

REPORT NO. 6

REPORT TO THE EXECUTIVE MEETING OF 11 JULY 2016

Meeting: Executive
Date: 11 July 2016
Subject: Homesearch, Housing Advice and Homelessness Service Review: Key Findings
Report of: Tom Day, Community Partnerships Manager
Portfolio Holder: Rosita Page, Portfolio Holder for Communities
Status: For Decision
Relevant Ward(s): All Wards

1 Purpose of the Report

1.1 To highlight key findings of the Homesearch, Housing Options and Homelessness Service Review and next steps.

2 Recommendations:

2.1 **That Executive approve the action plan set out in Appendix A.**

3 Summary of Reasons for the Recommendations

3.1 To ensure the value for money and quality of the Housing Service, ensuring that it meets statutory duties, objectives of the Council and is fit for purpose now and in the future.

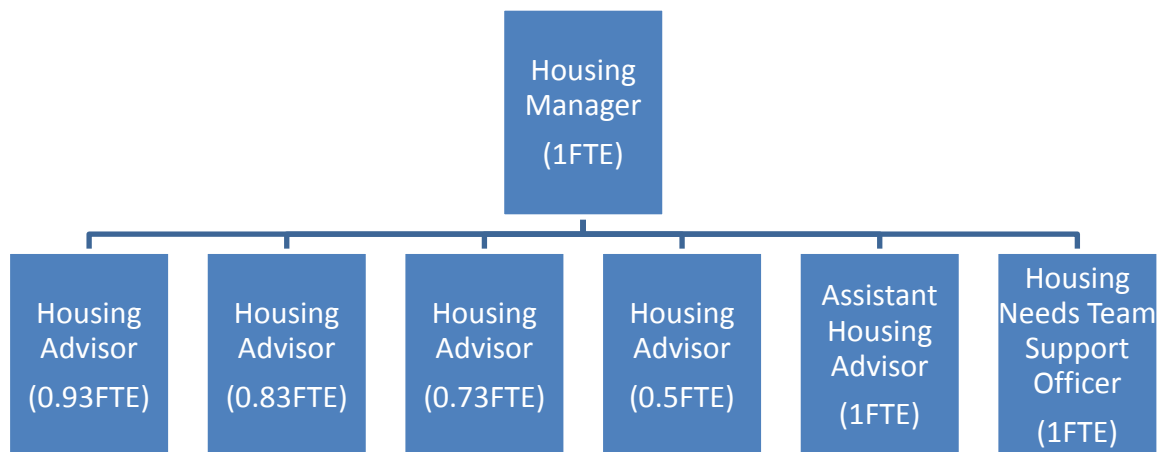
4 Key Facts

4.1 The Council has a central role in the housing and homelessness agenda. As such, the service is key to delivering the Councils priority to protect the vulnerable in society. It is the sole duty of the District Council to provide the statutory housing duties, which are set out in Appendix C.

4.2 The Service Review was commissioned to review the value for money and quality of the Choice Based Lettings, Housing Options and Homelessness Service; ensuring it meets statutory duties, objectives of the council and is fit for purpose now and in the future. For the purpose of this review the service has been split into.

- a) Housing Register & Choice Based Lettings
- b) Housing Advice & Homelessness

- 4.3 This review will inform the review of Statutory Policies and Strategies later in the year i.e. Housing Strategy, Homelessness Prevention Strategy, Allocations Policy and Tenancy Strategy due to be completed by March 2017.
- 4.4 The role of the Council in enabling the supply of affordable housing through section 106 schemes is outside the scope of this review.
- 4.5 The Council receives an annual £90,000 Homeless Prevention Grant to support duties. This has been confirmed until 2020 but is now un-ring fenced and forms part of the Council's financial settlement.
- 4.6 The current Team Structure is set out in the chart below and equates to a resource of 6 Full Time Equivalent staff. Housing Advisors are generic across the different service areas allowing a degree of flexibility to address pressures.



- 4.7 The methodology used by the Service Review included;
- Options Appraisal in Discussions
 - Benchmarking and performance review
 - Independent Quality review (using National Practitioner Service Peer Review Toolkit)
 - Assessment of challenges facing the service
 - Options Appraisal. This included discussion with other Districts and Boroughs in Leicestershire, plus East Northamptonshire DC, Kettering BC and East Lindsey DC.
 - Action Plan

Key findings

Choice Based Lettings & Housing Register

- 4.8 The review concludes that having a Housing Register and CBL system is effective at discharging the statutory function to prioritise social tenancies to home seekers in emergency housing need i.e. by placing them in Priority and High Bands on Housing Register.
- 4.9 The CBL scheme also ensures the Council is able to influence wider allocations through the inclusion of Medium and Low bands. This ensures all available social housing advertised goes to residents with a local connection in accordance with the Councils Allocation Policy. This would not be possible if the Council delivered a statutory minimum allocations process, that dealt only with the c40 homeless and c50 homeless prevention cases as there were a total of 320 available properties in 2015/16.
- 4.10 The review has highlighted that the Council should review its Allocations Policy, particularly the Low and Medium Banding to ensure the register is efficient and effective. This should be carried out in partnership with CBL partners due to interdependence with the shared CBL software. However, the review has also highlighted that the supply of affordable housing will never meet the demand and the lower your banding on the Register, the least likely you are to be rehoused. As there is a resource cost to administer every application it is important that the Register is as small as possible
- 4.11 However, we must not lose sight of the fact that Registered Providers nominate large portions of their stock to CBL and then pay to advertise properties through the scheme. This is because they are more or less guaranteed to let their property quickly due to the pool of home seekers and shortlisting process. Shortlisting ensures a back up tenant if first choice applicants fail the tenancy checks. There are also hard to let properties, such as Sheltered Schemes, which many only appeal to a specific type of home seeker.
- 4.12 CBL also promotes independence as it places responsibility on applicants to resolve their own housing needs, which is positive behaviour change and reduces dependence on the state. This also saves a significant amount of officer time which would be otherwise spent contacting individual registered providers on the home seekers behalf.
- 4.13 The CBL scheme also facilitates mutual exchange between existing social tenants i.e. people upsizing or downsizing due to changes in circumstance. This enables best use of total stock and would not be possible in a fragmented market.
- 4.14 Although not self sustaining, some of the costs of running the CBL scheme are offset by income from Registered Providers to advertise their properties through the scheme. This generates c£20,000 per annum. Registered Providers have confirmed that CBL meets their business needs in terms of

letting properties as quickly as possible and keeping void times to a minimum. CBL supports this by offering a large pool of potential tenants who then bid in competition with each other for properties. In addition, the checks that the Council carries out on those seeking to join the Housing Register ensure potential bidders are eligible and 'tenancy ready'.

- 4.15 There are opportunities to generate additional income and widen the choice by including adverts for private and nationally rented properties, which should be explored further.
- 4.16 The costs to the Council to run CBL are further reduced through sharing the software costs with the 6 other District and Borough Councils in Leicestershire. Costs are split equally with each Council paying c£10,000 rather than c£70,000 if the system was purchased alone. The current software contract has been extended and ends in August 2018.
- 4.17 The delivery of the CBL scheme can be in-house, through a shared service, or outsourced to a third party, such as a Registered Provider.
- 4.18 There are potential in-house efficiencies that could be realised in the short term. These are identified in the draft Peer Review and have been highlighted during the service review process. For example, there is potential for the customer services role to increase to allow the Housing Team to focus on more complex service demands. One option would be for customer services to manage more of the Housing Register application process; requesting, accepting and verifying supporting evidence for eligibility and banding decisions. Customer services could also help users with their online account by opening up the back office system to their staff. Importantly any transfer of services would be covered within the existing customer services contract with Charnwood and will not incur additional costs.
- 4.19 The review has suggested that the Council should work with other Leicestershire Districts and Boroughs to assess the viability of procuring new CBL software. To date, 5 of the 7 Councils have committed to developing a business case for the CBL partnership to continue. Although a new system would require capital investment this would be on an invest to save basis in the medium term.
- 4.20 Reflection events on Leicestershire CBL have been held with key stakeholders, namely District Officers, Statutory and Voluntary Agencies, Registered Providers, The East Midlands Tenant Participation Forum for Leicestershire & Rutland, Lead Members for Health & Housing.
- 4.21 Reflection events generated ideas to improve customer experience including;
 - i. Maintaining District/ Borough specific webpages with local control on content/ signposting.
 - ii. Mobile/ Tablet friendly interface.
 - iii. Simpler application process with help features/ popups to guide residents

- 4.22 Stakeholder events also suggested ideas for further efficiencies including;
- i. Automated applications with preloaded initial decisions or signposting.
 - ii. Only complete Housing Register applications are considered for banding. This would reduce time spent chasing applicants for missing information.
 - iii. Registered Providers could manage their own adverts/ online account.
 - iv. Automated invoicing for adverts to Registered Providers.
 - v. Automated generation of shortlists of bidders for Registered Providers.
 - vi. Easy to run system reports.
- 4.23 The review concluded that the Council should use the software discussions to explore a shared service with one or more other Districts/ Boroughs to deliver remaining CBL back office functions. This has the potential to;
- i. Provide quicker response times to customers through managing work across a larger specialised team.
 - ii. Form a single team to process and assess applications to join the housing registers, verify applications and issue decisions.
 - iii. Give greater consistency in banding decisions where appropriate and in line with local Allocation Policies
 - iv. Create a virtual team where staff could remain in partner council offices to ensure accessibility and local knowledge preserving links to Housing Advice and Homelessness teams.
 - v. Pool staff to build capacity and expertise to respond to and manage changing demands on the housing register.
 - vi. A shared service has the potential to be more resilient and better able to cover staff absence without impacting on the capacity of Housing Advisors to focus on the higher risk Housing Advice and Homelessness applicants.
 - vii. Take best practice from each partner, improving working practices, systems and processes, resulting in the more efficient management of applications.
 - viii. Share management costs
- 4.24 Further work should also be carried out on outsourcing as an alternative to both the Leicestershire CBL partnership and a potential shared service. The outsourcing of CBL was considered as part of the review and should be explored further once in-house efficiencies are banked. This could either be the complete outsourcing of the back office and front end software, or remaining part of the Leicestershire CBL partnership software and outsourcing just the back office function. Due to statutory requirements the Council would continue to set the Allocations Policy but could outsource the service. However, the council would remain liable for allocations decisions made by the contractor so there would need to be clear review and appeal mechanisms. A good example of this approach is East Lindsey Council, they have outsourced and are similar to HDC. Their feedback was that savings were achieved through outsourcing the housing functions.

Housing Advice & Homelessness

- 4.25 The Council has a statutory duty to provide advice and information about Homelessness and how to prevent it, to anyone in the district - free of charge. The extent of this is not defined but statutory guidance states that it will need to be comprehensive in its coverage.
- 4.26 A key determining factor in deciding how much resource to dedicate to advice and prevention advice and casework is an assessment of the risk of eventual homelessness if the council does not intervene. Prevention of homelessness is not just in the interests of the client, it is also in the financial interest of the Council. For this reason Advice and Homelessness will be considered as one service unit as they are clearly linked.
- 4.27 It is clear from the draft findings of the Peer Review that the Housing Advice and Homelessness service performs very well and is effective at early intervention/ preventing homelessness which is very costly to the council. The service received high scores in the Peer Review across the majority of areas but there are ideas to reduce duplication/ improve efficiency, and these should be investigated immediately.
- 4.28 There is a need to review the current approach to procuring temporary accommodation to ensure value for money. The homelessness trends indicate the increased demand for temporary accommodation is likely to continue. Bed and Breakfast is the most costly form of temporary accommodation due to nightly charges and minimum ability to recover costs from Housing Benefit and the individual.
- 4.29 Citizens Advice and other charities provide a key role in advice. The Council should review its funding arrangements to ensure support for homeless prevention is a priority. Citizens Advice are a significant stakeholder and partner to which the Council provides an annual grant of £67,000. Supporting the Councils Housing Duties is not currently a direct objective of the grant but Citizens Advice did provide advice to 11 homeless households in 2015/16. In total the Citizens Advice provided debt and casework interventions to 245 households and generalist advice to 2,889 clients. There is potential to focus more of the Councils funding into housing related support, whilst acknowledging wider needs of the district.
- 4.30 The review recommends that there should be more self help tools and online advice in addition to signposting and information. This could be included as part of any new CBL software procurement. This will also ensure service functions transferred to Charnwood/ Customer Services are sustainable within existing budgets and should be supported by channel shift. Enabling those residents who can self serve to do so will free up capacity for the Housing Team to focus on more complex cases.
- 4.31 The outsourcing of Housing Advice and Homelessness was also considered in the Review. The Council is allowed to contract out the operation of housing advice and homelessness but legally would remain responsible for all decisions made, including any error made on the part of the contractor. For this reason it is likely that a senior post would need to be retained at the

Council to make and oversee decisions of the contractor and provision made for conducting reviews of homeless decisions requested by the applicant (as this must be conducted by a senior officer who has not been party to the original decision). This is the model used by East Northamptonshire DC.

- 4.32 There is no evidence to show that contracted out services perform better than those retained by local housing authorities, nor is there any proof that one option offered better value for money than another ([2014 Housing Advice Conference](#)). The large majority of Councils have not contracted out their allocation of housing accommodation and homelessness functions, but there are plenty of examples whereby local housing authorities have successfully contracted out services to Registered Providers, limited companies and neighbouring local housing authorities (e.g. East Northamptonshire were visited as part of the review and a conference call conducted with East Lindsey). There are also examples of where local housing authorities have terminated arrangements for contracting out and returned to operating the functions themselves.
- 4.33 Due to the potential gains in effectiveness and efficiency identified in this review, combined with the fluctuations and increase in demands for the homelessness service it is recommended not to progress with outsourcing at this stage. This will also ensure capacity to focus on CBL discussions with partners.

5 Legal Issues

- 5.1 Key legislation, guidance and case law is set out at Appendix C
- 5.2 Regarding the contracting out of functions this is set out in the Local Authorities (Contracting Out of Allocation of Housing Accommodation and Homelessness Functions) Order 1996. Also Section 70 of the Contracting Out Act 1994.

6 Resource Issues

- 6.1 A full breakdown of costs and income are set out in the Service Review Full Report at Appendix C.

7 Equality Analysis Implications/Outcomes

- 7.1 Equality Analysis attached at Appendix D.

8. Risk Management Implications

- 8.1 Appendix C sets out legislation, guidance and case law that the council must adhere to or risk legal challenge.

9 Consultation

9.1 As part of this review consultation has taken place with service users, stakeholders and Housing staff.

10. Options

Housing Register & Choice Based Lettings

- 1) Improve in house – improvements/ efficiencies identified.
- 2) Shared Service – explore alongside in-house improvements.
- 3) Outsource – further exploration alongside shared service.
- 4) Statutory Minimum – would generate savings, but at very high risk due to CBL role in discharging homelessness duties.

Housing Advice & Homelessness

- 1) Improve in house – improvements/ efficiencies identified.
- 2) Shared Service – dependent on outcome of CBL discussions.
- 3) Outsource – not to be taken further at this time in order to focus on CBL.
- 4) Statutory Minimum – would generate initial savings, but at very high risk.

11 Background Papers

11.1 [The law and practice concerning the contracting out of housing allocations and homelessness functions, 10 April 2014, CIH Housing Advice Conference.](#)

Previous report(s):

Information Issued Under Sensitive Issue Procedure: Y/N

Ward Members Notified: Y/N

Appendices:

- A. Housing Service Review Action Plan**
- B. Housing Service Review Full Report (EXEMPT)**
- C. Statutory Housing Duties**
- D. Equality Analysis**