

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF CABINET ON 9 DECEMBER 2019

SUBJECT: Modernisation of the Housing Service

REPORT AUTHOR: Satnam Kaur, Group Head of Residential Services

DATE: 19 November 2019

EXTN: 37718

PORTFOLIO AREA: Residential Services

EXECUTIVE SUMMARY:

This report provides an update on the modernisation of the Housing Service and the financial implications of ensuring it is a fit for purpose service that meets its statutory duties and complies with regulatory requirements.

RECOMMENDATIONS:

Cabinet is asked to recommend to Full Council that:

- (1) a general fund supplementary estimate of up to £172k (which equates to a Band D equivalent of £2.81) for the potential redundancy and pension strain costs to meet the Council's statutory homelessness duties, which will result in growth to the base budget of up to £260k (which equates to Band D equivalent £4.26);
- (2) a housing revenue account supplementary estimate of £294k (which equates to a weekly rent of £1.69 per dwelling) for the potential redundancy and pension strain costs associated with the Housing Revenue Account, which will result in growth to the base budget of up to £67K (which equates to a weekly rent of £0.39 per dwelling); and
- (3) note the competency Framework "Arun Cares" which was introduced in September 2018 that sets out expectations for service delivery (Appendix one)

1. BACKGROUND:

1.1 It has been over 15 years since the structure of the Housing Service was thoroughly reviewed. Given the change in operating environment over this period a review has been long overdue. It is imperative that the service is modern, resilient, integrated, customer focussed and agile, to enable a seamless response to the changing needs of our residents and in order to meet our statutory and regulatory duties.

1.2 The need to restructure has been amplified by:

- the Regulator for Social Housing (RSH). In August 2017 the RSH found Arun District Council to be in breach of its obligations as a social housing landlord in respect of health and safety duties towards its tenants. This resulted in the determination that there was the potential for serious detriment to the Council's tenants.
- a root and branch review of all areas of the service, general fund and housing revenue account functions.
- Housing Revenue Account Business Plan (HRABP) adopted in July 2017. We need to operate in accordance with the business plan ensuring that we are financially viable as a business in order to achieve the plan's objectives of:
 - increasing the housing stock
 - insuring our assets are fit for purpose
 - maximising income and making the best use of resources

1.3 Since 2018 a number of interim measures have been deployed to address some of these issues. We now need to formalise a new structure to ensure that past mistakes are not repeated and we are in a position to deliver a high performing, cost effective, customer focussed service.

General Fund

1.4 Members will note from the previous report that homelessness has been rising exponentially over the last 10 years. Over the last three years supplementary estimates have been requested to meet the unprecedented level of demand on the housing options service. In response to the situation and as part of the wider review of the Housing Service, a comprehensive review of how we deliver homeless and housing options services has been undertaken. It is evident that there needs to be a greater focus on the prevention and relief of homelessness in order to move applicants on from emergency accommodation in a more timely way. In order to achieve this a new structure with a greater level of staff resource is required.

1.5 The proposal is to increase the staffing resource from 17.4 Full Time Equivalent (FTE) to 20.9. Of the existing 17.4 FTE, 11.4 are on the establishment and the remaining 6 posts have been funded through the Flexible Homeless Support Grant either on fixed term contracts or through temporary members of staff. This grant was awarded to all local authorities for a period of 3 years 2017-2020 to help absorb some of the additional costs associated with the implementation of the Homelessness Reduction Act. No announcements have been made about this grant funding in future years.

1.6 In the new structure the posts will be funded as follows:

- 18.9 FTE - general fund.
- 2.0 FTE - 2 year fixed term contracts funded through the existing flexible support grant

1.7 The increase in staff resource represents growth on the general fund budget of £260k. This figure is approximately half the value of the supplementary estimates that have been required per annum over the last three years to fund expenditure on nightly paid accommodation. It will allow for a more manageable caseload for officers and create more time to focus on preventative work. By shifting the focus to prevention and relief work, it is likely that less placements into emergency accommodation will be required and there will be shorter lengths of stay. Taking into account recruitment and embedding the new ways of working it is anticipated that a

return on this investment through reduced/contained use and cost of emergency accommodation will be realised fully from 2021/22.

- 1.8** Alongside the aforementioned changes we are targeting our efforts on accessing more private rented sector accommodation whilst simultaneously increasing our portfolio of new council homes both in general needs and temporary accommodation. Increasing supply across more tenures will enable a shorter and smoother transition from emergency/temporary accommodation into more permanent accommodation. Thereby reducing the cost of emergency accommodation.

Housing Revenue Account

- 1.9** In order to meet the regulatory requirements for social housing landlords as set out by the Regulator for Social Housing and meet our strategic priorities as set out in the HRABP an increase in the base budget growth of £67k is required. This is affordable within the Business Plan as confirmed by our specialist retained consultant.

- 1.10** Performance and success of the restructure will be monitored by officers through monthly performance and budget monitoring reports and as part of the annual performance update to the Housing and Customer Services Working Group.

2. PROPOSAL(S):

- 2.1** Approve a General Fund supplementary estimate of up to £172k (which equates to a Band D equivalent of £2.81) for the potential redundancy and pension strain costs to meet the Council's statutory homelessness duties

- 2.2** Approve a Housing Revenue Account supplementary estimate of £294k (which equates to a weekly rent of £0.39 per dwelling) for the potential redundancy and pension strain costs associated with the Housing Revenue Account.

3. OPTIONS:

- 3.1** Approve the supplementary estimates for 2019/20 as set out above.

- 3.2** Not to approve the proposals. However, this is not considered to be a viable option as it will result in the Council not being able to meet its statutory duties in respect of homelessness which would be unlawful and subject to judicial review and nor would it allow us to meet our regulatory obligations as a social housing landlord or the strategic priorities of the HRABP.

4. CONSULTATION:		
Has consultation been undertaken with	YES	NO
Relevant Town/Parish Council		NO
Relevant District Ward Councillors		NO
Other groups/persons (please specify)	Finance	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	YES	
Legal		NO

Human Rights/Equality Impact Assessment		NO
Community Safety including Section 17 of Crime & Disorder Act		NO
Sustainability		NO
Asset Management/Property/Land		NO
Technology		NO
Other (please explain)		

6. IMPLICATIONS

6.1 The one-off General Fund supplementary estimate, of £172k, is required to meet the maximum potential redundancy and pension strain costs associated with the restructure and this will result in base budget growth of £260k

6.2 The HRA supplementary estimate of £294k is required to meet the maximum potential redundancy and pension strain costs associated with the restructure and this will result in base budget growth of £67k.

6.3 This restructure is a departure from the Council's current policy that restructures should achieve payback, on one off costs, over a period of a maximum of 3 years

7. REASON FOR THE DECISION:

7.1 To ensure that the Council is able to meet its statutory duties and comply with the regulatory requirements for social housing landlords.

8. EFFECTIVE DATE OF THE DECISION: 18 December 2019

9. BACKGROUND PAPERS: