

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	4 February 2013
Report of:	Strategic Housing Manager
Subject/Title:	Strategic Housing Review
Portfolio Holder:	Councillor Jamie Macrae Portfolio Holder for Prosperity & Economic Regeneration

1.0 Report Summary

- 1.1 Since April 2012, the Strategic Housing Service has been undertaking a strategic review of the service. This report outlines the progress of the review, which is to be implemented in a phased approach over the next two years. This involves an early restructure of the service to bring forward efficiencies and ensure that it is fit for purpose and to explore alternative delivery models for certain areas of the service.
- 1.2 The long term view is that the service needs to be embedded into the corporate approach, integrating housing into the wider corporate agenda and developing better alignment with Health and Children, Families and Adults.

2.0 Decision Requested

- 2.1 To consider and note the progress contained within the report.
- 2.2 Endorse the direction of travel and the integration into the new Corporate Strategic Commissioning model.

3.0 Reasons for Recommendations

A review of the Strategic Housing service was instigated in April 2012 to consider whether the services provided were fit for purpose and met the needs of our customers in order to be able to:

- Deliver the strategic priorities set out within the Housing Strategy
- Meet the challenges presented by the Welfare Reform and the Localism Act.
- Meet the needs of our stakeholders and promote partnerships
- Ensure resources are allocated to best effect
- Realise efficiencies
- Refocus the Strategic Housing service to be able to embed housing strategy across all services areas.
- To meet challenges presented by the Health & Social Care Act 2012

- To recognise the role of the Strategic Housing Service in meeting new Public Health Functions of the Council.

To ensure that the objectives of the review are achieved the remaining stages will be carried out in a two phase approach. The first phase will deliver a new structure for the existing service, followed by the remodelling of delivery for certain aspects of the service. The second phase is the integration of housing into a more corporate approach, ensuring that it meets the wider agenda of economic growth and supporting our most vulnerable residents.

4.0 Wards Affected

- 4.1 All Wards

5.0 Local Ward Members

- 5.1 All Wards

6.0 Policy Implications

- 6.1 Housing is fundamental to the well being and prosperity of the Borough. There are direct connections between the quality of the housing stock and health, educational attainment, carbon reduction and care for older people. Providing sufficient housing of good quality is essential to maintain economic growth and vitality. It is essential that we deliver a strong strategic housing role to enable other service areas to deliver their priorities. Housing should be incorporated into cross cutting strategies and embedded within the Corporate approach.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

- 7.1 The next phase of the Strategic Housing review will result in the restructuring of the service and will bring forward financial efficiencies. A part year effect has been incorporated into 2013/14 budget which will achieve £50,000 in savings.
- 7.2 A further £250,000 efficiency savings have been incorporated into the Business Planning process and profiled across 2014-16 (£125k 2014/15/£125k 2015/16). It is anticipated that some of the savings will be identified through the remodelling of the Home Improvement Agency and Handyperson services, which will be identified through a joint review with Adult Services as the commissioners of the services.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 When considering the remodelling of services the Authority has to take into account its statutory duties.

Part VII of the Housing Act 1996 (as amended by Homelessness Act 2002 and Localism Act 2011) places a general duty on local authorities to ensure that advice on homelessness and homeless prevention is provided free of charge to all residents and that the authority assists those that are homeless or threatened with homelessness, providing temporary and settled accommodation where appropriate. The Homelessness Act 2002 placed additional duties on local authorities, which also included the production of a homelessness strategy, reviewed at least every 5 years, and the requirement to assist 16 to 17 year olds and other vulnerable groups.

8.2 Part VI of the Housing Act 1996 (as amended by the Localism Act 2011) relates to allocations and lettings Legislative requirements. Cheshire East Council is required to:

- Maintain a scheme for the letting of social housing to those in housing need (the housing register)
- Hold and operate a lettings policy that complies with the Housing Act 1996 Part VI, including the assessment of those in housing need
- Fulfil its duties to the homeless under the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002)
- Hold information about its lettings scheme at its offices
- Provide housing advisory services

In carrying out these functions the council must:

- Consider both the objectives of central Government and local priorities as determined by the housing strategy, corporate plan and other key documents.

8.3 Services should be delivered in a way that reflects identified need within the area in terms of access, service priorities and the priorities of the customers. To do this, the day to day operation of these services may be carried out by third party contractors. However, the Local Authority must retain responsibility for:

- The formulation and amendment of lettings policies
- Monitoring of the discharge of statutory duties
- The Homeless review and the production of the Homelessness Strategy

8.4 In all cases, the Local Authority remains liable in law for the discharge of its housing functions irrespective of whether they have been contracted out or not. It must therefore ensure that these duties are discharged appropriately. This relates not just to the housing legislation directly but also:

- Equality and Diversity
- Human rights
- Data protection and freedom of Information

8.5 Depending on the model eventually selected for taking forward, detailed legal advice may well be necessary on procurement and/or HR issues,

including possible TUPE issues, and this requirement, and the legal resources implications, must be borne in mind and built into any future plans which might arise out of this review.

9.0 Risk Management

- 9.1 Whilst a local authority can contract out its functions in administering the homelessness process and waiting list, it retains the statutory responsibility and accountability for the decisions made by the organisation to whom the contract has been awarded. To ensure compliance with the legislation the authority would have to monitor decisions made and take responsibility for the review of those decisions. In the case of a judicial review, the local authority would be accountable.
- 9.2 Cheshire East whilst contracting out the service would be judged by the Department for Communities and Local Government (DCLG) on the performance of the contracted organisation, however this can be mitigated by the implementation of a robust contract and monitoring system. Further mitigation could be through a delivery model option where control is retained by the Local Authority.
- 9.3 The Cheshire homechoice partnership consists of Cheshire East, Wulvern, Cheshire Peaks and Plains and Plus Dane Group. Each organisation has contributed to the procurement of a specialist ICT system to deliver the service and continues to contribute towards the employment of an officer and ICT maintenance costs. A Common Allocations Policy has been adopted by the all the partners. Dependent upon the delivery model adopted by the authority, there is a risk of a negative impact on the partnership, especially if the decision was to procure an external provider through the OJEU route.
- 9.4 If we do not seek alternative delivery models to ensure the service is fit to face the challenges brought about by the current economic climate, there is a risk that we will not be able to fulfil our statutory duties. The authority places itself at risk of challenge and Judicial Review.
- 9.5 The Home Improvement Agency and Handyperson services are commissioned from the Strategic Housing service by Children, Families & Adults and provides a comprehensive support package to help older and disabled residents through the sometimes complex process of adapting or repairing their homes, supporting independent living to enable them to continue to live independently. The decisions in relation to future delivery arrangements will be made by Adult Services whilst considering the challenges of an ageing population and efficiencies. If the decision is taken not to re-commission the service there will be additional pressure put on existing social care services, who will have to cover aspects of the support service.

10.0 Background and Options

10.1 The aim of the Strategic Housing Review

The local authority strategic housing role is to plan for the housing needs of residents across all tenures, which supports effective place shaping and delivery of sustainable communities.

We need to ensure that there is an appropriate balance of good quality housing, which provides variety, choice and is accessible, as this is fundamental to the well-being of the citizens of any local authority area. It involves making the best use of the housing that is already there, as well as working effectively with the market to supply new homes. Crucially, it is also about looking and working across all tenures, and ensuring that appropriate links are made to the support services which people need to live in their homes. Housing is a critical factor for healthy lives and good life chances for residents.

The long term vision for the Strategic Housing Service is that the service needs to concentrate on these strategic aspects, developing these further and integrating housing into the wider Corporate agenda, creating greater synergy with Health and Children, Families and Adults.

The review has been progressed in phases as outlined below:

Phase One -

- Restructuring of the service to bring forward efficiencies and ensure that the service is fit for purpose and is able to meet the needs of both our customers and stakeholders. - A revised structure is currently being consulted upon with staff and implementation will commence in the new financial year.
- Explore new models of delivery for front line services which may result in the authority no longer being the delivery body. The services which have been identified are Homelessness including the management of the Roe Street Homeless hostel, Cheshire homechoice and the home improvement agency and handyperson services

Phase Two –

- The integration of Strategic Housing into the wider corporate approach in order to help deliver corporate priorities and develop better alignment with Health and Children, Families and Adults.

10.2 Progress to date

The Strategic Housing team has undertaken a comprehensive review of the service which was subject to a Peer Review, undertaken by CLES (Centre for Local Economic Strategies who concluded having examined all documentation that it was a robust process.

There were a number of Key Findings which were highlighted through the review process and demonstrate the need to restructure the team to enable us to not only provide fundamental services, but move towards a more holistic approach, whilst enabling us to respond to the challenges which has been brought forward through the Welfare Reform.

Key findings included:

1. Customer access to our frontline services needs to be improved – There is a need to evaluate the customer journey and address staff approaches to be able to improve access to services and to improve the customer experience.
2. The impact of the Lean System Review has been positive with reduced timescales in relation to the Disabled Facilities Grant process and improved efficiencies within Cheshire homechoice. A process which will be replicated across all housing service areas.
3. In relation to the existing structure, there were a number of finding including:
 - a. Policy work is not being resourced effectively to be able to develop the Council's strategic approach to housing.
 - b. The generic nature of the Housing Options Advisors' role is not supporting the measures required to prevent homelessness as they are unable to achieve a balance between making homeless decisions and undertaking prevention work.
 - c. Capacity to deliver housing standards work has reduced by 36% since 2009, while demand for the service is increasing.
 - d. There is an imbalance between the size of teams managed by Tier 6 managers. The Staff Working Group and the staff consultation exercise highlighted that staff felt that the management structure needs reducing, with a view to reinvesting resources into front line provision.
4. The spread of staff across different geographical locations is affecting communication within the Strategic Housing team and creating barriers. There is limited interaction between teams
5. It was highlighted that certain functions within the service could be better provided by others or by developing different delivery models including the – Handyperson service, Home Improvement Service and Homelessness/Cheshire homechoice
6. Working relationships with internal departments have been enhanced and are developing well, however the process highlighted that there is a lack of awareness of Strategic Housing activities among our own team and internal departments, which is a barrier that needs to be overcome to be able to effectively deliver comprehensive services to our customers.

10.3 The next Stage

1. We need to conclude the restructure of the Housing Team to address some of the key findings which have been highlighted through the review process.
2. It has been established through the course of the review that certain frontline services could be delivered differently and therefore alternative delivery models are to be explored which may result in the authority no longer being the service provider. These services include:
 - Handyperson service – Whilst an essential service provided to assist some of our most vulnerable residents to live independently this is one front line service which was felt could be provided through alternative delivery models. Discussions are underway with Children, Families & Adults as the commissioners of the service to explore alternative options.
 - Home Improvement Agency – This service supports vulnerable older and/or disabled people through the process of repairing, adapting or improving their homes, and is intrinsically linked with statutory occupational therapy and equipment services delivered by Children, Families & Adults. Discussions are underway with the service commissioners to explore alternative delivery options.
 - Homelessness and Cheshire homechoice – These are statutory services which the Local Authority has a duty to provide, however legislation enables us to contract out the delivery function. We have an opportunity to explore new ways in which these services could be delivered differently. This could provide opportunities to expand and develop these services further which would not be achievable under the current service arrangements.
 - Roe Street homelessness hostel - Under current legislation the local authority has a duty to provide temporary accommodation for those who are homelessness. The Homelessness team operates a direct-access Homelessness hostel located in Macclesfield. The hostel is used to accommodate people in need of immediate access to accommodation where alternative arrangements are not available.

10.4 Delivery Models.

We will shortly be undertaking an options appraisal which will explore new delivery models.

The delivery options would include, but are not exclusive to::

- Appointment of an external provider through an OJEU procurement exercise.

- Shared Service arrangement on a sub regional basis
- The development of a Mutual Company - an employee-led social enterprise
- Arms Length Management Arrangement.
- Retaining the services in house.

10.5 The timescale for the completion of the review is outlined in the table below. Progress on the implementation of the programme will be reported to the Environment and Prosperity Policy Development Group.

Actions	Date for completion
Phase One	
Structure consultation completed	March 2013
Implementation of the new structure	May 2013
Delivery Models options appraisal completed	Summer 2013
Implementation of new Delivery Model	April 2014
Phase Two	
The integration of Strategic Housing into the wider corporate approach in order to help deliver corporate priorities and develop alignment with Health and Children, Families and Adults.	December 2014

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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