
Meeting: Social Care, Health and Housing Overview and Scrutiny Committee
Date: 12 December 2011
Subject: Harmonisation of Housing Needs Services in Central Bedfordshire
Report of: Cllr Mrs Carole Hegley, Executive Member for Social Care, Health and Housing
Summary: The report proposes to harmonise Housing Needs services across Central Bedfordshire, with the Council operating an in-house service from April 2012. This will allow for consistent and coherent service provision across Central Bedfordshire and will yield a £200k efficiency saving from 2012-13 onwards. This will enable the Council to remodel the Service, in response to the Government's emerging Housing policy agenda, set out in the Localism Act 2011 and taking account of other changes resulting from Welfare Reform.

Advising Officer: Julie Ogley, Director of Social Care, Health and Housing
Contact Officer: Tony Keaveney, Assistant Director, Housing
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS
Council Priorities:
1. The creation of a cohesive, high quality Housing Needs service for Central Bedfordshire supports the following Council priorities-: <ul style="list-style-type: none">• Supporting and caring for an ageing population – by enabling older people to access accommodation, advice and support.• Educating, protecting and providing opportunities for children and young people – by working with families to address housing and support needs.
Financial:
2. Direct provision of the Housing Needs Service, by the Council, from April 2012, will realise an efficiency saving of £200k for 2012-13. The efficiency saving will result mainly from integration of business processes and the rationalisation of management costs. A saving of £ 90k was achieved during 2011/12, within the Council's Efficiency programme, mainly related to the Value for Money review, undertaken as part of the Audit Commission inspection of the Housing Service, during 2010.

- 3 The current total cost of the Needs Service amounts to £751 k, which includes £79 k of Housing Revenue Account funding that relates to Lettings by the Landlord Service, as an integrated service in the south of Central Bedfordshire. The HRA funding will continue once the service is harmonised. The total resource figure excludes operational budgets that are required, irrespective of how the Service is delivered. For example, the cost of providing Temporary Accommodation. The current spend in each area is committed to the north area (through a contract with Aragon Housing Association), in the amount of £309 k per annum; and in the south area, in the amount of £442 k (which includes £79k of HRA funding). It is proposed to reduce the total expenditure by £200 k, as an efficiency saving, by harmonising the Needs Service.
- 4 An informal market test was conducted during 2011, which suggested that an efficiency saving could not be achieved through externalisation of the service, at this time. Essentially, the approach that is proposed is for the Council to re-configure this service, aligned to a changing Policy agenda, including Welfare Reform, and then to test the market through a procurement exercise during 2014.

Legal:

- 5 The Council will continue to discharge its statutory duty with regard to the Housing Act 1996 and the Homelessness Act 2002.

Risk Management:

6. There are no specific risks identified, related directly to the proposal to bring the service “in-house”. Indeed, risk is reduced as a result of harmonisation. In particular, the benefit of direct control by the Council to re-configure this service, aligned to the changing Policy agenda, is a mitigation of risk.
- 7 There are risks related to implementation and change management, which have been identified as a consequence of there being a decision to harmonise the Housing Needs service. Mitigating actions have been applied, within the Implementation Plan being developed at this time. In particular, the risks relate to accessibility of the Service in the north area, and promoting public and service user awareness of the changes that are proposed within this report.
8. Aragon Housing Association (HA) and the Council are committed to managing change well and achieving a successful transition. It is proposed to base a team in Priory House and also to offer an outreach, surgery type service on regular days each week. These are proposed to take place at Aragon HA’s offices in Ampthill; as well as Biggleswade, at the Council’s office, and also the existing surgery service in Leighton Buzzard.

Staffing (including Trades Unions):

9. There are TUPE (Transfer of Undertakings and Protection of Employment) implications relating to staff currently employed by Aragon Housing Association with up to 12 staff members FTE affected. However, vacancies have been managed during the last year, at the Council and Aragon HA, and it is expected that the efficiency saving can be achieved without redundancies being required.

Equalities/Human Rights:

10. Public Authorities must ensure that decisions are made in a way which minimises un-fairness, and without a disproportionately negative impact on people from different ethnic groups, disabled people, women and men.

11. There are no Equalities or Human Rights implications inherent in the principle of harmonising the Housing Needs Service, by providing the entire service in-house, and therefore there are no direct implications considered within this report.
12. However, there are Equalities and Human Rights implications related to implementation of service harmonisation. All aspects of implementation will be subject to rigorous impact assessment to ensure that there is no disproportionate impact on any group or protected characteristic arising from the design of the new services, from policy development, or from the way the services operate.

Community Safety:

13. Not applicable.

Sustainability:

14. Not applicable.

Procurement:

15. A procurement exercise will be undertaken during 2014, to test the market for these services, once harmonisation is complete. This will be undertaken once the Service is operationally stable; and the Needs Services are re-configured, aligned to the changing Policy agenda and the implications of Welfare Reform.

RECOMMENDATION(S):

The Committee is asked to:-

1. **Consider and comment on the proposal to harmonise the Housing Needs Service across Central Bedfordshire, as a single and coherent “in house” service from 1 April 2012.**

BACKGROUND

16. The proposal to harmonise Housing Needs Services across Central Bedfordshire encompasses all housing advice; operation of the housing register and Choice Based Lettings; housing options and homelessness prevention; homelessness assessment and support to homeless households, including the provision of Temporary Accommodation.
17. Housing Needs Services in the legacy authorities were provided in-house by the former South Bedfordshire District Council (aligned to the Landlord Service); and in Mid-Bedfordshire had been externalised to Aragon Housing Association, under contract. These arrangements continued at the inception of Central Bedfordshire Council, in order to maintain stability during the transition period. It was envisaged that service harmonisation would be a priority during the early years of the new unitary council.

18. A mock inspection was undertaken by the Audit Commission during 2010, in part to examine options for future delivery of the Service. The inspection highlighted the fact that the Service offer to customers varied across the District and that harmonisation was necessary. Subsequently, during early 2011, an informal market test was undertaken, which suggested that the proposed efficiency saving of £ 200k could not be achieved, at this time, through externalisation.
- 19 The efficiency saving can be achieved through an “in-house” service, mainly as a result of management rationalisation and integration of business processes. It is not proposed to reduce the level or quality of service, but instead to strengthen homelessness prevention and to develop the Housing Options approach, which is well established in the south of Central Bedfordshire.

RATIONALE FOR HARMONISATION OF THE SERVICE

20. The primary reason for harmonising Housing Needs Services is to achieve a coherent and consistent service across Central Bedfordshire. Since the inception of Central Bedfordshire Council, the two legacy Housing Needs Services have worked closely together and have aligned their practices and procedures. Both services are similar in their functions, which have a statutory basis, and the size of population they serve, but inevitably, there is duplication.
21. There are also differences in the culture and practice of the two services which were noted during the July 2010 mock service inspection. These differences are no reflection of service quality, or performance. Rather, the differences arise from the distinct operating contexts, and demands placed on the services, prevailing in the legacy authorities.
22. The service operated by Aragon Housing Association is strong, it's main aim being homelessness prevention. In terms of demands placed on the service, related to urgent/pressing Housing Need, Aragon are generally able to meet that Need through the supply of social housing within the north area. The service could be described as having a strong ‘lettings’ approach, in that the service responds to housing need by letting social rented property through Choice Based Lettings.
23. Whereas, the Council-run service in the south of the authority has been operating in an area of greater homelessness and housing needs pressure. Further, the supply of re-lets in the south is predominantly 2 bedroom accommodation, which is a constraint on meeting housing needs. The Council’s service is generally less able, in the south area, to meet Housing Need through a “lettings” approach. In the south area, a greater role is played by the private rented sector in meeting housing needs.
24. A strong driver for developing a coherent service is that the operating context for services across Central Bedfordshire is changing. The Localism Act, which received Royal Assent on the 15th November 2011, gives Local Authorities greater freedom to tailor the allocation of social housing to meet local priorities, and to discharge their statutory homelessness duty by enabling the take-up of a tenancy in the private rented sector.

25. The Government's policy intent is to focus scarce social housing resources on those in the greatest need. There is a significant change agenda, not least the proposed change to create five year tenancies, which will mean the end of a "[social] home for life". The Council is required to develop a Strategic Tenancy Policy by November 2012, so as to apply these changes at a local level.
26. The Government strongly endorses the 'options' approach, whereby households are supported to seek housing outside of the social sector, where appropriate, as a way of safeguarding access to social rented tenancies for the most vulnerable. In harmonising Needs Services, it is proposed to re-direct resources to strengthen homelessness prevention which will mean, over time, there will be less focus on managing the Housing Register.
27. Further policy change has been introduced by the Government's Affordable Rent Regime. This is expected to increase local housing need pressure, as newly built Housing Association lettings will be offered at 80% of market rent.
28. Service harmonisation, as an "in-house" Council Service is the most direct way to achieve a consistent model of service which combines and builds on the best elements of the existing services, and to create an approach which is tailored to local needs and priorities. In the context of the policy change agenda, including Welfare Reform, there is significant benefit in the Council in being able to re-configure the Service, aligned to the changing operating environment.
29. For the Council to effect change, whilst managing the Needs Service under contract, would be more difficult and potentially costly. It is for this reason that the proposal is to bring the Service "in-house", so as to harmonise and re-shape the model of service, with the advantage of direct control. Once the Service is operationally stable, the Council should seek to test the market, in terms of a Value for Money assessment.
30. If the Needs service is harmonised as an "in-house" model, the period 2012 to 2014 will allow the Council time to develop a Housing Needs service model which is fit-for-purpose and tailored to local needs and priorities. This period will afford opportunity to the Council to respond to economic pressures and welfare reform. It is intended to test the market in 2014, so as to examine Value for Money, for a service that is 'fit for purpose', aligned to the Policy position of the Council.

NEXT STEPS

31. A project group has been established, with representation by senior officers from the Council and Aragon Housing Association, chaired by the Assistant Director, Housing Services.
32. There is clear benefit in co-production and joint working, to establish a model of harmonised service aligned to common aims and objectives, between Aragon HA and the Council, with the outcome being a better service for customers and a smooth transition for staff. There is a detailed Implementation plan, designed to manage change in a planned way, to enable the Needs Service to be operational as a single service from 1st April 2012. However, it will take several months to re-model the service during 2012. Aragon HA and the Council are committed to partnership working, and a proactive approach in the design of the new Service, prior to the transfer to the Council.

33. There will be an emphasis on designing a service which is highly visible and accessible across all of Central Bedfordshire, working closely with Aragon Housing Association as the dominant landlord in the north area. It is also intended to maximise the use of web-based applications, in relation to Lettings of social housing, building on the success of Bedfordshire Homefinder, the Council's Choice Based Lettings scheme.
34. The Committee will have opportunity to consider, initially in March 2012, the changes introduced by the Localism Act 2011, related to the strategic housing agenda. There will be opportunity for the Overview and Scrutiny Committee to review progress with implementation and change management during 2012. There is also scope for the Committee to provide quality assurance and critical challenge, during the process of Service re-configuration, aligned to the Policy agenda.

SUMMARY

35. The proposal is to harmonise the housing needs service in Central Bedfordshire by transferring the service from Aragon to the Council and this will meet the requirements of a consistent service across the Council, achieving the efficiency saving and providing the opportunity to remodel the service within the context of a changing national agenda.
36. Aragon Housing Association is a partner to the Council across a range of services and initiatives. The Association has provided a high quality Housing Needs service, representing good value for money; first to Mid Bedfordshire District Council and more recently to Central Bedfordshire Council. This is recognised, appreciated and worthy of note.

Background papers and their location: (open to public inspection)

Local decisions: a fairer future for social housing. Department for Communities and Local Government, November 2010.

All stated papers are available at Watling House, Dunstable, Rm 46, High Street North, LU6 1LF. Alternatively they are available online at www.communities.gov.uk, or on request from Tony Keaveney, Assistant Director Housing.