

**Decision Maker:** PORTFOLIO HOLDER FOR RENEWAL, RECREATION AND HOUSING

**Date:** For Pre-Decision Scrutiny by Renewal, Recreation and Housing PDS Committee on 14 March 2024

**Decision Type:** Non-Urgent Executive Key

**Title:** CONTRACT AWARD EXEMPTION: HOMELESS PREVENTION FUNDS CREDIT UNION

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**Ward:** All Wards

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## 1. REASON FOR REPORT

- 1.1. The Council has held a contract with Lewisham Plus Credit Union Ltd (LPCU) for the administration of homeless prevention funds since 1<sup>st</sup> of June 2011 with the current contract period due to end on 31<sup>st</sup> May 2024. This report requests renewal of the current arrangement, via an exemption from competitive tendering, for a 10-year contract with an option to extend for two further periods of 5 years each. The estimated value of the renewal is £4,800 per annum (40 loans) with a total value of £96,000 inclusive of extensions. The overall cumulative value of the contract, inclusive of this proposal, is £122,560.
- 1.2. LPCU, through the homeless prevention fund, offers low-cost loans to service users on terms specified by the Council, which enable service users to pay rent deposit to secure alternative accommodation, pay off any accumulated rent arrears to avoid eviction and purchase white goods or flooring where there are no alternative provisions. Lewisham Plus Credit Union Ltd is the only Credit Union authorised by the Bank of England to operate within Bromley.
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## 2. RECOMMENDATION(S)

### 2.1 The Portfolio Holder for Renewal, Recreation and Housing is recommended to:

- 1) Approve award of the Homeless Prevention contract, via exemption from tendering, to Lewisham Plus Credit Union Ltd for a term of 10 years (with the option to extend for two further periods of 5 years each) at an estimated annual value of £4,800 (whole life of £96,000 inclusive of extensions options); and,
- 2) Approve delegated authority to the Chief Officer to apply the extensions options in due course, subject to agreement with the Assistant Director: Governance and Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder of Renewal, Recreation and Housing.

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## Impact on Vulnerable Adults and Children

1. Summary of Impact: The loans administered by the Lewisham Plus Credit Union ensures that vulnerable customers are offered low-cost loans to pay off rent arrears and stop evictions, also enabling customers to secure alternative accommodation and supports their transition into their new homes. This supports the Housing Options and Support service to promote tenancy sustainment and prevent and relieve homelessness. It also promotes financial inclusion for the most vulnerable customers who otherwise may revert to borrowing money at higher interest rates from high street lenders thereby putting additional pressures on family budgets.

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## Transformation Policy

1. Policy Status: Existing Policy
2. Making Bromley Even Better Priority (delete as appropriate):
  - (1) For children and young People to grow up, thrive and have the best life chances in families who flourish and are happy to call Bromley home.
  - (2) For people to make their homes in Bromley and for business, enterprise and the third sector to prosper.
  - (3) To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.

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## Financial

1. Cost of proposal: £48,000 for the 10-year contract and £96,000 for the whole contract period.
2. Ongoing costs: £4,800 per annum.
3. Budget head/performance centre: Homeless Prevention Grant.
4. Total current budget for this head: £3,750,000.
5. Source of funding: Department of Levelling Up, Homes and Communities

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## Personnel

1. Number of staff (current and additional): N/A
2. If from existing staff resources, number of staff hours: N/A

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## Legal

1. Legal Requirement: Statutory Requirement:
2. Call-in: Applicable

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## Procurement

1. Summary of Procurement Implications: The direct award via exemption is to be undertaken in accordance with the Public Contract Regulations 2015

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## Property

1. Summary of Property Implications: N/A

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## Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: N/A

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## Impact on the Local Economy

1. Summary of Local Economy Implications: N/A
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## Impact on Health and Wellbeing

1. Summary of Health and Well Being Implications: N/A
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### Customer Impact

1. Estimated number of users or customers (current and projected): The Council provides front line homeless services to households who are threatened with homelessness or who are homeless. Since 2011, 247 service users have been supported throughout the contract and this number is expected to double during the life of this contract mindful of the current cost of living crisis, financial challenges, and the drop in referral during Covid 19 because of the ban on evictions. Work has started to increase the number of referrals to the service going forward to increase homelessness prevention numbers.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: N/A

### **3. COMMENTARY**

- 3.1 The Housing Act 1996 (as amended by the Homeless Reduction Act 2017) places a statutory duty on Local Authorities so that anyone who is homeless or at risk of homelessness will have access to meaningful help and assistance to prevent or relieve their homelessness.
- 3.2 This LCU service supports the Council in the execution of its statutory homeless prevention and relief function through the administration of financial grants to give loans to customers who are at risk of eviction, offering deposits and rent in advance. The scheme assists in relieving homelessness by enabling customers to secure alternative housing options and secure white goods or flooring to set up home. This contract ensures the ongoing administration of the funds which includes the award and recovery of loans granted, providing money and debt advice to reduce the risks of repeat homelessness. and promoting financial inclusion for those who otherwise may not have a bank account or rely on borrowing from high interest rate lenders.
- 3.3 The contract is funded by the Department of Levelling Up Homes and Communities (DLUHC) Homelessness Prevention Grant for the provision of homeless prevention or relief duties. It is operated through a Service Level Agreement (SLA) throughout the term of the contract.
- 3.4 The initial contract in 2011 was for a total period of five years. In June 2016, the contract was extended via an exemption report for a period of three years and in 2019, it was extended for five years which is due to end on 31st of May 2024.

#### **Summary of Business Case**

- 3.5 The provision of housing advice and assistance is a statutory service provided by each Council. The provision of low-cost loans is targeted at those households to whom the Council would otherwise owe a direct housing duty to accommodate if they are deemed vulnerable. This service enables us to prevent or relieve homelessness and assist to mitigate the budget pressure on the need and use of temporary accommodation provision.
- 3.6 The service is delivered in partnership with the Lewisham Credit Union Plus Ltd who administer the loans on behalf of the Housing Options and Support Service because they do not have the capacity of expertise to effectively manage the provision in house.
- 3.7 The aim is to ensure the efficient distribution and administration of the Homeless Prevention Fund to assist Bromley residents to pay off rent arrears and remain in their own homes; secure alternative suitable accommodation or purchase white goods or flooring as part of setting up their new home.
- 3.8 The money recovered from the loan repayments are recycled to maximise the number of customers who are supported through this service. During the term of the contract, the Council may make further funds available from the homeless prevention grant. If the Credit Union requires additional funds, the Council will consider the request based on current and projected usage. The last capital fund released was in 2019. We propose that, at any time additional funds are required, £50,000 be set at a maximum limit and signed off by the Assistant Director
- 3.9 The London Borough of Bromley's Housing Department is responsible for assessing and determining who should benefit from this fund by ensuring that they are eligible to receive assistance. The officer determines the amount of the loan, the repayment amount and duration of the loan after determining that a credit union loan is the best prevention or relief option to address the presenting housing need. The Credit Union then verifies the information before paying out the loan.

- 3.10 The Lewisham Plus Credit Union Ltd will not award any loans from this fund without the explicit authorisation of the London Borough of Bromley. All defaults in loan payments are reported, discussed with the Council and any loan write-off decisions must be authorised by the Council having regards to Lewisham Plus Credit Union's financial regulations, procedures and ensuring that all necessary recovery steps have been followed.
- 3.11 The terms of the loans granted are competitive, and offered on the terms which are deemed reasonable to most of our customers who can then become members of the Credit Union and enjoy the benefits of regular savings and other financial incentives offered by the Credit Union to their members.
- 3.12 These loans attract a minimal interest at the rate of 0.5% per month (6.2% APR), which is reinvested into the capital fund and considered reasonable by the Council. Comparatively, this is good value to our customers some of whom may have approached high interest 'Pay Day' loan companies or used their credits cards which are more expensive options.
- 3.13 As a provider, Lewisham Plus Credit Union Ltd has demonstrated a good understanding of the needs of our clients. This is evidenced by the very low level of loan refusals and a good level of recovery of approximately 75% of the amount loaned to date.
- 3.14 By working with Lewisham Plus Credit Union Ltd, recycling the loans repaid and interest gained, the council has increased the capital funding capacity by 90% from £257,481 capital funds released to £494,290 (including the administrative cost of £26,260 (including interest of £19,285) thereby enabling more vulnerable customers to be supported to remain in their homes thus preventing homelessness.
- 3.15 The Credit Union continues the recovery process even after the loan is written off using Electronic Loans Deduction schemes (ELDS) where money is deducted at source from customer's welfare benefits, rescheduling the loan term and standing orders to ensure that repayment amounts are sustainable where there has been a change in the customer's circumstances.
- 3.16 This contract provides a cost-effective alternative for those households who otherwise would be found statutory homeless and to whom the council would owe a housing duty to accommodate. The current cost of placing a household in Temporary Accommodation (TA) is £8,857 per annum. This compared to £5000 which is the maximum amount of loan that is offered to a household indicates a potential savings of £3,857 for each case where the Credit Union loan is used to prevent eviction and avoid the use of temporary accommodation thereby demonstrating good value for money.

### **Service Profile / Data Analysis / Specification**

From 2011 to October 2023, the service provided 248 loans to the value of £494,290 to prevent homelessness; support customers to secure alternative housing and on occasion support with essential household items such as white goods, flooring etc (for customers who do not meet the criteria for the welfare fund) to set up in a new home. The table below details the actual loan amounts, and there may be a slight uplift to the totals at year end.

YEAR	No of loans issued	Amount on loan £	Repaid to date £	O/S balance to October £	Actual write off	Number of loans write off	Administrative cost £
2011	0						0
2012	5	6,250	3,604	00	2,646	2	500
2013	31	29,162	17,903	00	11,259	17	3,100
2014	16	11,549	9,103	00	2,446	4	1,600
2015	25	42,972	38,298	00	4,674	7	2,500
2016	26	39,765	34,205	00	5,560	7	2,600
2017	43	77,201	64,580	1,551	11,070	10	4,300
2018	29	79,248	53,976	00	25,272	12	2,900
2019	54	163,838	111,005	17,823	35,010	18	6,480
2020	13	33,445	19,975	8,265	5,205	3	1,560
2021	5	7,853	5,939	975	1,548	1	600.00
2022	0	0	0	0	5,566	4	0
2023	1	2,987	0	0	7,122	4	120.00
2024		0	0	0			0
<b>Totals</b>	<b>248</b>	<b>494,290</b>	<b>370,950</b>	<b>28,614</b>	<b>117,378</b>	<b>89</b>	<b>26260</b>

- 3.17 The netbook value of the Homeless Prevention fund held with the Credit Union as of the October 2023, is £87,335 broken down as £62,473 in cash and £24,862.99 (32 active loans). This figure will likely change by the 31/5/24 if more loans are granted or due to bad debt write off.
- 3.18 As loans, plus any interest owing are repaid, the funds are recycled to support other customers who access the service. In doing so, the Council continues to maximise the use of this fund in preventing homelessness.
- 3.19 Lewisham Plus Credit Union Ltd has effectively managed the prevention fund as evident with the low levels of loan write offs and demonstrated a willingness to continue working with all our clients some of whom can be chaotic. They also, continue to explore and engage customers even after the debt has been formerly written off to maximise recovery. As a result, of this robust process, although 24% of the loans were written off, approximately £11,000 has been recovered.
- 3.20 Since the pandemic, and because of challenges with staff recruitment in 2021-2022, the number of referrals tailed off. However, work is being done to re-launch this housing options tool within the Housing Department to promote its continued use to relief and prevention homelessness. Lewisham Plus Credit Union has agreed to attend our homelessness forum, housing options and support Away Day and individual team meetings. It is anticipated that, this will increase the usage by 5% before the end of the contract and we forecast that 40 referrals will be made annually in the new contract period.

### Options Appraisal

- 3.21 Option 1-: Do nothing and allow the contact to expire and devise an exit strategy.

This is not a viable option because it would result to the termination of the contract, reduce our prevention or relief options leaving no alternative in place. Having considered the possibility to

bring the administration of the loan inhouse, it would be more costly as it would require additional resources to achieve a similar outcome.

### 3.22 Option 2 -: Run down the current capital funds with an option to top up in future.

The Lewisham Credit Union Plus Ltd holds the sum of £87,335 as the net value of cash and outstanding loans. Based on current trends and expected referrals, the council may be able to issue at least 10 loans and make provision of bad debts before there is need for a top up. Whilst this can be a viable option, it leaves the Housing Options and Support Service vulnerable as demand is likely to increase within this climate of budgetary pressures and cost of living crisis.

### 3.23 Option 3 -: Enter a 10-year contract with an option to extend for two periods of 5 years respectively via an exemption to tender.

This will create an opportunity for this much needed resource to be used as an option to increase homeless prevention and relief.

## **Preferred Option**

### 3.24 Option 3 is the preferred option. It allows the current and only provider, to continue delivering an effective and efficient service thus preventing homelessness, reducing the pressure on TA, promoting financial inclusion and improved life choices for Bromley residents. Although the contract period is long, there is robust contract management systems with regular performance meetings plus a breakout clause can be added to the contract to enable the Council to take appropriate action if required. The scheme is low cost and payments are only made by the Council for each secured loan, deeming it a low-risk scheme for the Council.

## **4. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS**

### **4.1 Estimated Value of Proposed Action:**

The estimated value of this exemption would be £4,800 per annum (whole life value of £96,000 including the extensions). The overall cumulative value since 2011 is £122,560.

### **4.2 Other Associated Costs: N/A**

### **4.3 Proposed Contract Period: 10 years plus two periods of 5 years each.**

## **5. MARKET CONSIDERATIONS / IMPACT ON LOCAL ECONOMY**

### 5.1 There are several Credit Unions operating national with each authorised to operate within certain boundaries. The Lewisham Credit Union Plus are the only Credit Union authorised to operate within Bromley. In May 2023, the LPCU proposed a merger with the Crown savers Credit Union based in Lewisham. It is proposed that this merger will bring significant benefits for LPCU and its members over the years to come. The merger has been successful and LCUP has become a single, large credit union to serve the Lewisham and Bromley area enabling them to deliver a better service to customers, improve their long-term financial strength permitting them to invest further in local businesses and communities.

### 5.2 Since 2021, the cost of living in the UK has increased steadily, with the annual rate of inflation reaching its peak at 11.1% in October 2022 and beyond. Although this affects most adults in the UK, the impact of the vulnerable customers we service is evident from the increased demand on food vouchers, travel warrants and bus passes issued by the housing department as our customers are increasingly concerned about the day-to-day living cost with the low-income families being most at risk from increases in the prices of energy, food and fuel, all of

which can adversely affect quality of life. This provision enables the council to provide alternatives to our customers when in need to prevent or relief homelessness.

## **6. SOCIAL VALUE, CARBON REDUCTION AND LOCAL / NATIONAL PRIORITIES**

- 6.1 This contract supports the council to achieve one of its key statutory priorities – preventing homelessness for those who are at risk of evictions from their tenancies. It also supports the process to relieve homelessness and ensure that vulnerable service users are supported to effectively settle in their new homes.
- 6.2 In accordance with the Homeless Reduction Act 2017, the Housing Department is required as part of its statutory responsibilities to provide advice and assistance to those who may present with housing need. The LPCU provides financial inclusion for Bromley residents who may experience difficulties with opening bank accounts in mainstream banks or developing a habit to save regularly regardless of the amount. In doing so, it supports customers overall wellbeing and supports the national priorities around financial including and homeless prevention.
- 6.3 This service is based locally in one of the most deprived areas of the borough and co located with other providers in the same building and customers are best served using the one stop shop model thereby reducing the travel cost of customers.

## **7. STAKEHOLDER ENGAGEMENT**

- 7.1 The LPCU Ltd has been invited to attend the Bromley Homeless Forum to deliver a presentation of their services. Whilst this will contribute to highlighting the work of the Credit Union, it will also serve to increase the knowledge of our partners and enable them to provide explore and utilise these options when providing support to customers.
- 7.2 The LCUP holds annual general meetings, and an invitation is extended to the Council. As most of our service users are encouraged to open a Credit Union account, they are also invited to this meeting which is used as a forum to give update and seek feedback on their services. The last AGM was held on the 24<sup>th</sup> of February 2022.
- 7.3 These are some key feedbacks from the LPCU website.  
“You are prepared to help those who banks won’t.”  
“They care about people more than profit.”  
“Giving people on benefit the chance.”  
“Friendly and knowledgeable.”

## **8. IMPACT ASSESSMENTS (INCLUDING VULNERABLE ADULTS AND CHILDREN) AND CUSTOMER IMPACT**

- 8.1 This decision has been judged to have no or a very small impact on local people and communities.
- 8.2 Lewisham Plus Credit Union Ltd has effectively managed the prevention fund as evident with the low levels of loan write offs and demonstrated a willingness to continue working with all our clients some of whom can be chaotic. They also, continue to explore and engage customers even after the debt has been formerly written off to maximise recovery.

## **9. TRANSFORMATION/POLICY IMPLICATIONS**

- 9.1 The Housing Act 1996(as amended by the Homelessness Reduction Act 2017).



## **10. IT AND GDPR CONSIDERATIONS**

10.1 LPCU Ltd are expected to comply and adhere to GDPR and data storing requirements.

## **11. PROCUREMENT CONSIDERATIONS**

- 11.1 This report seeks to authorise a contract award via an exemption for the Homeless Prevention Contract with Lewisham Plus Credit Union Ltd for a term of 10 years with the option to extend for two further 5 years at an estimated value of £4,800 per annum (whole life of £96,000 inclusive of extensions options), commencing 1st June 2024 till 31st May 2034. Lewisham Plus Credit Union Ltd are the only Credit Union authorised by the Bank of England to operate within Bromley.
- 11.2. This report also asks the Portfolio Holder to delegate the authority to the relevant Chief Officer to apply the extensions options, subject to Agreement with the Assistant Director Governance and Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder.
- 11.3. This action is permissible under the general waiver power of the Council (CPR3.1). The Council's specific requirements for authorising an exemption are covered in Contract Procedure Rule 13 with the need to obtain the Approval by the Portfolio Holder, and the agreement of the budget holder, Chief Officer, the Assistant Director of Governance & Contracts, the Director of Corporate Services, and the Director of Finance for a contract of this value. In accordance with Contract Procedure Rule 2.1.2, Officers must take all necessary professional advice.
- 11.4. The relevant an award notice will need to be published on Contracts Finder.
- 11.5. The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## **12. FINANCIAL CONSIDERATIONS**

12.1 This report recommends that the Portfolio Holder for Renewal, Recreation & Housing approves an exemption from tendering for the Homeless Prevention Contract with Lewisham Plus Credit Union Ltd for a term of 10 years with the option to extend for two further 5 years at an estimated value of £4,800 per annum (whole life of £96,000 inclusive of extensions options). This contract can be funded from the Homelessness Prevention grant, awarded annually to the Council by the Department of Levelling Up, Homes and Communities.

## **13. LEGAL CONSIDERATIONS**

- 13.1 This report requests the Portfolio Holder for Renewal, Recreation & Housing to approve an exemption from tendering for the Homeless Prevention Contract with Lewisham Plus Credit Union Ltd for a term of 10 years with the option to extend for two further 5 years at an estimated value of £4,800 per annum (whole life of £96,000 inclusive of extensions options). The Portfolio Holder is further recommended to delegate the authority to the relevant Chief Officer to apply the extensions options, subject to Agreement with the Assistant Director Governance and Contracts, the Director of Corporate Services, the Director of Finance and the Portfolio Holder.
- 13.2 As is detailed elsewhere in this report, the Council has statutory duties under the Housing Act 1996 and the Homeless Reduction Act 2017 to prevent homelessness. The procurement of this loan service is in pursuit of this statutory ambition.

- 13.3 This is a public services contract as defined by the Public Contracts Regulations 2015. As this is below threshold then it is not subject to the full remit of the Regulations. Any procurement should, however, accord with the legal principles of non-discrimination, transparency, and proportionality.
- 13.4 The report details how this service cannot be openly tendered because Lewisham Plus Credit Union Ltd is the only Credit Union authorised by the Bank of England to operate within Bromley. The report therefore requests an exemption from competitive tendering. The process the Council must follow is detailed in Contract Procedure Rule 13.1 where for exemptions with a cumulative value of £100k or above, authorisation must be given with “*Portfolio Holder Approval in Agreement with Director of Corporate Services, Assistant Director Governance & Contracts and Director of Finance with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis.*”.
- 13.5 Should this report be approved then officers will need to enter into contractual arrangements with the supplier and Legal Services can assist where necessary.

<b>Non-Applicable Headings:</b>	Strategic/Property/Personnel Consideration; Impact on Health and Wellbeing; Ward Councillor Views.
Background Documents: (Access via Contact Officer)	[Title of document and date]

## CREDIT UNION LOAN RECOVERY STAGES.

### I. Loan Recovery Stages List

The loan recovery stages, which should be recorded within Curtains for each action as it is processed, are as set out below. Individual loans may drop back down the stages where payments re-commence. Where there is a history of intermittent payments, the process has two stages (1 and 3) where a member will return to when they recommence payments. However, if those intermittent payments continue, we should avoid simply sending out the same standard letter but adopt a firmer approach. The definition of a 'payment' is one made by the member which is at least equal to the scheduled capital repayment amount. Note that the stages in table below are driven by the days since the last payment rather than arrears amount.

### II. Loan Recovery Stages List

Stage	Arrears status	Actions
0	Loan in arrears for first time or not otherwise assigned to a recovery stage.  <7 days since missed payment.	1 <sup>st</sup> action: Internal check needed for correct set-up of loan in Curtains and whether a payment has been received but not recorded against the loan (Branch responsibility).  2 <sup>nd</sup> action: If less than 7 calendar days since payment was due, wait up to 7 days for payment to arrive before contacting member (stage 2).  Once checked, move to stage 2 if missed payment is confirmed.
Stage 1 CC1 (51)	Was in arrears but payments now being made.	Monitor Payments - If a further payment is missed, move to recovery stage 2 or above.
Stage 2 CC2 (52)	7 to 31 days since last payment	1 <sup>st</sup> action: contact by phone and/or SMS, with follow-up action scheduled for 7 days ahead (14 days).  2 <sup>nd</sup> action: send Letter 1 (advice of arrears), with follow-up action scheduled for 7 days ahead (21 days). Share withdrawals to be frozen.  3 <sup>rd</sup> action: contact by telephone and confirm conversation via email or SMS, with follow-up action scheduled for 10 days ahead (31 days).  4 <sup>th</sup> action: if no payment after 31 days move to stage 4
Stage 3 CC3 (53)	Members now re-commenced payments after previously being at stage 4 or beyond	Monthly monitoring for higher risk members, including loans in default. If a further payment is missed, increasing arrears, move to recovery stage 4 or higher (depending on history).  If already in default and a further payment is missed, go to stage 6 and commence actions 2 or 3
Stage 4 CC4 (54)	32 to 62 days since last payment; 2 or more missed payments	1 <sup>st</sup> action: Letter 2 (further warning), with follow-up action scheduled for 14 days ahead (45 days)  2 <sup>nd</sup> action: if no response, telephone call or SMS/email with follow-up action scheduled for 7 days ahead (52 days)  3 <sup>rd</sup> action: investigate whether member has moved, check social media, use data from partners, and send additional SMS to member. If still no payment or response within a further 10 days, move to stage 5.

Stage 5 CC5 (55)	63 to 92 days since last payment; 3 or more missed payments	<p>1<sup>st</sup> action: Letter 3 (pre-default), with follow-up action scheduled for 14 days ahead (77 days)</p> <p>2<sup>nd</sup> action: if no response to letter 3, contact beneficiary and place of work (message to call CU only, no personal details to be disclosed).</p> <p>3<sup>rd</sup> action: if doubts about member's whereabouts, initiate trace.</p> <p>If no progress on first two actions and 93 days since last payment, move to stage 6 but only when member's address re-confirmed or new address identified.</p>
Stage 6 CC6 (56)	93 or more days, 4 or more missed Payments	<p>1<sup>st</sup> action: Letter 4, (Default) sent, with follow-up action scheduled for 14 days ahead (107 days). Notify Experian of default (Treasurer to undertake). Process via ELDS where possible (move back to stage 3 if ELDS is agreed). Note: where the loan value is high and ELDS repayment likely to take much more than 5 years, also consider parallel CCJ action, particularly if member has assets.</p> <p>2<sup>nd</sup> action: if no response to Letter 4 and not eligible for ELDS, send Letter 5 (warning of possible referral to solicitor), with follow-up action scheduled for 14 days ahead (121 days).</p> <p>3<sup>rd</sup> action: if no response to Letter 5, review potential for legal referral with Credit Control Manager and, if referred, move to stage 8.</p> <p>Note: whilst some cases may be judged to be not worthwhile pursuing all the way to a CCJ due to low value or member circumstances, there may still be merit in nevertheless requesting a final warning letter from the solicitor.</p> <p>4<sup>th</sup> action: for cases where no further legal remedy is possible and all informal steps have been exhausted, refer to Treasurer for write-off and move to stage 9.</p>
Stage 7 CC7 (57)	Debt Collection Agency	Not currently used
Stage 8 CC8 (58)	Legal Action via Solicitor	<p>Record actions from Solicitor (obtainable from their on-line database):</p> <p>1<sup>st</sup> letter before action.</p> <p>2<sup>nd</sup> CCJ.</p> <p>3<sup>rd</sup> any subsequent enforcement action.</p>
Stage 9	Separate monitoring process if needed	Bad debtor – written off loan.