

<b>DECISION NO:</b>	<i>For Member Services use only</i>
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Concurrence No:	066424
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<b>Action under delegated authority of Chief Executive</b>	<b>X</b>
<b>Action under delegated authority of Director of Finance and Cabinet Member for Finance</b>	
<b>Action taken by Chief Executive in consultation with Cabinet Member(s)</b>	

Subject: Exception to Contract Standing Orders for legal support to create Local Housing Company

Signature and designation of officer(s) taking action:

	09/11/2020		09/11/2020
Chief Executive	Date	Director of Finance	Date
		Head of Finance	Date

**Name of Cabinet Member(s) Consulted:**

I have been consulted and concur with the proposals set out below:

Cabinet Member for

Signature:

Date:

Councillor

Cabinet Member for

Signature:

Date:

Name of any member who has declared a conflict of interest in relation to this decision: N/A

**THIS DOCUMENT WILL BE PUBLISHED ON THE COUNCIL'S WEBSITE**

The report overleaf sets out the decision to be taken, the reasons for the decision, and the details of alternative options, if any, considered and rejected.

Officer decisions are available for public inspection, both at the Borough Offices and on the Council's website. Officer decisions are kept for a period of six years at the Borough Offices and for six months on the website after the decision is made. Background papers are available for four years.

**RECOMMENDED that:** an exception to contract standing orders be approved to allow engagement of Trowers and Hamlin to provide professional legal support in setting up a Local Housing Company.

## **Purpose**

To request an exception to contract standing orders to allow Trowers and Hamlin to be engaged to provide professional legal support for setting up a Local Housing Company.

## **A Local Housing Company for Broxbourne**

In April 2019 the Cabinet authorised the creation of a Local Housing Company (LHC) by the Council. The purpose of the LHC would be to increase the local supply of affordable housing for rent or shared ownership. Currently 60 or so affordable homes are built each year, but there are 1,400 households on the waiting list for housing and the Council is paying for temporary housing for approximately 260 homeless households.

LHCs are independent arms-length commercial organisations wholly or partly owned by councils. They can develop, buy and manage properties within and outside a local authority area. The homes LHCs provide sit outside the local government housing financing system and are not subject to the Housing Act and most of the social/affordable housing regulations, such as Right to Buy.

The Council has now received a business case evaluation for an LHC from a consultant, Altair Ltd, which indicates that the proposal for an LHC is financially viable. The consultant's report stresses the importance of setting up the LHC with expert advice on legal matters and governance.

## **Legal support for establishing the LHC**

Trowers and Hamlin, have previously been engaged by the Council to provide advice when Badger BC Investments Ltd was incorporated. They already have essential knowledge about the Council's governance arrangements and other requirements. This will save time and money as initial fact finding and requirement gathering work will be limited to specifics around the LHC. In addition, their expertise has been already proven through their work in relation to Badger BC Investments Ltd.

Therefore, an exception to Contract Standing Orders is requested on the basis that it is in the Council's best interests to use an existing supplier.

## **Financial, Legal and Risk Management Implications**

There is a risk that another legal practice would provide a better service at a lower price if the work was put out to tender, but this is judged unlikely.

The cost of engaging Trowers and Hamlin to provide the required advice will be contained in existing budgets.

## **Alternative Options Considered and Rejected**

Proceed with a tender process that will cause delay, for a service for which a tendering process is ill-suited, as it is difficult to assess the quality of rival bids for this type of legal support rather than simply the cost. In addition, an alternative legal firm to Trowers and Hamlin will not have the same knowledge of the Council and its administrative workings which will add further costs to the project.

## **Contribution to the Council's Objectives**

- Deliver affordable homes for residents and reduce homelessness.
- Maintain a stable financial position.

## **Conclusion**

Approval to be given for an exception to Contract Standing Orders to allow Trowers and Hamlin to be engaged to provide legal advice to support the establishment of a Local Housing Company.

Contact Officer:	Rebecca Keene	Ext: 5871	Date	2020
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Action reported to the Cabinet on:

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