

 Executive 13th November 2019		Agenda Item No. 3
Title	Housing Services Redesign – Additional Budget Requirement	
For further information about this report please contact	Lisa Barker Head of Housing Services lisa.barker@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No – other than confidential Appendices three and Four	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	Redesign consultation proposal documents and responses	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes ref 1073
Equality Impact Assessment Undertaken	n/a

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	14.10.19	Bill Hunt
Head of Service	n/a	Author
CMT	12.10.19	Chris Elliott
Section 151 Officer	14.10.19	Mike Snow
Monitoring Officer	14.10.19	Andrew Jones
Finance	9.10.19	Victoria Bamber
Portfolio Holder(s)	16.10.19	Cllr. Matecki
Consultation & Community Engagement		
The proposals have been the subject of the agreed staff consultation process		
Final Decision?	No – approvals are subject to Employment Committee approval of the establishment changes.	
Suggested next steps (if not final decision please set out below)		
Report to Employment Committee 10th December 2019		

1. **Summary**

- 1.1 This report sets out the budgetary implications of the proposed re-design of Housing Services.
- 1.2 A consultation exercise with staff and the recognised Trades Union commenced in late 2018 and was completed in September 2019, allowing the Job Descriptions for proposed new or significantly revised posts to be considered by the HAY Panel on 5th November. The outcome of the HAY Panel decisions enabled the potential cost implications of the new structure to be finalised and these are presented in this report, together with proposals as to how the additional costs can be funded.

2. **Recommendations**

- 2.1 That, subject to Employment Committee approval of the proposed new structure and establishment for Housing Services, the Executive recommends to Council that a potential additional staffing budget of up to £530,215 per annum. The resulting financial impacts being an additional cost of £542,769 to be funded from the Housing Revenue Account and a cost saving of -£12,554 for the General Fund.
- 2.2 That, subject to approval of recommendation 2.1, Executive note that the full year costs of the additional budget from 2020/21 onwards will be built into the base budget through the Council's budget setting process.
- 2.3 That, the current Service Level Agreement in place with Warwickshire County Council's Strengthening Families Team in line with the national Troubled Families Programme is extended until 31st March 2021 to fund 50% of a Shared Family Support Worker Post resulting in a financial contribution of £17,500 per annum.

3. **Reasons for the Recommendations**

- 3.1 Government policy is a major driver of the way in which local government works, and changes in policy or to legislation inevitably impact on services and the way that services are arranged. The Homeless Reduction Act, Duty to Refer and an Extension to private sector licencing have all been implemented in the last 18 months. In addition, major events such as the tragic incident at Grenfell have required consideration of not just the physical characteristics of their high rise stock but also how those buildings and the immediate environment is managed. Other external factors such as a growing older population; increases in the number of people sleeping rough in our town; advancements in IT and more flexible working; and, changing customer expectations, all impact on the way that services need to be shaped to provide appropriate response. To deliver on these new requirements and deliver on our customer obligations, many teams are already operating to temporary structures or are engaged on fixed term contracts. Nevertheless, other key work areas remain under-resourced to deliver the Councils' priorities.
- 3.4 It was, therefore, determined that a re-design of the whole housing service was required, based on a business case of devising and implementing a structure that can deliver all the work that is currently being done, build on that work and deliver those issues that current resourcing levels prevent being done.

- 3.5 The current structure of the team is shown at Appendix One and Two. To deliver these desired outcomes it is proposed to increase both management capacity and build capacity within the teams and, following a consultation process, a proposed new structure is shown at Appendix Three. This structure and the establishment changes required to implement it will be presented to Employment Committee on 10th December for approval.
- 3.6 The proposals are for increased management capacity, inbuilt resilience to enable delivery of key work strands, making permanent the temporary arrangements, adding resilience to front line and back office teams. The potential maximum additional cost of the new establishment is £ 530,215.00 per annum. Details of this requirement are shown in confidential (as it allows individuals to be identified) Appendix Four. However, this is a notional maximum based on the potential costs payable if every person in post was to be paid at the top point of their salary grade. Members will also note that 4 of the posts in the proposed new structure are Fixed Term 3 year temporary positions so it is possible costs will reduce if these posts are not renewed at the end of this period.
- 3.7 Subject to Employment Committee approval of the new structure shown at Appendix Three, implementation will commence from 13th December 2019 - it is unlikely that recruitment to new or vacant posts would be completed for some months following that date. Temporary arrangements are in place until 31/03/2020, any shortfall will be funded from the HRA Reserves which will facilitate the phasing in of the new structure within existing 2019/20 budgets.
- 3.8 The staffing budget provision for 2019/20 will be closely monitored as it is calculated that part-year costs can be met from the existing staffing budget.
- 3.9 Any future additional funding requirements from 2020/21 onwards would be addressed through the budget setting process and built into the Base Budget.
- 3.10 The Family Support Worker Service Level Agreement with Warwickshire County Council has been in place since March 2017 and has proved invaluable in providing support to vulnerable families whilst addressing tenancy breaches and concerns in relation to sustaining tenancies.

4. **Policy Framework**

Fit for the Future (FFF)

- 4.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.
- 4.2 The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		

Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
A strengthened Housing Service will ensure the Council is able to maintain its assets and provide services and regulation that assist with the delivery of this outcome	A new Development team will ensure that the new homes that are built assist with the delivery of this outcome	A strengthened Landlord services team will assist with the delivery of this outcome
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
The proposed re-design directly contributes to the delivery of this outcome	The proposed re-design directly contributes to the delivery of this outcome	The proposed re-design directly contributes to the delivery of this outcome

Supporting Strategies

- 4.3 Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here:
- The proposals are consistent with the Council's Workforce Development Strategy

Changes to Existing Policies

- 4.4 The recommendations in this report do not propose any changes to existing Council policies.

Impact Assessments

- 4.5 No impact assessment has been undertaken as the proposed new structure will enhance the Council's ability to deliver services.

5. Budgetary Framework

- 5.1 The funding requirement set out in recommendation 2.1 is a maximum potential costs based, as shown at Appendix Four, on an assessment of the maximum cost of the new structure calculated on every member of the team being paid at the highest possible point of their agreed pay scale. This total maximum cost of £530,215 represents an increase to the Housing Revenue Account of £542,769 and a saving to the General Fund of £12,554.
- 5.2 In reality, this is an unlikely scenario to be paying maximum top of scale for all posts at the same time. If all new posts are appointed at mid-point, costs are likely to be £55,000 below this figure and if appointed at the bottom of the scale, £ 78,417 below this figure.
- 5.3 Recruitment to the new posts is unlikely to have full impact until 2020/21 and it is therefore considered to be unlikely that there would be significant financial pressures on the 2019/20 staffing budget.
- 5.4 The current 33:67 (£1,034,609: £2,148,797) split of costs between the General Fund and Housing Revenue Account (HRA) has been revised to 28:72 (£1,022,055: £2,694,566) which provides for a modest saving of £12,554 to the General Fund but an increase of £542,769 to the HRA. This saving will be incorporated into the Medium Term Financial Strategy.
- 5.5 The increased costs on the HRA will reduce the annual HRA surplus, which means the annual contribution to the HRA Capital Investment Reserve (Budgeted for 2019/20 to be £3.6m) will reduce by £0.5m per annum (subject agreed pay awards). The increased HRA costs will potentially be partially offset by the increased income generated from re-designation of HRA properties which will increase Lifeline fee income and marketing to generate new business for the service. The impact to the general fund results in a small saving, alongside this there will be increased income generated from fees charged for additional Private Sector Housing licencing..
- 5.6 Consideration has been made of the implications of the review to the Housing Revenue Account Business Plan, and its impact on balances available to fund new capital housing projects using internal resourcing and other strategic decisions. Following the abolition of the HRA borrowing cap, the Council now has increased flexibility on how it funds future HRA capital schemes through external borrowing, reducing the requirement to fund projects through internal resources. It has been calculated that the costs of the review are viable over the life of the Plan, enabling repayment of debt due for self-financing at the due period. A revised Business Plan will be put before Executive in the Spring of next year incorporating all agreed proposals alongside continuing service assumptions.
- 5.7 The £17,500 contribution to the Family Support Worker Service Level Agreement with Warwickshire County Council's Strengthening Families Team is a cost attributable fully to the Housing Revenue Account. There is already sufficient grant funding in place to enable this SLA to be extended for up to 6.5

years. This funding is located in the Family Intervention Project Grant of which the current balance held is £119,759.00.

6. Risks

- 6.1 There is a risk that without approval of the potential additional budget it would only be possible to introduce a sub-optimal staffing structure that does not adequately deliver the desired outcomes from the re-design.

7. Alternative Option(s) considered

- 7.1 To not approve the recommendation which could lead to the risk highlighted above materialising.