

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET**

**Date 19th October 2016**

1. **HEADING** Newcastle Housing Advice (NHA)  
Service Contract Extension
- Submitted by:** Joanne Halliday
- Portfolio:** Planning and Housing, Communities and Social Cohesion
- Ward(s) affected:** All

**Purpose of the Report**

This report seeks authority to extend the current Newcastle Housing Advice Service Contract to 31<sup>st</sup> March 2020.

**Recommendations**

- (a) That the Newcastle Housing Advice Service Contract with Midland Heart be extended for a further three years to 31<sup>st</sup> March 2020 in accordance with the original award of contract.
- (b) That officers be authorised to take the necessary steps to replace a Housing Advisor with a Private Sector Officer role with the NHA contract.

**Reasons**

The original contract award for the Newcastle Housing Advice Service was granted with the option to extend for a further three years subject to satisfactory performance. As reflected in the report the current service provider has demonstrated a high level of service delivery and therefore no substantive issues or concerns have been raised in contract management meetings. Accordingly there is no reason that the contract extension cannot be awarded.

It is important that the Council has an effective service in place to help the most vulnerable residents and therefore it is appropriate that the Council makes the decision on the contract extension so that the service is in place beyond March 2017.

1. **Background**

**Newcastle Housing Advice**

- 1.1 On 15th January 2014 Cabinet considered the outcome of the tendering exercise for the Newcastle Housing Advice (NHA) service. It's decision was to award contract to Midland Heart for the period 1st April 2014 – 31st March 2017, with the option to extend for a further three years on satisfactory performance.
- 1.2 The current NHA service delivers the following elements:

- A Homelessness service which includes the prevention of homelessness through advice and assistance, discharging the Council's statutory homelessness duty and ensuring customers are housed appropriately:
  - A Housing Options service which includes the delivery of more comprehensive housing advice across all tenures, joint working with key stakeholders and providers and signposting households to other specialist services.
  - A Housing Register service which includes the management of the Council's Housing Register and nominations to other Registered Providers who own housing stock in the Borough.
- 1.3 Officers within the Council's Housing Strategy team monitor the delivery of this contract and meet regularly with Midland Heart to discuss delivery and performance.
- 1.4 Performance of the NHA service is reported to Economic Development and Enterprise Scrutiny Committee on a quarterly basis.

**Private Sector Support Officer**

- 1.5 There is a national approach of utilising the private rented sector to meet the needs of many homeless households. The Council has recently commissioned a part time Private Sector Officer (PSO) to enable customers who are homeless or are threatened with homelessness to access homes within the private rented sector. This project enables an officer to work alongside Newcastle Housing Advice 2.5 days per week liaising between customers, letting agents and private landlords. The officer negotiates deposits and rent in advance, referrals to any agency to assist with setting up the tenancy; this includes the provision of recycled furniture from agencies such as the Furniture Mine.

**2. Issues**

**Newcastle Housing Advice Service**

- 2.1 Preventing and reducing homelessness remains a key priority for Newcastle. Ensuring the provision of a high quality housing advice service is a key tool in helping to prevent and reduce homelessness in the Borough. The homelessness Strategy outlines the approach to preventing homelessness but acknowledges the anticipated that the level of demand for the service is likely to continue to increase.
- 2.2 The current service has been fully mobilised along with the successful implementation of the Homesdirect choice based lettings system. Customers and partner stakeholders are now familiar with the service and its location within the town centre. It has developed and evolved as a service that customers now access independent and impartial free housing advice.
- 2.3 A robust contract management framework is in place and it is confirmed that the service is meeting the key service standard targets, as summarised in the table below:

<b>Service Area</b>	<b>Service Standard Targets</b>	<b>Performance To Date</b>
<b>NHA Activity</b>		
Homelessness decisions	20 working days but within national target of 33 days	100%
Homelessness Preventions	NUBC Corporate Performance Indicator with a target of 600	580 Year 15/16
Households in Temporary Accommodation	Families should not be in temporary	100% less than 6 weeks

	accommodation for longer than 6 weeks	
<b>Customer Service Standards</b>		
Letters received and responded to	10 working days	100%
Emails received and responded to	10 working days	100%
Housing Register applications processed in 10 days	10 working days	100%
Homelessness Decision Appeals (national target of 56 working days)	Within 15 working days	100%
Complaints	10 working days (within NUBC Corporate Performance Indicator)	100%
Medical Applications	Within 28 days	100%
<b>Housing Register and Lettings (as at 1.7.16)</b>		
Nomination timescales	3 working days of cycle closure	100%

### **Private Sector Support Officer**

- 2.4 The Private Sector Support Officer is not employed by Midland Heart and there are a number of issues in delivering a seamless service; this includes difficulty in sharing ICT access to household case files. Whilst the issues may be minor it means that the post is not as efficient and therefore potentially not as effective as if it were delivered by the NHA team members.

### **3. Options Considered**

- 3.1 To extend for a further three years as per the contract's original terms. The delivery and performance of the NHA service has been monitored by Officers within the Housing Strategy Team. The contract has been delivered to a satisfactory standard in accordance with the terms of the contract; therefore there is no reason not to extend the contract as originally envisaged.
- 3.2 To not extend the current contract. There is no reason for this option as to date the Council has confirmed its satisfaction with the delivery and performance of this service.
- 3.3 As the Private Sector Officer is intrinsically linked to the NHA service, providing support to homeless households there is an opportunity to provide a more integrated service. It is therefore recommended to incorporate this element into the main Newcastle Housing Advice Service. Due to financial pressures it would not be feasible to add the Private Sector Officer therefore it is proposed to replace a Housing Advisor with a Private Sector Officer.

### **4. Reasons for Preferred Solution**

- 4.1 Midland Heart has continued to evolve and implement service improvements throughout the first three years of the contract. The service has been delivered to a satisfactory standard in accordance with the terms of the contract therefore the contract extension should be granted as per the original contract expectations. By replacing a Housing Advisor with the Private Sector Officer the service to customers will be more seamless and therefore more effective. Officers also believe that this offers the best value for money option and seeks to place the service in the best position to meet the changing needs of the customers in the current housing market.

### **5. Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

5.1 The provision of a housing advice service assists in meeting the Corporate Priorities to provide a Clean, Safe and Sustainable Borough, a Borough of Opportunity, a Healthy Active Community and Becoming a Co-operative Council by delivering high quality community driven services.

## 6. **Legal and Statutory Implications**

6.1 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.

6.2 If the Council considered there were good reasons to not extend the current contract it will be necessary to either bring the housing advice service back in house or embark on a new tendering exercise. Otherwise non provision of this service would mean the Council will have no provision for the service after 31<sup>st</sup> March 2017 and would be in breach of its statutory obligations (in relation to the Housing Act 1996 as amended by the Homelessness Act 2002).

6.3 Should the contract provider need to change at this time, TUPE regulations will apply to potentially 8 employees. The Private Sector Officer may also have TUPE rights.

## 7. **Equality Impact Assessment**

7.1 The Public Sector Equality Duty is part of the Equality Act 2010 and this Duty requires us as a public body to have 'due regard' to eliminating discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act. It requires us to advance equality of opportunity and foster good relations between people who share a 'relevant protected characteristic' and people who don't.

7.2 The service currently provided by Newcastle Housing Advice offers Newcastle residents an access point to housing advice services. It provides assistance to those who are owed a statutory homeless duty. A contract extension will help the Council to continue to provide advocacy services to residents in need across the Borough and will help to promote equality of opportunity through easy access to services.

## 8. **Financial and Resource Implications**

8.1 To date the Council has received Homelessness grant funding each year from the DCLG. This funding has been confirmed at £124,672 for the 2016 / 2017 financial year, plus proposed figures for amounts in 2017 to 2019. The grant is important funding for the borough's homelessness prevention activities.

8.2 As the PSO is intrinsically linked to the NHA service, there is a need to provide an integrated service. Officers are seeking approval to integrate funding to the indicative budget for the NHA service, supporting continuity of service and outcomes linked to the Council Housing and Homelessness Strategy Based on the 2016/17 budget of £15,000 for the PSO, the likely expenditure over the contract period 2017-2020 would be £45,000.

8.3 There is £304,000 budgeted for the NHA service annually, with a further £15,000 budgeted for the commissioning of a part time Private Sector Officer. Following negotiation with Midland Heart in view of the significant financial pressures facing the Council (including the

replacement of a Housing Advisor with a Private Rented Sector Officer), the costs of the service would be £315,535 in 2017/18, £322,233 in 2018/19 and £328,863 in 2019/20. As such there would be a small budget saving for 2017/18 (£3,465), the budget pressures for 2018/19 and 2019/20 will need to be considered within the Medium Term Financial Strategy.

8.4 As outlined in 6.3 above, if the extension is not granted and the contract ends, TUPE will apply to potentially 8 employees.

9. **Major Risks**

9.1 There are no major risks involved if the extension of the current service provision is approved.

10. **Key Decision Information**

10.1 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.

11. **Earlier Cabinet/Committee Resolutions**

11.1 15th January 2015 - Cabinet approved the decision to award the Newcastle Housing Advice, Homelessness and Housing Register contract to Midland Heart Housing Ltd for the period 1st April 2014 – 31st March 2017, with the option to extend for three years on satisfactory performance.

12. **List of Appendices**

12.1 None.

13. **Background Papers**

13.2 None.