



Report for:	Cabinet – 15 July 2014	Item Number:	
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Title:	Unification and Improvement of Housing Operational Services
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Report Authorised by:	Tracie Evans – Interim Chief Operating Officer
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Lead Officer:	Tracie Evans – Interim Chief Operating Officer
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Ward(s) affected: All	Report for Key Decision
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Describe the issue under consideration

1.1 On the 18th March 2014, Cabinet considered arrangements that would deliver the improvement and unification of Housing Management Services. Cabinet agreed at that meeting to transfer some housing services currently delivered in the Council to HfH for a period of up to two years until 31 March 2016 and to transfer support service functions from HfH to the Council, along with associated governance and delegations to support this proposal.

1.2 This report updates Cabinet on progress and looks for approval to set up a formal Housing Programme in order to ensure that there is discipline and governance around the delivery of necessary change and outcomes across Housing services.

1. Cabinet Member introduction

2.1 We have big ambitions for housing in Haringey, both in terms of ensuring excellent day to day services and in setting out a clear vision for the future. Over the next two years, the challenges I have set out to officers are:

- Improve the quality of day to day housing services
- Re-organise housing services to create a more seamless approach built around our residents



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- Set out a new approach to housing in Haringey through the development of a new Housing Strategy for the borough
- Make a decision on how we deliver housing in the future, through a Future of Housing Review

2.2 Delivering these priorities is a significant piece of work and needs to be delivered in a coherent and consistent way. This report sets out a proposal to establish a Housing Unification and Improvement Programme to oversee the delivery of these important objectives and to make sure the Council has in place appropriate resources to make this happen.

2. Recommendations

Recommendations are that Cabinet;

- (i) Agree to set up a Housing Unification and Improvement Programme to be managed alongside existing corporate transformation programmes
- (ii) Note the method of transfer of staff proposed into and out of Homes for Haringey, and that this will be reported to the Corporate Committee
- (iii) Note that an interim funding bid from the Transformation Reserve (previously approved by Council) of around £400,000 is requested to support the delivery of the whole programme.
- (iv) Agree to the transfer of the management of the budgets related to the associated transfer of housing services from the Council to Homes for Haringey, being around £8.5m, following review and confirmation of need. The agreement of the final amount relating to these services is requested to be delegated to the Assistant Director for Finance.

3. Alternative options considered

4.1 Alternatives were considered by Cabinet at its meeting in March. This report takes forward the decisions made at that meeting.

4. Background information

4.1. The Unification of Housing Services

The 18th March Cabinet agreed to unify operational housing services into Homes for Haringey, with some questions remaining about a couple of services. These have now been resolved, and attached as **Appendix A** is a list of all the services and their destination as a result of that process.

4.2. The Council has considered the mechanism by which staff moved from the Council to Homes for Haringey and vice versa. The preference was for the employment of staff coming to the Council from HfH to transfer from HfH to the Council by virtue of TUPE and to 'second' staff who were moving from the Council to HfH, so that these staff's employment remained with the Council. Since March, Legal, HR and Housing staff



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have been developing the best option.

- 4.3. Advice has been received that although the transfer of housing services currently delivered in the Council to HfH was likely to be a TUPE transfer, it is probable that the Council can ensure that the employees working in those services remain Council employees and are seconded to HfH. The test applied to ascertain whether to TUPE or second staff is whether or not the new location is likely to be permanent. As Homes for Haringey have a contract until March 2016, staff moving into the organisation could not be considered to have a permanent position, and will therefore be seconded from the Council. However, a move from Homes for Haringey to the Council (e.g. customer services or support staff) is likely to be a permanent transfer and therefore staff will be transferred under TUPE. It should be noted that staff will need to agree to secondment, and should they refuse to do so, TUPE is likely to apply unless the staff member objects to transferring to Homes for Haringey.
- 4.4. In both cases, appropriate consultation with both staff and unions will be undertaken. This is an 'in principle decision', subject to union and staff consultation and reporting to the Corporate Committee in September.
As such, the consultation will be 'in principle' also until the decision is made at Corporate Committee.
- 4.5. The timelines for unification are as follows;

Formal consultation with Unions	15 th July 2014
Formal Consultation with Staff	15 th July 2014
Complete formal consultation	1 st September 2014
Corporate Committee	18 th September 2014
Implementation	29 th September 2014

- 4.6. As part of the transfer, the management of the budgets related to the services will also be transferred. A process of review and clarification is being undertaken to ensure that the right budgets are identified. The budgets are both HRA and General Fund, and amount to roughly £8.5m. The agreement of the final amount relating to these services is requested to be delegated to the Assistant Director for Finance.
- 4.7. **The Improvement Process**
Following the unification of services within one organisation, the improvement of all Housing Operational Services is intended to be undertaken.
- 4.8. This process will rationalise services across Housing, redesign them to put the customer at the heart of the process and deliver a major budget reduction. This will be driven by a new vision for Housing that is being determined through the Corporate Priority review and the development of the new housing strategy. The driving principles for how this vision will be achieved are still in development as part of that process. The direction of travel is towards:
- A tenure blind approach
 - Increased emphasis on enabling support and prevention, reducing demand



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- A wraparound service created for the customer, promoting choice and aspiration and building community resilience
- Improving operational service delivery to be efficient, streamlined and seamless with high satisfaction from users

- 4.9. The improvement process also needs to fit within the customer services and business infrastructure programmes, and staff will need to move from housing into the new structures being developed there. In addition, the housing services will need to align processes, procedures and systems to ensure that services can be delivered within the new target operating models.
- 4.10. Attached as **Appendix B** is a draft model for this process, based on the customer journey showing the :
- the customer services ‘front end’ on the left – this is how customers will start the discussion with us
 - the functions on the right that support the delivery of services to customers
 - the business infrastructure ‘support services’ on the far right – this is the back office support function that sits behind the service that customers don’t see
 - the housing improvement process in the middle – this is a draft approach which may change.
- 4.11. The process will use the vision, and outcomes identified to set out what this vision will look like in 3-5 years to drive what the customer journey and outcomes for customers should look like. Systems thinking processes will be used, to look at what we do now and where the gaps and issues are; what good looks like, using best practice examples from elsewhere; where demand is coming from and why, and therefore what the new service should look like from a customer perspective. The process also builds in the work being done at the ‘front end’ and ‘back end’ in other corporate transformation programmes, to create a seamless process.
- 4.12. There are 2 other streams of work that sit alongside the Unification and Improvement process. These are:
- 4.13. **A: Housing Strategy**
- 4.14. As a fundamental part of the work described in this report, officers will be working alongside Councillors, residents and stakeholders to develop our new Housing Strategy. The Housing Strategy will be a strategic document setting out the vision and outcomes expected for housing and sits above a suite of documents including:
- The Homelessness Strategy
 - The Allocations Policy
 - The Tenancy Strategy
 - The Private Sector Strategy (new)
 - The Affordable Housing Policy
- 5.16 All of these strategies and policies will need to be refreshed, and are at different stages in the process to do this. In each case, some careful thought and discussion with Members will be needed in order to determine the extent and level of change that



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will be required, to deliver the improvement within housing services needed to build community resilience and reduce costs.

5.17 **B: Future Housing Delivery Model**

5.18 As described in the previous Cabinet report, the Homes for Haringey contract comes to an end on 31st March 2016. It is important that the Council is able to articulate through a body of evidence how Housing Services should be managed in the future. A report will be presented to Cabinet in September 2015 which sets out the options, analysis and recommends a proposal for the way forward. This process will be facilitated independently and led by a Member steering group from Autumn 2014 to September 2015. This steering group will work with other key stakeholders to take all views into account and consider the analysis and information presented in order to agree the recommendation to go forward to Cabinet.

5.20 **The Programme**

5.21 It seems sensible to set up a programme of work to deliver the change required across all these areas. It will require significant amounts of change which would be best managed within the discipline and governance of programme environment.

5.22 To this end, it is recommended that Members agree that a Housing Unification and Improvement Programme is established and managed alongside the other major transformation change programmes within the Council. This will include the 5 workstreams identified above:

- Unification of housing operational services
- Housing Strategy development
- Joining service delivery with the Customer Services and Business Infrastructure transformation programmes
- Improvement of housing operational services
- Future housing delivery model

5.23 A draft timeline is attached for the proposed programme at **Appendix C**.

5.24 Attached as **Appendix D** is a proposed governance structure for the overall programme. This governance links through the Chief Operating Officer to Senior Leadership Team and Councillors, alongside the members steering group and key Cabinet and Homes for Haringey Board reporting.

5.25 Any resources required will be drawn down from the Transformation Reserve which has already been approved by Council for these purposes. An interim resource proposal has been developed, and is attached as **Appendix E** for information.

5.26 The majority of staff resources are proposed to be seconded from within the Council and Homes for Haringey, and it is not proposed to backfill these positions. However, it is unlikely, given the scale of resources, that all posts will be able to be filled internally. Based on internal recruitment processes already carried out for transformation programmes, a number of posts are likely to need to be filled externally. An



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assessment of the cost of this is assumed within the bid, as shown. The proposed bid is therefore £403,954. It should be noted that this is an interim proposal, and further resources may be necessary once the programmes are fully designed.

- 5.27 The sheet also shows the cost if all posts were backfilled at full cost, for information. This cost would be £923,926.
- 5.28 A bid is being prepared to the Transformation fund to request this funding. Given that this Housing change programme aims to make potentially millions of pounds of savings over the coming 3 years and to achieve the significant levels of savings required, some investment is required.

6 Comments of the Chief Finance Officer and financial implications

- 6.1 Funding for the Programme Manager post has already been agreed, the additional funding request related to this report is £403,954 and can be funded from the Transformation Reserve. The amount may change depending on the extent to which secondments need to be backfilled and it is expected that any revised funding bids can also be funded from the Transformation Reserve.
- 6.2 The management of the budget related to services currently undertaken by the Council and proposed to be transferred to Homes for Haringey is estimated to be **£8.5m**. The main change would therefore be an amendment to the Management Fee paid to Homes for Haringey by the Council.

7 Comments of the Assistant Director, Corporate Governance and legal implications

- 7.1. The Assistant Director Corporate Governance provided comments on the report to Cabinet dated 18th March 2014, which advised that there were no legal issues which would prevent the proposal to integrate the Housing Service.
- 7.2. An issue which the comments raised, and on which an update can now be provided, related to the need to obtain the views of the Secretary of State on the proposals prior to implementation. The Assistant Director, Corporate Governance confirms that those views were sought, and comments were received which related to the suggestion that guidance required a ballot of tenants needed to be held on the proposals. However, the Assistant Director, Corporate Governance is advised that following contact being made with the Secretary of State's office, agreement was reached on the view that no such ballot was required, as the guidance was not applicable to these types of proposals.

8 Equalities and Community Cohesion Comments

- 8.20 The unification and improvement of housing services as part of a structured programme will enable a more consistent and comprehensive approach to be taken to equalities and community cohesion.



Haringey Council

- 8.21 Key components of the programme will provide an opportunity to improve the current approach. For example the development of the Housing strategy and its various sub-strategies will include significant stakeholder engagement and multi-agency initiatives agreed in partnership. This will support the achievement of outcomes geared towards community impact.
- 8.22 All staff transfers, whether TUPE or secondment, will be subject to relevant Council and statutory procedures. Council procedures require the completion of a full Equalities Impact Assessment and this will be undertaken by HR.

9 Head of Procurement Comments

Not applicable at this stage.

10 Policy Implication

- 10.1 There are no direct policy implications arising out of this report however the development of the Housing Strategy and the suite of housing policy documents will be directly in accordance with the outcomes required by current Corporate Priority 9, 'Ensure that everyone has a decent place to live'.

11 Reasons for Decision

- 11.2 In order to meet savings targets across the Council, housing services need to be reviewed. The best option for this is a root and branch review to move services from 'doing' to 'enabling'. A decision is required in order to establish a corporate programme alongside existing corporate programmes, ensuring consistency, alignment and efficiency.

12 Use of Appendices

Appendix A – List of services and their interim destinations
Appendix B – Draft programme structure
Appendix C – Draft timeline
Appendix D – Draft governance structure
Appendix E – Interim resource plan

13 Local Government (Access to Information) Act 1985 - Not Applicable