

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
ECONOMIC DEVELOPMENT AND ENTERPRISE OVERVIEW
AND SCRUTINY COMMITTEE REPORT

Date: 20 March 2013

Title: Newcastle Housing Advice (NHA) – Homelessness, Housing Options and Housing Register Contract Retendering Exercise

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Portfolio: Stronger and Active Neighbourhoods

Ward(s) affected: All

Purpose of the Report

To advise the Scrutiny Committee of the requirement to retender the Newcastle Housing Advice (NHA) contract in readiness for expiry of the existing contract.

To advise the Scrutiny Committee of the plans to produce a fully costed formal appraisal of the NHA service in order to produce an in house bid for consideration alongside tender submissions from interested external providers.

Recommendations

For Scrutiny Committee to note the requirement to retender the NHA contract in readiness for the expiry of the existing contract so that the Council's statutory duty can be maintained.

That any views from Scrutiny on the process or plans to produce an in-house bid are directed to the Portfolio Holder for Finance and Budget Management for him to take into account as part of the overall process.

Reasons

The current arrangements for the NHA service are due to expire on 31st March 2014 and the Council has a statutory duty to ensure that services are in place to meet the needs of local residents regarding Homelessness, Housing Options and a Housing Register.

1. Background

- 1.1 The current NHA service delivered under contract by Aspire Housing, on behalf of the Borough Council, commenced on 1 September 2009 and is due to expire on 31st March 2014. Under the contract the NHA team at Aspire Housing deliver the following:
- the homelessness service which includes the prevention of homelessness through advice, discharging the Council's homelessness duty and ensuring customers are housed appropriately;
 - the housing options service which includes an initial triage service and more comprehensive housing advice across all tenures, joint working with key stakeholders and providers and signposting to other specialist services;

- the housing register service which includes the management of the Housing Register, nominations to social housing providers and advice on the Housing Register.
- 1.2 Informal Cabinet gave Officers approval to extend the expiry date for the NHA service contract from April 2012 to March 2014, subject to a number of cost savings that were achieved as a result of negotiated amendments to the original specification with the existing contractor.
 - 1.3 The Council has secured a continued commitment from the Department for Communities and Local Government (DCLG) for the homelessness prevention grant for the period 2012 - 2015 to support a range of homelessness prevention activities to be utilised alongside the NHA service.

2. Issues

- 2.1 In line with the current NHA contract requirements the Housing Strategy Team has conducted a review of the NHA service provided by Aspire Housing within the third year of the contract for the period 1st April 2011 – 31st March 2012. This Contract Review Report has been shared with the current Portfolio Holder and is available on request.
- 2.2 The NHA Contract Review Report evaluated how the contracted services have developed over the last twelve months of the contract and how the services have met the requirements of the contract. The review report identifies aspects of the services where there is a need for improved performance and highlights areas for future development.
- 2.3 The Council needs to undertake a retendering process for the NHA service in order to ensure that the service is available for Borough residents beyond April 2014. There is a need to perform this process to comply with EU tendering/procurement procedures.

3. Proposal and Reason for Preferred Solution

- 3.1 In order to undertake the retendering exercise for the NHA service, a comprehensive tender specification has been prepared to outline the Council's requirements and expectations for the service and to instruct potential tenderers of the process for submitting tenders.
- 3.2 A Working Group for the NHA retendering process was established and tasked with the creation of the tender documentation for the process. The Working Group has consisted of representatives from Housing Strategy, Legal, Business Improvement, Finance and the Cabinet Portfolio Holder for Finance and Budget Management.
- 3.3 As part of the forthcoming NHA retendering exercise, the NHA Contract Retendering Working Group is proposing to develop an 'in house' bid, as an option to be considered as a tender submission for comparison purposes and to ensure the best service is delivered whilst achieving good value for money aims.

4. Outcomes Linked to Corporate Priorities

- 4.1 The NHA service contributes to meeting the Council's Corporate Priority for creating a Borough of Opportunity and Healthy and Active Communities.

5. Legal and Statutory Implications

- 5.1 The Council has a statutory duty under the Housing Act 1996, as amended by the Homelessness Act 2002, to provide homelessness, housing advice and housing register services in the local authority area. Under the provisions of the Contracting Out and Deregulation Act 1994, Local authorities can contract out making inquiries and/or decisions on homelessness applicants, provision of housing advice, securing accommodation to discharge their homelessness duties and the allocation of housing.
- 5.2 If the retendering process for the contract is not progressed and the contract not awarded or alternative arrangements made the Council will have no provision for the statutory services after 31st March 2014, which would be in breach of statutory obligations.
- 5.3 If the contract is awarded to an alternative contract provider or is brought back in house (at the Council), there would be TUPE implications for individuals currently employed by Aspire Housing.

6. Equality Impact Assessment

- 6.1 Council Officers completed an Equality Impact Assessment (EIA) on the NHA contract in 2009, which was later reviewed in 2011. EIAs will remain a pre-requisite of any future service provision and the Borough Council will continue to offer guidance and support in the submission of equalities information from prospective service providers.

7. Financial and Resource Implications

- 7.1 Budgetary provision has been made for the NHA service for the financial year 2014/15 in the Medium Term Financial Strategy (MTFS) notionally based upon the allocation in the 2013/14 budget.
- 7.2 As outlined in 5.3 above, there may be additional associated revenue costs under TUPE if the Council were to decide to bring the service back in house.
- 7.3 The award of this service has financial implications as a three year commitment is given, however this is in line with government guidance and there is recourse for the Council if the terms of the contract are not met by the successful contractor.
- 7.4 There are resource implications for Council Officers and Members who are involved in and will co-ordinate and administer the retendering exercise for the NHA service.

8. Major Risks

- 8.1 Failure to take appropriate action regarding the award for the provision of homelessness, housing options and housing register services, resulting in the Council being unable to perform its statutory duties, leaving the Council open to legal challenge.
- 8.2 Failure to provide an adequate homelessness, housing options and housing register service, resulting in the Council being unable to discharge its statutory duties effectively, leaving the Council open to legal challenge.
- 8.3 There is also a risk of reputational damage to the Council if it does not deliver its statutory duties lawfully and effectively.

8.4 Risks are reviewed as part of the retendering exercise process, prospective service providers offered training as part of the commissioning process and identified risks monitored and controlled throughout the length of the contract period between the Council and successful service provider.

9. Key Decision Information

9.1 The Council has a statutory duty to provide homelessness, housing advice and housing register services in the Borough and the delivery of this service affects all wards.

9.2 This report can be considered key in the following ways: -

- It results in the Borough Council incurring expenditure of an amount which is significant having regard to the Council's budget for the service or function to which the decision relates and;
- To be significant in terms of its affects on communities living or working in an area comprising two or more electoral wards in the Borough

10. Earlier Cabinet/Committee Resolutions

10.1 14th January 2009 - Cabinet approved the decision to award the Newcastle Housing Advice – Housing Options and Housing Register contract to Aspire Housing Ltd for the period 1st September 2009 – 31st March 2012, with the option to extend for two years on satisfactory performance.

10.2 15th December 2010 – Cabinet approved and adopted the Newcastle-under-Lyme Homelessness Strategy 2010 – 2015, which links to the provision of Homelessness, Housing Advice and Housing Register contract.

11. List of Appendices

11.1 None

12. Background Papers

12.1 None