
Meeting: Executive
Date: 6 January 2012
Subject: Harmonisation of Housing Needs Services across 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 £200,000 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: Hamid Khan, Head of Housing Needs

Public/Exempt: Public

Wards Affected: All

Function of: Executive

Key Decision Yes

**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities:

The creation of a cohesive, high quality Housing Needs service for Central Bedfordshire supports the following Council priorities:-

- 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:

1. Direct provision of the Housing Needs Service, by the Council, from April 2012, will realise an efficiency saving of £200,000 for 2012-13. The efficiency saving will result mainly from integration of business processes and the rationalisation of management costs.

2. A saving of £90,000 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 £751,000, which includes £79,000 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 current spend in each area is committed to the north area (through a contract with Aragon Housing Association), in the amount of £309,000 per annum; and in the south area, in the amount of £442,000 (which includes £79,000 of HRA funding).
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 proposed approach is for the Council to re-configure this service, aligned to a changing Policy agenda, including Welfare Reform, to then 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, Parts VI and VII 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, 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. An Equalities Impact Assessment has been completed and is attached as Appendix A.
11. There are no Equalities or Human Rights implications inherent in the principle of harmonising the Housing Needs Service, by providing the 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. 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. The Impact Assessment has initially been completed and will be considered by the Equalities Forum in January 2012. The Impact Assessment will be a 'live' document throughout the implementation to mitigate any disproportionate impact.

Community Safety:

13. Not Applicable.

Sustainability:

14. Not Applicable.

Procurement:

15. Not applicable.

Overview and Scrutiny:

16. The proposal to harmonise Housing Needs Services across Central Bedfordshire was considered by the Social Care, Health and Housing Overview and Scrutiny Committee on 12 December 2012. The Committee supported the proposal to harmonise the Housing Needs Service as a single, coherent "in house" service from 1 April 2012.

RECOMMENDATION:**The Executive is asked to:**

1. **agree that the Housing Needs Service is harmonised across Central Bedfordshire, as a single and coherent "in house" service from 1 April 2012.**

*Reason for
Recommendation:*

So that the Council can discharge its statutory functions to all homeless households and to those household in housing need.

Executive Summary

17. 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.
18. An efficiency saving of £200,000 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.
19. Harmonisation of the service will enable the Council to respond to the changing Policy agenda, set by the Localism Act, and will allow the Council time to develop a Housing Needs service model which is fit-for-purpose and tailored to local priorities.

BACKGROUND

20. 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.
21. 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 £200,000 could not be achieved, at this time, through externalisation.

RATIONALE FOR HARMONISATION OF THE SERVICE

22. 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.

23. Both services are similar in their functions, which have a statutory basis, and the size of population they serve, but inevitably, there is duplication. However, 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.
24. The service operated by Aragon Housing Association is strong, its 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 of Central Bedfordshire. 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.
25. Whereas, the Council-run service in the south of Central Bedfordshire 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.
27. 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 15 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.
28. The Government strongly endorses the 'options' approach, whereby households are supported to seek housing outside of the social sector, where appropriate, as a means to secure access routes to social rented tenancies for the most vulnerable people. 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.
29. 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.
30. 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.

31. It is proposed to test the market for this service, through a value for Money Assessment, once transition is complete and the Service is operationally stable. This is likely to happen during 2014, once the Service is reconfigured; integrated with the Private Sector Housing team; and aligned to the Policy position of the Council.
32. The period 2012 to 2014 will allow the Council time to develop a fit-for-purpose service model, tailored to local needs and priorities, within the changing Policy environment. This period will afford opportunity to the Council to respond to economic pressures and to welfare reform.

NEXT STEPS

33. A project group has been established, with representation by senior officers from the Council and Aragon Housing Association. There is clear benefit in co-production and joint working, to establish a model of harmonised service aligned to common aims and objectives, with the outcome being a better service for customers and a smooth transition for staff.
34. 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.
35. 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.

Conclusion

36. The recommendation is to harmonise the housing needs service in Central Bedfordshire by transferring the service from Aragon to the Council. This will enable the Council to create a consistent service across Central Bedfordshire, achieving the efficiency saving and providing the opportunity to remodel the service within the context of a changing national agenda. In so doing, the Council will be best placed to respond effectively to Welfare reform and to the opportunities afforded by the Localism Act 2011
37. 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.

Appendices:

Appendix A – Equality Impact Assessment

Background Papers: (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.