

Business Planning / MTFS Options 2021/22 – 2025/26

HO102

Please fill this pro forma out fully. It is important that options brought forward from Stage 1 are worked up into fuller, more robust proposals that are fit for progression to the formal decision-making process.

Title of Option:	HfH taking over the lease of PSL properties on their expiry		
Priority:	Housing	Responsible Officer:	Robbie Erbmman
Affected Service(s) and AD:	HfH Housing Demand	Contact / Lead:	Housing Programme Manager

Description of Option:

- What is the proposal in essence? What is its scope? What will change?
 - What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
 - How will the proposal deliver the benefits outlined?
- [Proposals will be mapped to the any new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

The proposed MTFS Savings is in addition to the already agreed savings submitted last year and which have subsequently been reprofiled. The savings represent a reduction in cost over the 5 years as result of HfH taking on existing leases as they expire, enabling rents to be increased to LHA.

The MTFS 20-21 includes an existing saving to be achieved by HfH taking up the next lease of the Council's current PSL stock when the current lease with the Council expires. As tenants of HfH will be able to claim higher rates of Housing Benefit than those with the Council, HfH can charge higher rents without impacting the tenants. The higher Housing Benefit will also significantly reduced the current shortfalls in Housing Benefit which the Council currently meets with an internal transfer.

This was originally forecast to make 612k of savings between 2020-21 and 2024-25.

As the scoping of the project has progressed it has become clear that the eventual savings could be increased overall, and more brought forward into 2021-22 but at the expense of additional staff for 18 months.

Full details of this submission are provided showing the change in profile to bring the savings forward.

Financial Benefits Summary

Please provide indicative financial benefits information, including any initial investment costs below. Where figures are speculative and require further detailed work to refine these, please indicate this in the text box below.

Revenue Impacts <i>All figures shown on an incremental basis</i>	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
New net additional savings	-209	-68	-51	-12	-1	-341

Initial One-Off Investment Costs	2021/22 £000s	2022/23 £000s	2023/24 £000s	2024/25 £000s	2025/26 £000s	Total £000s
Total	-	-	-	-	-	-

Financial Implications Outline

- How have the savings above been determined? Please provide a brief breakdown of the factors considered.
- Is any additional investment required in order to deliver the proposal?
- If relevant, how will additional income be generated and how has the amounts been determined?
- Please describe the nature of one off implementation costs (if applicable)

The savings originally submitted have been reviewed by the PSL Project Manager and an increased level of savings proposed. In order to deliver the savings quickly additional resources will be required in Year 1 & 2 in order to facilitate landlords and tenants signing up to new leases with HfH so there is an additional staffing cost.

The saving(s) already included in MTFs 2018/23 shown in line E on the Financial Benefits Detail have been reprofiled from the original submission.

Delivery Confidence – Stage 1

At this stage, how confident are you that this option could be delivered and benefits realised as set out? (1 = not at all confident; 5 = very confident)	4 - there are significant risks in ensuring that the additional capacity in the HfH team is recruited in a timely manner and that tenants and landlords are willing to sign up to new tenancies with HfH. There is no impact to tenants in terms of rent paid by them, but it is possible that they have concerns which may take time to allay.
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Indicative timescale for implementation

Est. start date for consultation DD/MM/YY		Est. completion date for implementation DD/MM/YY	
Is there an opportunity for implementation before April 2021? Y/N ; any constraints?	Yes, implementation of the project is scheduled to begin in October 2020 but additional staffing is required in the first 18 months to sign up landlords with HfH which means that savings might start until 2021/22.		

Implementation Details

- How will the proposal be implemented? Are any additional resources required?
- Please provide a brief timeline of the implementation phase.
- How will a successful implementation be measured? Which performance indicators are most relevant?

A detailed PID has been produced which outlines the project team, implementation process, timeline and key milestones. The project scoping is now completed and the project is in Phase 2 Recruitment of additional staff. Pending recruitment being successful and new starters being in place the delivery stage of the project should start in October 2020. The delivery of the project will be measured by the number of new leases completed within required timescales. A project team is in place, and a project board will be set up, reporting progress to Housing Priority Delivery Board.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed?

List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)

Positive Impacts

N/A

Negative Impacts

There is the possibility that some tenants will be concerned about signing a lease at a higher rent level with HfH instead of the council. This will be mitigated by effective communication with relevant tenants at all stages. Rent increases will be met from increased benefits and will have no effect on tenants themselves.

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected?
List both positive and negative impacts.

Positive Impacts

This may increase the income/incentives received by some partner landlords who rent properties to homeless households

Negative Impacts

N/A

How does this option ensure the Council is able to meet **statutory requirements**?

This proposal, of itself, neither prevents nor enhances the Council's ability to meet its statutory responsibilities

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
HfH teams do not set up the required number of leases within the required timescales	H	M	close monitoring of the project delivery, additional staff being brought in. Recruitment is already underway.
Tenants refuse to transfer	M	L	indepth communications
Landlords refuse to transfer	M	M	Incentives could be introduced/increased

Has the EqIA Screening Tool been completed for this proposal? The Screening Tool should be completed for all Options at Stage 1. EqIA Screening Tool	Yes
Is a full EqIA required? Full EqIAs to be undertaken at Stage 2	No

Reviewed by		
Director / AD		[Comments]
[name]	Signature:	
	Date:	
Finance Business Partner		[Comments]
[name]	Signature:	
	Date:	