or project for project management (assessment through to completion of works). The fee of 12% per project is considered reasonable given the amount and extent of the assessment and management that Age UK Notts will be providing against the value of the loans or works overall.

The terms of the original HIS meant that Age UK Notts were paid in advance for their overall contract, in this case they will be paid on a per project/loan basis. However monies are required to "kick-start" the service again after a period of inactivity following the cessation of the overall HIS contract. To facilitate this the Equity Loan Fund will provide a £5,000, interest free loan to restart the scheme. The loan will be repaid across a set number of regular instalments from month 24 of the contract.

The contract will be subject to a service specification and performance monitoring based on the corporate template.

Briefing notes documents:

Hazard List April 2019.docx, AGE UK DDM Background v.4.docx

Other Options Considered: To cease access to the equity loan fund: This would fail to utilise much needed and dedicated resource for the address of a poor housing conditions, fuel poverty and vulnerable persons' independence. The operation of the scheme requires both referral and project management function that are suitably experienced with the client group and property conditions, and an FCA regulated body to administer the funds and make financial assessments. This option has been rejected

To tender for contract/appoint another provider: AGE UK Notts have provided the service immediately prior to this point as part of the HIS and are uniquely experienced in working with older people who form the vast majority of the client group and in having staff that are experienced in hazard and works assessment. The total expenditure falls below the procurement threshold and the proposed agreement would be new/separate to the previous service with a different payment method. This option has been rejected.

Background Papers: None

Published Works: 'East Midlands Pilot Equity Loan Scheme' - Report to Executive Board, 24 February 2009
Delegated Decision 0151 - 'Amendments to the East Midlands Equity Loans Pilot Scheme', April 2012
Delegated Decision 1536 - 'Funding for Home Improvement Agency, June 2014
Delegated Decision 2348 - 'Recycling of Housing Renewal and Repair Grants', April 2016

Affected Wards: Citywide

Colleague / Councillor Interests: None

Dispensation from Financial Regulations: Yes

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: n/a

Equality: EIA not required. Reasons: This is a continuation of a service already impact assessed. The service provides to two groups identified in line with protected characteristics- older and disabled people - who are particularly negatively impacted by the issues the service seeks to address.

**Regard for NHS
Constitution:**

The service provides direct intervention to remedy hazards in the home and therefore prevent injury or exacerbation/creation of ill health due to the home environment.

The NHS Constitution has as one of its guiding principles that the NHS will work across organisational boundaries. It says: "The NHS is committed to working jointly with other local authority services, other public sector organisations and a wide range of private and voluntary sector organisations to provide and deliver improvements in health and wellbeing". The Council's approach to housing also follows this principle, seeking to work with a range of other services to improve citizens' lives, not least their health and wellbeing. The positive impact that better housing can make on health and wellbeing has been demonstrated both nationally and locally.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

27/01/2020

Advice Sought:

Legal, Finance

Legal Advice:

Age UK Notts will be awarded a contract to provide a range of services to citizens who are eligible for loans from the Council's Equity Loan fund. As the Council is unable to directly provide loans to citizens it is understood that the loans are arranged and administered by a third party from the Equity Loan fund on behalf of the Council. An agreement should be put in place between the Council and Age UK Notts specifying the services to be provided, the terms of payment and any service levels. The agreement could also set out the terms of the loan to be provided to Age UK Notts. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 10/12/2019.

Finance Advice:

The Equity Loan Scheme provides householders with access to a loan from the council to undertake urgent health and safety works to their home (see report approved by Executive Board on 24 February 2009 and Portfolio Holder Decision 0151 signed 4 April 2012). The loan is made against the equity in the property and ensures loan amount is repaid to the fund when the property is next sold. The council also receive a proportionate share of any uplift in the value of the property to offset the effect of inflation.

The Equity Loan scheme is funded from a grant received from the now defunct Regional Housing Group and there is sufficient balance in the fund to support the continuation of the scheme as outlined in the report (see DD2348 Recycling of Housing Renewal and Repair Repaid Grants). This decision does not impact on the Council's MTFP.

The decision concerns a SLA with Age UK to support citizens accessing the Council's Equity Loan Scheme and allows Age UK to charge a percentage fee on the cost of works delivered to citizens assisted as part of the scheme. The total value of the decision is £78k, made up to a maximum of £73k for fees to Age UK (charged at 12% on the cost of works) and an interest-free loan for set up costs (£5k), which will be repaid over the life of the scheme.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 07/11/2019.

Signatures

Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)
SIGNED and Dated: 16/01/2020
Chris Henning (Corporate Director for Development and Growth)
SIGNED and Dated: 14/01/2020
Laura Pattman (Strategic Director of Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 08/01/2020
Chief Finance Officer's Comments: