

Body:	Cabinet
Date:	19 October 2016
Subject:	Housing management services – working together
Report of:	Ian Fitzpatrick, Director of Service Delivery
Ward(s)	All
Purpose	To agree to set up a Project Group to explore and facilitate joint working and shared arrangements for housing management services
Decision type:	Key
Recommendation:	Cabinet is recommended to: <ol style="list-style-type: none">1. Delegate to the Director of Service Delivery, in consultation with the Portfolio Holder for Community, permission to enter into discussions with interest parties, including Eastbourne Homes Limited, on joint working arrangements between Eastbourne Borough and Lewes District Councils2. Approve the establishment of a Project Group to oversee the activity3. Approve the drawing down of funds from the Housing Revenue Account of up to £10,000 to support this work
Contact:	Jane Goodall, Strategic Project Manager jane.goodall@lewes.gov.uk Tel: 01273 471600 ext.6188

1.0 Introduction

- 1.1 Members are aware that Eastbourne Borough Council (EBC) and Lewes District Council (LDC) have agreed to share services through the Joint Transformation Programme 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 next parliamentary cycle to 2020. Considerable savings need to be made in order to protect front line services.
- 1.3 EBC's housing is managed by Eastbourne Homes Ltd (EHL) and LDC's housing is managed in-house by the council through a management agreement.
- 1.4 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 EHL, embark on discussions with key stakeholders regarding new ways of working for the benefit of all housing residents.

- 1.5 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 integrating service delivery.
- 1.6 Together, EBC and LDC housing gives a stock size of nearly 7,500 homes. As noted above, joint working could help to ensure resilience and capacity to protect services to residents. (See Appendices A and B for stock information).

2.0 Working together

- 2.1 As the owner of current stock, each council has a duty to secure the best service 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.
- 2.2 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 services can provide benefits and deliver value to residents.
- 2.3 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.
- 2.4 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 two Council's Joint Transformation Programme Board.
- 2.5 It is recommended that the Project Group has representation from residents, officers and housing portfolio holder/s.
- 2.6 Knowledge and expertise from EHL will be fully utilised to input and contribute to the process and any substantive changes to services would need to be reflected in the management agreement with the Council.
- 2.7 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.
- 2.8 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.

3.0 Corporate plan and council policies

3.1 This work will take into account:

- The views of tenants and residents
- The emerging shape of EBC and LDC's overall corporate service delivery strategy, being developed under Joint Transformation Programme.

3.2 The objective of this work is to protect value for money frontline services for tenants and leaseholders while managing the challenges of:

- stock size
- geographical spread
- higher value asset sales / 'pay to stay'
- rent reductions
- reduced public funding

4.0 Developing the Business case

4.1 Both Eastbourne and Lewes Councils have an average of circa £1m per year to be achieved through savings/new income to 2020. Moreover, there are particular challenges for councils with retained housing stock. EBC's HRA business plan has been remodelled to assume significant pressures including:

- A reduction in income of £560k per year over the next four years due to the national 1% rent cut
- A requirement to pay an estimated tariff for the sale of higher value homes of £6m per year for the next four years based on an assumption of 40 sales per year

4.2 Lewes District Council faces similar challenges with regards to the rent reduction and anticipated tariff.

4.3 Advantages of sharing 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

4.4 Work will be completed to assess the opportunities and risks of joint working across all areas of delivery.

5.0 Equality analysis

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

6.0 Conclusion

- 6.1 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 the business case for and ways of working together for the management of Eastbourne and Lewes housing services.

Background papers

The background papers used in compiling this report were as follows:

None

To inspect or obtain copies of background papers please refer to the contact officer listed above.

Appendices

Appendix A - EBC and LDC stock data

Appendix B - stock size in relation to CIPFA nearest neighbours (N/N)

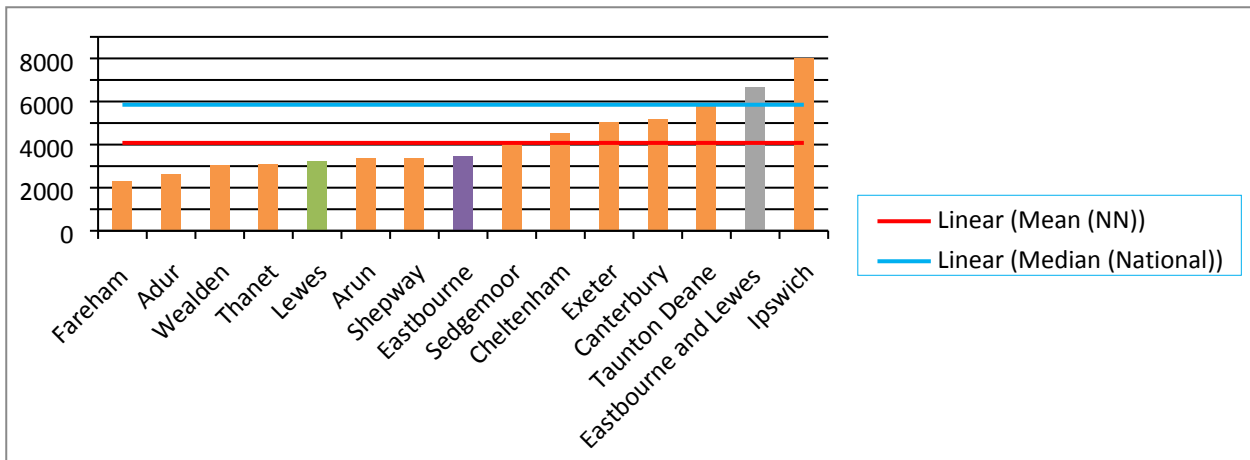
Appendix A - EBC and LDC stock data

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
Total	3481	4105	7586
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 (N/N)

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)