

Cherwell District Council

Executive

3 April 2017

Final Business Case: Joint Housing Services
--

Report of Commercial Director

This report is public

The appendix is exempt from publication by virtue of paragraphs 1, 2, 3 and 4 of Schedule 12A of Local Government Act 1972

Purpose of report

This report presents the final business case for a joint working in Housing Services across Cherwell District and South Northamptonshire Councils (hereafter Cherwell or CDC and South Northamptonshire or SNC respectively).

The report recommends the formation of a Joint Private Sector Housing Service and a Joint Housing Service and in doing so seeks the Executive's agreement for the non-staffing elements of the business cases.

The proposal is part of the wider transformation programme across the two Councils.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the attached final business case and the consultation responses in relation to non-staffing matters as outlined in section 5.1.
- 1.2 To note that the business case will have been considered by the Joint Commissioning Committee with regard to staffing matters on 30 March 2017. This will include consideration of the consultation responses from affected staff and trade union representatives.
- 1.3 To approve and implement the proposed final business case to create a Joint Private Sector Housing Service and a Joint Housing Service between CDC and SNC, subject to similar consideration and approval by SNC Cabinet on 10 April 2017 and approval of the staffing implications by the Joint Commissioning Committee.

- 1.4 To delegate to the Commercial Director in consultation with the Leader of the Council any non-significant amendment that may be required to the business case following the decision by SNC Cabinet and/or the Joint Commissioning Committee.
- 1.5 To note that the savings realised from this proposal will be held in reserve and earmarked for Housing to provide additional resources that may be required to cope with any increased demand resulting from recent legislative changes.

2.0 Background

- 2.1 An initial service review paper was considered by the Transformation Joint Working Group in October 2015. The paper set out a number of challenges and opportunities for joint working across the two Councils in this service area.
- 2.2 Following the initial paper, officers met with Cllr McCord, Cllr Bignell and Cllr Clarke at SNC in November 2015 to discuss the possibility of adopting a Choice Based Lettings approach at SNC instead of the existing traditional waiting list approach in order to aid the shared service proposal. Following the discussion it was agreed that this would not be pursued at this time.
- 2.3 In March 2016, an options paper was considered by TJWG which set out clear recommendations for progressing with the development of joint working business cases for Private Sector Housing and for Housing Strategy and Options (reflecting the different approaches) as well as progressing with a review of the CDC Build! team. An update paper was provided to TJWG in October to confirm the approach taken and the anticipated level of savings.
- 2.4 In December 2016, JCC endorsed the draft business case for consultation with staff. Staff consultation took place between 24 February and 15 March 2017 and a number of changes have been made to the business case as a result of the feedback from staff.

3. Report Details

- 3.1 The proposal is to create a Joint Private Sector Housing Team and a Joint Housing Service across CDC and SNC. The proposals focus on protecting front-line staff and on delivering savings from an overall reduction of one manager post in an area of increasing demand and frequent national policy changes.

Joint Private Sector Housing Team

- 3.2 A new joint Private Sector Housing team would be established to regulate and improve the quality of the private housing sector across both districts.
- 3.3 CDC has a well-established and resourced Private Sector Housing team and the proposed joint team would build upon this experience and expertise. There is currently only 1 permanent member of staff in post (2 have been appointed and will start shortly) in the SNC Private Sector Housing team. The proposal retains the overall resource levels across the two Councils, however there is an investment in a higher level of resource than currently in place at SNC.

- 3.4 The new joint team would be tasked with continuing the well-established work at CDC and with implementing the new Private Sector Housing strategy at SNC.
- 3.5 The joint team would also include the CDC Housing Grants team which includes the Home Improvement Agency (HIA). There is no comparable function at SNC as the district wide HIA folded when all financial support from the County Council was withdrawn. However, resources within the CDC Grants Team could take on work for SNC, subject to capacity and relevant recharging.
- 3.6 The new Joint Private Sector Housing Service Manager would be tasked with exploring with Members the potential to align approaches to DFG grants and the Home Improvement Agency which could potentially deliver further efficiency savings or provide additional capacity to deal with increasing demand.

Joint Housing Service

- 3.7 Operating under a joint manager, the Joint Housing Service would consist of three teams covering:
 - **Housing Strategy and Partnerships Team**
A joint team under a Team Leader, providing strategic housing, partnerships and homelessness strategy services for both Councils.
 - **3 x Housing Teams***
Two teams, each operating under a Team Leader providing Housing options and allocations services for the Councils. The teams would be predominantly geographically split and aligned to the specific policy approach at each Council (Choice Based Lettings at CDC and traditional Housing Waiting List approach at SNC). However, job descriptions would all be generic and would allow the management of the service to move staff between teams to deal with any demand pressures at either Council.
- 3.8 The new Joint Housing Service Manager would be tasked with exploring with Members the potential to align the housing options and allocation policy approaches at CDC and SNC which could potentially deliver further efficiency savings or provide additional capacity to deal with increasing demand relating to the impact of policy changes including the new duty to prevent homelessness and implications arising from benefit reform agenda.

Existing Fixed Term Posts

- 3.9 There are a number of existing temporary posts in the current teams that are not funded through base budgets. These posts are predominantly new posts established on a trial basis. The proposed structure retains these fixed terms posts for the duration of their existing contracts. The joint managers will be responsible for reviewing the success of these posts at the end of each period and putting forward any necessary proposals for retaining the posts including a cost benefit analysis.

Resource Requirements

3.10 The impact of changes to Housing legislation are unknown at this point, however they make the level of volatility in the service higher than normal. The Joint Managers will need to regularly review the resources required to meet any increase in demand. To aid this, these efficiencies and any further identified through joint working will be earmarked to help meet future increases in demand.

Partnership Working

3.11 Housing as a service relies heavily on partnership working with a number of other Council services and other external bodies, in particular the relationships with the County Councils, neighbouring District Councils and voluntary groups (e.g., Connections, Citizens Advice Bureau, etc.). The proposals put forward in this business case do not impact on any current partnership or multi-agency working arrangements.

Transitional Support

3.12 Following the departure of the Head of Regeneration and Housing, the Commercial Director will put in place transitional arrangements to support the new joint services should the proposal be approved. An allowance has been made in the implementation funds to cover this cost.

Review of Build! and Regeneration Resources at SNC

3.13 A review of the CDC Build! team has taken place. At present there is no potential pipeline of projects at SNC and therefore there is no rationale to consider a joint team at this point.

3.14 Regeneration resource at SNC is currently being provided through external contracts and is subject to review. Phase 2 of the management restructure will consider how this resource is provided.

3.15 The changes that need to take place within the CDC Build! team are operational with minor structural changes which can be progressed under delegated powers to Commercial Director and Chief Finance Officer in consultation with lead members.

4.0 Conclusion and Reasons for Recommendations

4.1 The recommendation is to establish Joint Private Sector Housing Team and a Joint Housing Service between CDC and SNC.

4.2 The draft business case set out the rationale for establishing the Joint Private Sector Housing Team and a Joint Housing Service across CDC and SNC.

5.0 Consultation

Group	Summary
All staff in-scope of the business cases.	Staff have engaged positively with the consultation and a significant number of questions were received.

	<p>A number of comments and suggestions were received relating to the capacity at senior level within the proposed Joint Housing Service. The proposed structure has been revised to include additional capacity at Team Leader and Senior Housing Officer level to support the Joint Manager.</p> <p>There were also a number of suggestions relating to the detail within job descriptions and the majority of these have been accepted and the job descriptions have been revised.</p> <p>A number of comments were also received in relation to the different terms and conditions in place at both Councils.</p> <p>The consultation log will be considered by the Joint Commissioning Committee on 30 March 2017.</p>
Unison Representatives from each Council.	Consultation has been positively received.
Joint Commissioning Committee (JCC)	Endorsed business case for staff consultation.
Transformation Joint Working Group	Endorsed business case for consideration by JCC.
Lead Member for Housing (CDC) and Portfolio Holder for Economic Development, Regeneration and Housing (SNC)	Endorsed business case and changes made post consultation.

5.1 Consultation with all employees in scope of the proposal and the Unison representatives commenced on Wednesday 22 February and ran for a period of three weeks until 15 March 2017 in line with the Councils' Joint Organisational Change policy.

The consultation period included a joint initial meeting with employees of both teams along with Unison representatives and subsequent meetings with individuals as requested.

All responses received during the consultation period were recorded on a consultation log along with the answers provided.

In total, 74 questions/responses were received to the consultation.

The majority of questions/comments fell into the following categories:

Comment Category	Response/Action taken
Concern about senior capacity within the Joint Housing Service.	Addressed through the inclusion of additional Team Leader and Senior Housing Officer posts.
Suggested amendments to job descriptions.	The job descriptions have been updated to include the vast majority of the suggestions made.
Concern about the different Terms and Conditions at both Councils.	Acknowledged the differences between terms and conditions and updated staff on the current position on harmonisation. Staff have the option to request to transfer employing authority if they feel they are disadvantaged.
Concern about the impact of recent legislative changes impacting on Housing services and an increasing workload.	This has been acknowledged and the Joint Managers will need to keep resource levels under regular review to ensure the service has sufficient resources in place.

We would like to thank the staff who volunteered this information during the consultation process and those who helpfully enabled us to update the business cases.

The consultation logs of comments made by the affected staff and/or their trade union representatives, and the response of management will be considered by the Joint Commissioning Committee on 30 March 2017.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected as part of the development of the business case:

Status Quo (no change)

Retaining the status quo is an option for both Councils. However, retaining the status quo would not deliver the benefits set out in this business case nor would it provide access to the additional resilience and shared expertise that a joint service would facilitate.

Alternative Joint Service Option – Harmonise housing options and allocations approaches to enable a single options and allocation team.

Harmonising the policy approach to housing options and allocations at the two Councils would enable the creation of a single housing team to deliver these services compared to the two locality teams proposed in this business case which could deliver further efficiency savings.

This option was ruled out following early discussions with SNC Members on the potential adoption of Choice Based Lettings. The business case proposes that the option of harmonising the policy approaches be reviewed by the proposed Joint Housing Services manager once the shared service has been established.

Alternative Joint Service Option – Combining the proposed Joint Housing Service and Private Sector Housing team.

A single joint service combining the proposed joint Housing Service and the proposed Joint Private Sector Housing service has been considered and discounted. While there are clear links between the service areas, they are fundamentally different disciplines. The CDC approach of having a dedicated Private Sector Housing team is also well established and building on the foundation of this team is considered the best approach for a joint team.

Outsource Service

While it could be possible to outsource certain elements of the service, there are a number of statutory responsibilities related to an outsourced service that could affect delivery and, given that Housing is one of the core front-line services for both Councils, it was not considered appropriate to add an element of risk, in terms of costs and delays to the service, in order to be able to do this.

- 6.2 The approach in the recommendations is believed to be the best way forward. The proposal is to establish a Joint Private Sector Housing Service and a Joint Housing Service.

7.0 Implications

Financial and Resource Implications

- 7.1 The proposals as set out in this business case are based on the resource levels currently required at each Council and would deliver an annual staffing saving of £66,500.

Savings*		
CDC	SNC	TOTAL
(£34,250)	(£32,250)	(£66,500)

** Based on 17/18 staffing estimates. Figures rounded to the nearest £250.*

- 7.2 There is one potential redundancy resulting from this proposal and the costs are included in the implementation funds as set out in section 15.5 of the business case.
- 7.3 Implementation costs of £85,000 are estimated primarily to cover potential pay protection and redundancy costs, potential ICT costs, a transition fund and a contingency fund. Implementation costs for this business case are high, however this includes an allocation to provide additional transitional support to the service until it is embedded. Some of these costs may be chargeable to the vacant Head of Service post.
- 7.4 Based on the estimated implementation costs outlined above and the savings outlined, the payback period would be approximately 16 months.
- 7.5 The savings realised from this proposal will be held in reserve and earmarked for Housing to provide additional resources that may be required to cope with any increased demand resulting from recent legislative changes. The Joint Managers

will also be able to access earmarked New Homes Bonus funding for any additional resources required.

- 7.6 It should be noted that the saving proposed is below the 5% staffing savings target as agreed in the February 2015 Joint Working Business case. The joint manager will be tasked with achieving this target within 12 months of a joint operation. Should a decision be taken to harmonise the policy approach to housing options and allocations at both Councils in the future, further savings would potentially be delivered. However, it is recognised that any further savings identified may need to be reinvested in the service to deal with additional demand expected through benefit reform and the new duties to prevent homelessness.

Comments checked by:

Sanjay Sharma, Interim Group Accountant, 01295 221564

sanjay.sharma@cherwellandsouthnorthants.gov.uk

HR Implications

- 7.7 It is the traditional approach of CDC and SNC to consult staff and the trade unions on a detailed staffing structure arising from any business case for change, prior to consideration by members. This has the effect of enabling members to consider the views and any representations of the staff and trade unions before making their final decision on any such proposals, and ultimately ensures that the Councils meet their statutory obligations to undertake a meaningful process of consultation prior to a decision being made.
- 7.8 This model has the advantage of allowing staff to identify whether their existing jobs will be deleted; to consider the detailed job descriptions of any proposed new roles and to identify whether there are any opportunities for promotion or other career aims to be met. They can see whether their hours of work might alter, whether their salaries will change (up or down), or whether their work location will change. They are able to comment upon the proposals in the knowledge that members will give due regard to their comments before making a decision.
- 7.9 The expectation is that existing staff would continue to be employed by their current, respective authority under the pay, and terms and conditions of that employing organisation. New and revised job descriptions have been devised in order to standardise responsibilities across the two organisations. The new job descriptions have been through the job evaluation process at each organisation and have been updated following staff consultation.
- 7.10 The implementation process will be in accordance with the joint Organisational Change policy. The proposal represents a slight reduction in capacity and as a result the implementation process could result in one redundancy at manger level.

Comments checked by:

Angela Chisholm, HR Business Partner, 01295 22 7984

Angela.chisholm@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.11 As with all two way shared services this proposal, if implemented, will be covered by the section 113 agreement (as varied) entered into between the two Councils.
- 7.12 Following the decision of CDC and SNC Councils in February 2015 to approve the final business case for developing the approach to joint working and the delivery of local authority services, all services at both Councils are now included on the policy framework for the consideration of shared working. This means that the decision making process has been streamlined and the approval of draft and final business cases for two-way shared working can be taken by the Joint Commissioning Committee and Cabinet/Executive without the prior need of a decision of full Council.
- 7.13 A decision making timetable is included in Section 18 of the draft business case.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107

kevin.lane@cherwellandsouthnorthants.gov.uk

Risk Implications

- 7.14 Section 16 of the draft business case a set out the risk implications of each proposal and how they will be mitigated.

Comments checked by:

Claire Taylor, Business Transformation Manager, 0300 0030113

claire.taylor@cherwellandsouthnorthants.gov.uk

Equality Implications

- 7.15 An Equality Impact Assessment initial screening assessment has been carried out for both business cases and it has been determined that the proposals do not have any adverse impact on equality groups and as a result a full impact assessment and associated action plan is not required. These are included as part of the business cases in Appendix 1.

Comments checked by:

Caroline French, Corporate Policy Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

Cherwell: A district of opportunity;
Sound budgets and customer focused council.

South Northamptonshire: Protect the district;
Grow the district.

Lead Councillors

CDC: Councillor John Donaldson, Lead Member for Housing

SNC: Councillor Stephen Clarke, Portfolio Holder for Economic Development,
Regeneration and Housing

Document Information

Appendix No	Title
1 - EXEMPT	Joint Housing Draft Business Case
Background Papers	
n/a	
Report Author	Karen Curtin, Commercial Director
Contact Information	0300 003 0202 karen.curtin@cherwellandsouthnorthants.gov.uk