

**Agenda Item No:** 9.6 **Report No:** 150/16  
**Report Title:** Housing Management Services – Working Together  
**Report To:** Cabinet **Date:** 16 November 2016  
**Cabinet Member:** Councillor Ron Maskell, Cabinet Member for Housing  
**Ward(s) Affected:** All  
**Report By:** Ian Fitzpatrick, Director of Service Delivery  
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#### **Purpose of Report:**

To agree to set up a Project Group to explore and facilitate joint working and shared arrangements for Council housing management services. Housing management services include rent collection, tenancy management, tenant participation, leasehold management and the repairs and maintenance function provided to the Council housing stock.

#### **Officers Recommendation(s):**

1. To delegate to the Chief Executive, in consultation with the Cabinet Member for Housing:
    - (a) permission to enter into discussions with interested parties, including Eastbourne Homes Ltd, on joint working arrangements between Eastbourne Borough and Lewes District Councils
    - (b) permission to establish a Project Group to oversee the work and to determine its membership with representatives as set out in paragraphs 3.3 and 3.4 of this report.
    - (c) to approve the drawing down of funds from the Housing Revenue Account (HRA) of up to £10,000 to support this work.
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#### **1 Reasons for Recommendations**

- 1.1 Members are aware that Eastbourne Borough Council (EBC) and Lewes District Council (LDC) have agreed to share services through the Joint

Transformation Project (JTP) in order to ensure the long term resilience of both councils.

- 1.2 Members are also aware of the financial challenges that councils face, particularly those with retained housing stock. Government funding for Eastbourne and Lewes Councils is expected to fall a further 30% over the parliamentary cycle to 2020. Considerable savings need to be made in order to protect front line services.
- 1.3 There are a number of ways in which the two organisations could benefit by greater joint working on housing management including greater resilience, economies of scale and a greater strategic presence. It is proposed that LDC and EBC, in partnership with Eastbourne Homes (EHL), embark on discussions with key stakeholders regarding new ways of working for the benefit of all housing residents.
- 1.4 Given the significant change in financial context for the HRA and the new arrangements developing between EBC and LDC, it is appropriate that opportunities to develop joint working are explored for housing management services. Setting up a Project Group to oversee this activity is an important next step in establishing ways of working together for the management of Eastbourne and Lewes housing services.

## **2 Information**

- 2.1 Currently EBC's housing is managed by Eastbourne Homes Ltd (through a management agreement) and LDC's housing is managed in-house by the council.
- 2.2 As the owner of current stock, each council has a duty to secure the best option for the management and maintenance of its homes. The respective councils are accountable to both tenants and the wider community in their role as a social landlord.
- 2.3 Financial challenges on the horizon include a requirement to pay a tariff for the sale of higher value homes, and although the value of this is not yet known, it is likely to be several million pounds annually. Additionally, a 1% reduction in rental income will result in an estimated reduction of £5m in anticipated income to 2020, against original business plan assumptions.
- 2.4 Given the significant change in financial context and the new arrangements developing between EBC and LDC, it is appropriate that work is completed to examine how new ways of delivering services within housing management can provide benefits and deliver value to residents.
- 2.5 The objective of this work is to protect frontline services for tenants and leaseholders while managing the challenges of:
  - reducing stock size
  - geographical spread
  - higher value asset sales tariff

- 1% rent reductions
  - introduction of 'Pay to Stay'
- 2.6 Joint working will allow the sovereignty of each body to be retained and residents will still have agreements with their own council and their rent and charges set by their council but ultimately savings and improvements could be made by working together and integrating service delivery.
- 2.7 Together, EBC and LDC housing gives a stock size of nearly 7,500 homes, helping to ensure resilience and capacity to protect services to residents. (See Appendices A and B for stock information).

### **3 Working together**

- 3.1 Advantages of working together in the delivery of housing services include:
- Value for money for both organisations through reduced overheads and joint procurement
  - Opportunities to integrate services and make efficiencies
  - Ensures longer term resilience for both councils' individual Housing Revenue Accounts
  - Opportunities to improve customer services
  - Enhanced resilience through growth in number of homes jointly managed.
- 3.2 Officers have begun preliminary discussions with residents, Eastbourne Homes Ltd Board and Councillors regarding ways of working together in the management of LDC and EBC housing.
- 3.3 As a key next step, it is proposed that a Project Group be established to oversee this work. This group would also work closely with the Joint Transformation Programme Board.
- 3.4 It is recommended that the Project Group has representation from residents, officers and housing portfolio holders.
- 3.5 Additional funds may be needed for specialist work arising from the work plan. It is not yet possible to quantify this as the end cost will be dependent on the direction of the review but is not expected to exceed £10,000. These funds are available within the HRA reserve.
- 3.6 Cabinet is therefore asked to approve the drawdown of funds up to and not exceeding £10,000 to support the review, subject to the approval of the Project Group.

### **4 Financial Appraisal**

- 4.1 Councils face financial challenges, particularly those with retained housing stock and savings need to be made in order to protect front line services.

4.2 Given the potential requirement of funds to support the project (in 3.5 above), Cabinet is asked to approve the allocation of funds up to and not exceeding £10,000, subject to the approval of the Project Group.

4.3 With the exception above, there are no financial implications arising directly from this report.

## **5 Legal Implications**

5.1 There are no legal implications arising directly from this report.

## **6 Risk Management Implications**

6.1 There are no risk management implications arising directly from this report. Work will be completed to assess the opportunities and risks of joint working across all areas of delivery.

## **7 Equality Screening**

7.1 Equalities implications will be considered as part of the Project Group work plan.

## **8 Background Papers**

8.1 None

## **9 Appendices**

**Appendix A - EBC and LDC stock data**

**Appendix B - stock size in relation to CIPFA nearest neighbours**

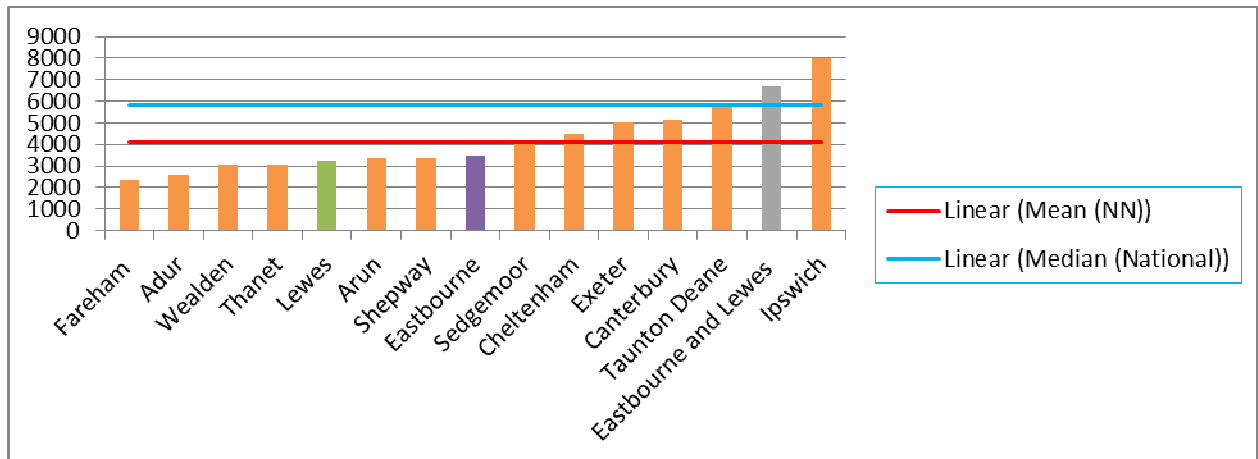
## Appendix A - EBC and LDC stock data

31/3/15	Lewes DC	Eastbourne BC	Total
General needs	2845	3181	6026
Sheltered	374	290	664
Shared ownership	9	29	38
Leasehold	253	605	858
<b>Total</b>	<b>3481</b>	<b>4105</b>	<b>7586</b>
Bedsits	129	131	260
1 beds	915	1082	1997
2 beds	1186	1089	2275
3 beds	933	1153	2086
4 beds	63	44	107
5 beds	1	1	2
6 beds	1	0	1
Total exc leasehold	3228	3500	6728

## Appendix B - stock size in relation to CIPFA nearest neighbours (NN)

Eastbourne BC and Lewes DC own fewer than 4000 homes each – below average for similar LAs

Graph shows tenanted properties exc. Leaseholders



Sharing housing services = c. 7500 homes (inc. leaseholders)