

FORM 2

## SHEFFIELD CITY COUNCIL



### Cabinet Report

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<b>Report of:</b>	Executive Director, Communities
<b>Report to:</b>	Cabinet
<b>Date:</b>	19 <sup>th</sup> March 2014
<b>Subject:</b>	Future of Council Housing: 'Housing+' proposals
<b>Author of Report:</b>	Vicky Kennedy, 0114 2053908
<b>Key Decision:</b>	YES
<b>Reason Key Decision:</b>	Expenditure/savings over £500,000 Affects 2 or more wards

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#### Summary:

The 'Housing+' Project is the development of a new model of council housing management. It aims to deliver the vision for the housing service developed by Members, customers and staff. It will also establish a value-for-money Council Housing Service (CHS) which supports the Council's Strategic Objectives and Design Principles.

The proposals are based on detailed consultation with customers and staff, and will benefit all the Council's tenants and their wider households. They will receive services in a more effective and joined-up way, tailored to meet their individual needs.

Housing+ is a patch-based model with named Officers working with all households in their patch. There will be an emphasis on more contact with customers in their own homes and all households will be offered an annual visit to discuss their tenancy, and support or advice will be drawn-in from the relevant specialists for those households who need it.

There will be 8 Neighbourhood Teams, based on Electoral Ward boundaries. As well as delivering front-line services, the Teams will work with other providers and local people to help strengthen

the local community. They will be supported by a number of consolidated teams providing specialist advice, developing city-wide policies and delivering operational services.

The new model could also achieve benefits for other Council services. By providing advice and low-level preventative work in disciplines outside the 'traditional' housing boundaries, the CHS will help tenants maintain their tenancy and reduce their need for more costly interventions. This will in turn achieve savings for both the Housing Revenue Account and for other Council services.

Another key feature of Housing+ is mobile technology – enabling staff to spend more time working at the frontline with customers and less time travelling and completing paperwork. As well as increased efficiency, this should also result in more job satisfaction for staff.

The costs given in this report are indicative only at this stage based on the assumptions described in section 8. There are a number of variable factors and decisions still to be made which could impact on the actual final costs of the proposal. Any changes in these assumptions will impact on the financial modelling.

It is estimated that the new model can be delivered with a 5% reduction in the substantive workforce. Due to the number of current vacancies in the CHS, this equates to a small increase in the number of employees currently in post.

Housing+ is projected to generate a £0.5million in HRA savings, compared to the existing baseline, over the first 5 years. This includes additional one-off costs for mobile IT and a potential VER/VS scheme. An annual saving of £0.5 million from Year 6 is projected, taking into account the savings expected to be achieved by Housing+.

An Achieving Change process will be needed to implement the new model. A robust communications plan will be needed, as well as a comprehensive staff training programme.

Commitment from other relevant services to support the Housing+ model – for example, from Adult Social Care and Public Health – will help to ensure that its potential benefits are fully realised.

As with any large scale project, there are risks associated with the implementation of these proposals. In particular, there are risks relating to: (i) the TUPE regulations under which Sheffield Homes staff were transferred into the Council, (ii) the potential 'unmet demand' for services which the new ways of working may uncover, and (iii) the reliability of the mobile IT system chosen.

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### **Reasons for Recommendations:**

(Reports should include a statement of the reasons for the decisions proposed)

- Housing+ will deliver a housing service which achieves the ambitions set by Cabinet in March 2012 as part of the ballot commitment to tenants (as described in section 4.1.1). It will also realise the vision for the service which customers and Members have developed over the last two years.
- The preventative nature of Housing+ offers the potential to help reduce demand for other Council services - for example, Adult Social Care.
- Housing+ will help sustain the Housing Revenue Account and protect the long-term asset value of the council housing stock.
- Housing+ would see the development of a Council Housing Service which meets and fully supports the Council's Strategic Objectives and Design Principles.

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**Recommendations:** That:

- (a) The implementation of the Housing+ model as described in this report is approved.
- (b) Work on implementing Housing+ does not continue without a further decision from Cabinet should the overall financial assumptions made within this report (as set out in Section 8) prove to be inaccurate.
- (c) Delegated authority is given to the Director of Housing Services to take the necessary steps to implement the Housing+ model of housing management as described in this report, including the development of the organisational structure needed to deliver the model, in consultation with the Director of Human Resources.
- (d) Delegated authority is given to the Executive Director of Communities to make the final decisions in relation to the budget and implementation detail for the IT element of the project, as specified in Section 4.3.
- (e) Cabinet endorses the 'whole Council' approach to Housing+ described at Section 7 and requests that members of the Executive Management Team establish a Working Group to be responsible for overseeing the engagement of, and support from, other relevant Council services in the implementation of Housing+.
- (f) Cabinet requests a review of the Housing+ model to be carried out and the findings reported back to Cabinet within 12 months of the commencement of the city-wide roll-out (currently scheduled to begin on 1<sup>st</sup> April 2015)

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**Background Papers:** Future of Council Housing Cabinet Report, 21<sup>st</sup> March 2012  
Future of Council Housing Cabinet Report, 12<sup>th</sup> December 2012  
Housing+ Business Case, February 2014

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**Category of Report:**       **OPEN**

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
YES Cleared by: Karen Jones, Finance Manager
<b>Legal Implications</b>
YES Cleared by: Andrea Simpson
<b>Equality of Opportunity Implications</b>
NO Cleared by: Phil Reid
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human Rights Implications</b>
NO
<b>Environmental and Sustainability implications</b>
NO
<b>Economic Impact</b>
NO
<b>Community Safety Implications</b>
NO
<b>Human Resources Implications</b>
YES Cleared by: Cheryl Blackett
<b>Property Implications</b>
NO
<b>Area(s) Affected</b>
Citywide
<b>Relevant Cabinet Portfolio Lead</b>
Cllr Harry Harpham
<b>Relevant Scrutiny Committee</b>
Safer and Stronger Communities
<b>Is the item a matter which is reserved for approval by the City Council?</b>
NO
<b>Press Release</b>
YES

## 1. Summary

**1.1** The 'Housing+' Project is the development of a new model of council housing management. It aims to deliver the vision for the housing service developed by Members, customers and staff. It will also establish a value-for-money Council Housing Service (CHS) which supports the Council's Strategic Objectives and Design Principles.

**1.2** The proposals are based on detailed consultation with customers and staff, and will benefit all the Council's tenants and their wider households. They will receive services in a more effective and joined-up way, tailored to meet their individual needs.

**1.3** Housing+ is a patch-based model with named Officers working with all households in their patch. There will be an emphasis on more contact with customers in their own homes and all households will be offered an annual visit to discuss their tenancy, and support or advice will be drawn-in from the relevant specialists for those households who need it.

**1.4** There will be 8 Neighbourhood Teams, based on Electoral Ward boundaries. As well as delivering front-line services, the Teams will work with other providers and local people to help strengthen the local community. They will be supported by a number of consolidated teams providing specialist advice, developing city-wide policies and delivering operational services.

**1.5** The new model could also achieve benefits for other Council services. By providing advice and low-level preventative work in disciplines outside the 'traditional' housing, the CHS will help tenants maintain their tenancy and reduce their need for more costly interventions. This will in turn achieve savings for both the Housing Revenue Account and for other Council services.

**1.6** Another key feature of Housing+ is mobile technology – enabling staff to spend more time working at the frontline with customers and less time travelling and completing paperwork. As well as increased efficiency, this should also result in more job satisfaction for staff.

**1.7** The costs given in this report are indicative only at this stage based on the assumptions described in section 8. There are a number of variable factors and decisions still to be made which could impact on the actual final costs of the proposal. Any changes in these assumptions will impact on the financial modelling. In particular, the Council's recent proposals for a revised Pay Strategy, if implemented, will need to be fully assessed to understand their impact.

**1.8** It is estimated that the new model can be delivered with a 5% reduction in the substantive workforce. Due to the number of current vacancies in the CHS, this equates to a small increase in the number of employees currently in post.

**1.9** Housing+ is projected to generate a £0.5million in HRA savings, compared to the existing baseline, over the first 5 years. This includes additional one-off costs for mobile IT and a potential VER/VS scheme. An annual saving of £0.5 million from Year 6 is projected, taking into account the savings expected to be achieved by Housing+.

**1.10** An Achieving Change process will be needed to implement the new model. A robust communications plan will be needed, as well as a comprehensive staff training programme.

**1.11** Commitment from other relevant services to support the new model – eg. from Adult Social Care, Children and Families and Public Health – will help ensure that its potential benefits are fully realised.

**1.12** As with any large scale project, there are risks associated with the implementation of these proposals. In particular, there are risks relating to: (i) the TUPE regulations under which Sheffield

Homes staff were transferred into the Council, (ii) the potential 'unmet demand' for services which the new ways of working may uncover, and (iii) the reliability of the mobile IT system chosen.

**1.13** The report recommends that:

(a) The implementation of the Housing+ model as described in this report is approved.

(b) Work on implementing Housing+ does not continue without a further decision from Cabinet should the overall financial assumptions made within this report (as set out in Section 8) prove to be inaccurate.

(c) Delegated authority is given to the Director of Housing Services to take the necessary steps to implement the Housing+ model of housing management as described in this report, including the development of the organisational structure needed to deliver the model, in consultation with the Director of Human Resources.

(d) Delegated authority is given to the Executive Director of Communities to make the final decisions in relation to the budget and implementation detail for the IT element of the project, as specified in Section 4.3.

(e) Cabinet endorses the 'whole Council' approach to Housing+ described at Section 7 and requests that members of the Executive Management Team establish a Working Group to be responsible for overseeing the engagement of, and support from, other relevant Council services in the implementation of Housing+.

(f) Cabinet requests a review of the Housing+ model to be carried out and the findings reported back to Cabinet within 12 months of the commencement of the city-wide roll-out (currently scheduled to begin on 1<sup>st</sup> April 2015).

## **2. What does this mean for Sheffield people?**

**2.1** Council housing represents almost a fifth of all Sheffield's housing, with over 48,000 tenants living in around 41,000 homes. A more tailored and locality-based approach to delivering council housing services, as this report recommends, has huge potential to make a real difference to people in the city.

**2.2** In its corporate plan 'Standing up for Sheffield', the Council commits to "...make the best possible use of resources to meet the needs of Sheffield and its people ... ensuring that we only invest in efficient services that people and local communities really need." These proposals support this commitment – by delivering a value-for-money housing service which supports its households and communities in ways which tenants say best meet their needs.

**2.3** Tenants and their families will receive more streamlined, integrated and individually-tailored services. Closer working between housing and other Council services will give tenants better access to a variety of advice and preventative services, leading to improved health outcomes, less social isolation and improved financial wellbeing.

**2.4** More staff will be moved to locally-based area teams by reducing management layers and streamlining specialist and support services. Staff will spend more of their time working with tenants in their homes and on estates and so will be a visible local Council presence.

**2.5** Earlier, more effective responses to tenancy issues – such as rent arrears and ASB – will allow the wider underlying issues (e.g. financial exclusion) to be tackled more effectively. This will lead to lower rent arrears and a reduction in the number of more serious issues.

**2.6** There will be increased community resilience through encouraging and supporting community engagement and networks, and through enabling tenants and their families to take advantage of opportunities offered by the local community.

## 3. Outcome and sustainability

### 3.1 Supporting the Council's Strategic Outcomes

The Housing+ Project contributes to many of the outcomes in the Council's corporate plan:

**3.1.1 Better Health and Wellbeing:** The Council aims to “join up the way we secure services across healthcare, public health, social care and housing”. Housing+ takes a ‘one stop’ approach, aiming to link housing with health-related and social-care services and improve the links between safe, well-maintained housing and improved health and mental well-being.

**3.1.2 Successful Young People:** This focuses on helping families be safe, healthy and strong through a ‘whole household’ approach. A major feature of Housing+ is taking a holistic approach when providing services to our tenants.

**3.1.3 Tackling Poverty and Increasing Social Justice:** The Council wants to support people to maximise their available income, develop basic skills to participate in the wider economy and to make advice available to those who need it. This project supports this by developing opportunities for tenants to grow their financial and economic potential.

**3.1.4 Safe and Secure Communities:** The Council wants communities to *be* and to *feel* safe, and key to this is effectively tackling antisocial behaviour. Through the Council Housing Service working more closely with other public services, this project will contribute to the Council's wider approach of crime prevention, crisis resolution and recovery.

**3.1.5 A Great Place to Live:** Offering safe well-maintained housing will make our neighbourhoods more desirable. Through joined-up neighbourhood management, the project will also support the sustainability of communities by developing partnerships between the Council Housing Service and other community facilities.

### 3.2 A sustainable 30-year Housing Revenue Account (HRA) Business Plan

**3.2.1** An overarching aim of the Housing+ Project is to ensure that tenancies, homes and neighbourhoods are well-managed and well-maintained. This will help protect the investment the Council has made in its properties, in turn helping to protect the long term viability of the HRA and contribute ultimately to sustainable estates and communities.

**3.2.2** Tenants more easily accessing the support they need to live in their homes should reduce tenancy turnover and the costs this generates.

**3.2.3** Housing+ will also achieve savings for the HRA through pre-emptive budgeting and rent advice, reduced demand for office-based customer contact by focussing on more home appointments and increased staff efficiency through mobile IT-supported working practices.

### 3.3 Fulfilling the Council's Design Principles

The Council Housing Service (CHS) needs to modernise and realign to satisfy the Council's Design Principles. Housing+ will ensure that the CHS fulfils these principles by:

**3.3.1 Providing city leadership and working in partnership:** The CHS will work with other services and organisations to achieve the best possible outcomes for tenants and their families.

**3.3.2 Helping people to help themselves:** Enabling tenants to be more self-reliant by providing information and early support to help them independently maintain their tenancy.

**3.3.3 Providing affordable and cost-effective services:** Housing+ will support the long-term sustainability of the HRA Business Plan and so help ensure that the commitments made to tenants within the Plan can be fulfilled.

**3.3.4 Being creative and innovative:** The implementation of Housing+ will result in a major shift in the Council's approach to housing management, in line with the ambitious vision developed by tenants for their housing service.

**3.3.5 Focusing on early intervention and prevention:** A key part of Housing+ will be identifying and addressing potential issues as soon as they arise, reducing the need for costly high-level interventions later on.

**3.3.6 Providing flexible and responsive services:** By tailoring our approach according to the needs of each household, the Housing+ model will help ensure that tenants receive the services they need, when they need them.

## 4 The Housing+ Project

### 4.1 A vision for the city's council housing and investment service

**4.1.1** The Project will develop a new housing management model which delivers the vision for the service developed by Members, customers and staff. Cabinet agreed in March 2012 to reintegrate housing management services back into the Council, following a tenant ballot in February 2012. At that time, Cabinet also committed to an ambitious vision for Sheffield's council housing, summarised as:

- An excellent quality housing management service
- Making best use of the Council's role as landlord to help people achieve their full potential – with all Council services using this role as a platform for achieving this.
- Being an active landlord and delivering services to tenants which are part of a joined-up neighbourhood management approach, helping neighbourhoods to flourish.
- A "one stop shop" approach giving easy access to housing and other Council services.
- Efficient management ensuring value-for-money and allowing more rent to be spent on frontline services and homes.
- A bigger say for tenants – about their homes; their neighbourhoods; and the city.

**4.1.2** As described in the Future of Council Housing report to Cabinet in December 2012, consultation then took place to identify the key issues facing tenants and their aspirations for the future. Citywide consultation was followed by more detailed work by eight Service Design Project Groups involving tenants, leaseholders and staff. These Groups each focused on a particular aspect of the housing service and developed a vision of how they would like to see it



delivered in the future. A copy of each of these visions is attached in Appendix One, and the key elements can be summarised as follows:

- Local community-based approaches to delivering services.
- Better joined-up working between Council services to respond to tenants' needs more effectively, and to achieve better value-for-money by reducing duplication of activity.
- Enabling tenants and their families to independently manage their finances, health, well-being and housing circumstances and so improve their household resilience.
- A 'whole household' approach, building better links with GPs and other health staff.
- Building community resilience by encouraging more 'grassroots' tenant involvement
- Strengthening democracy and transparency in decision-making.
- More pre-tenancy support for applicants.
- Well looked-after and effectively managed estates and neighbourhoods
- Protecting the Decent Homes investment made in council housing properties
- Ensuring value-for-money and making the best use of tenants' rents.

**4.1.3** Staff from across the Council Housing Service, and from other relevant Council teams, have undertaken detailed work to look at how the visions referred to above could be implemented in practice. This work has formed the basis of the proposals in this report.

## **4.2 The proposed Housing+ Model of Council Housing Management**

**4.2.1** A wholesale change is proposed in how housing services are delivered, moving to an integrated tenancy management, tenancy support, maintenance and investment service tailored to the needs of individual households. Closer links with other Council teams— particularly with Adult Social Care, Public Health and Children, Young People and Families – will help to fully achieve the joined-up holistic approach which Members and customers have asked for. To achieve this, the following model is proposed.

**4.2.2** There will be eight 'Neighbourhood Management Teams' (NMTs), their boundaries based on Electoral Ward boundaries to improve links to other Council services and partners. This will provide customers and Councillors with clear contact details for Housing+ staff across the city. Details of the Wards within each of these teams are given in Appendix Two.

**4.2.3** NMTs will be responsible for the delivery and co-ordination of all council housing services in their area, liaising with other teams within the Council Housing Service, including maintenance and investment, as required. They will also develop and strengthen their local community through the promotion of community engagement, involvement and resilience.

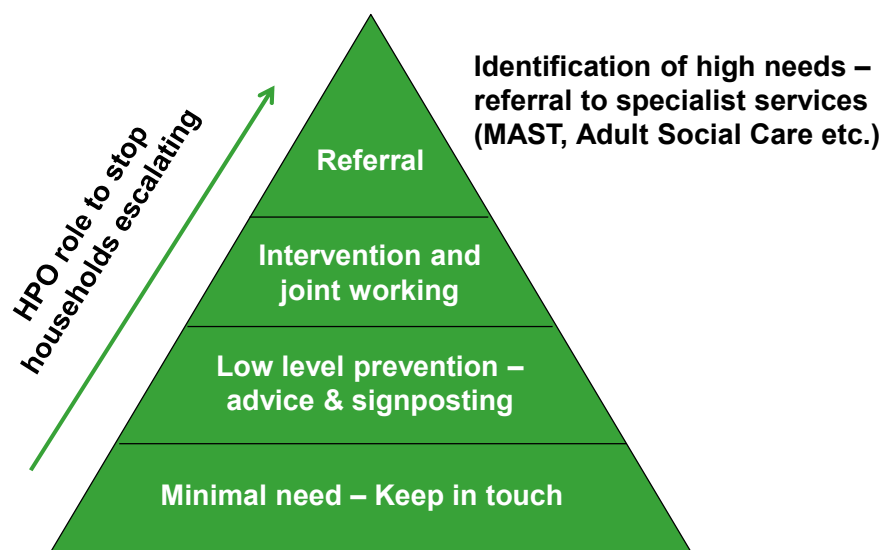
**4.2.4** Housing staff ('Housing+ Officers') in each NMT will have clearly defined geographical 'patches' and will be responsible for front-line service delivery to all council households within their patch. Their remit will include rent arrears, anti-social behaviour and supporting community engagement. They will also liaise closely with other providers in the area (e.g. Estate Services Team, Amey, Parks & Countryside, the Police, Fire Service, other Registered Providers of Social Housing, etc) to support the maintenance of the environmental and physical aspects of the area and contribute to fully joined-up neighbourhood management.

**4.2.5** Housing+ Officers (HPOs) will take a holistic approach to managing tenancies and liaise with tenants on a variety of issues including home skills, employment, education and health. They will focus on prevention, dealing with low level issues directly and signposting people to resources within the local community to help prevent problems escalating. They may need to refer some cases to other services for more specialist help and support. A "Day in the life..." profile in Appendix Three shows how the role could work in practice.

**4.2.6** Although Housing+ will require CHS staff to work more closely with other Council teams, all services provided under the Housing+ model are those which would help or enable the tenant / household to maintain their tenancy. CHS staff will not become involved in issues which do not have a potential impact on the sustainability of the tenancy. This should ensure the integrity of the Housing Revenue Account (HRA) described in more detail in section 9.1.

**4.2.7** HPOs will be a visible presence in their area, completing as much work as possible out in the area rather than from an office base. Wherever possible appointments will be in tenants' homes, and IT will enable staff to update records and access information remotely.

**4.2.8** An annual visit will be offered to all households to discuss their tenancy, identify any guidance or intervention they need to help sustain the tenancy and to assess the condition of the property. A 'Housing+ Plan' will be agreed with the household, and the HPO will then work with the household as needed to help achieve this Plan. The level of support required will be variable - many households are self-sustaining and will need very little or no support, whilst others will need more input from their HPO to help maintain their tenancy:



**4.2.9** There will also be a number of other officers in each NMT to manage and support the frontline staff and deliver services. Housing+ specialists will support the HPOs on more complex cases, and Neighbourhood Support Officers will provide customer access and business support functions for the whole team. There will also be a management structure in each team to ensure robust and effective performance management and service delivery.

**4.2.10** In addition to the NMTs, there will also be a number of other non-area teams within the Council Housing Service delivering city-wide services, as is the case now. These will continue to provide specialist advice and support, develop city-wide policies and partnerships and directly deliver operational services (e.g. re-housing, repairs and income management). The shape of these teams will also need to change, however further work is needed to consider the structure and form of these teams and how they will integrate with the new Neighbourhood Teams. This would include reviewing the provision of services provided to customers outside of normal working hours.

**4.2.11** The key differences tenants will see are shown in the table in Appendix Seven.

### **4.3 IT and Accommodation requirements of the new model**

**4.3.1** For the new model to be effective, front-line staff must work flexibly and be more mobile. Technology will be needed to support this new way of working – including handheld devices which enable data, forms, systems, etc. to be accessed and updated remotely.

**4.3.2** Appropriate ICT will also be needed to promote digital inclusion to tenant households. Welfare Reform and the move to on-line Universal Credit applications will potentially have a significant impact on the income into the HRA. Housing+ staff will help to mitigate the impact through education and support for tenants in making claims. Digital inclusion also has a role to play in supporting people back to work and in combatting social isolation. The ICT available to Housing+ staff must be fit for purpose to achieve this.

**4.3.3** The outline ICT costs are summarised in section 8.6. These are based on the implementation of a new software package, delivered via 300 mobile devices and include all project and implementation costs. It also includes the provision of mobile telephones and a lone working safety system for 300 staff.

**4.3.4** The CHS currently has 12 public access points and 7 main back-offices across Sheffield, the annual cost of which is approximately £1.4million. Customers have strongly expressed that they value local face-to-face contact with staff, and the new model will maintain the availability of this. It will however change its nature and potentially the locations as mobile ICT and home visits will reduce the need for customers to visit fixed office locations. Staff will also work more flexibly from fewer fixed office locations whilst having access to local ‘touchdown’ and welfare facilities. All this offers the potential to re-shape the use of public access and back office accommodation to increase convenience for customers and achieve better value-for-money for the HRA.

**4.3.5** Any proposals to close or change the opening hours of existing access points will be done in consultation with customers. The impact of Housing+ on footfall, as it becomes known, will also need to be considered when looking at future access points.

## **4.4 Consultation undertaken**

**4.4.1** Consultation with tenants, leaseholders and other stakeholders has been and will continue to be a key focus for this project. The proposals for the new model are firmly based on what tenants have told us they want from the housing service of the future.

**4.4.2** Intensive consultation began in summer 2012 with the ‘It’s Your Shout’ campaign:

- A survey-postcard sent to all tenants and leaseholders with customer magazine “InTouch”.
- Recruitment of over 40 Community Consultation Volunteers to encourage people in their local area to engage in the consultation.
- Consultation events held at various community festivals and pop-up stalls across the city.
- ‘Community Cafés’ held with established groups to facilitate more in-depth discussions.
- An on-line staff survey.

**4.4.3** As a result, over 2,500 customers provided feedback to help to design the future shape of the housing service. The feedback clearly identified the key issues for customers, and their aspirations for the future. This defined the focus for the service design work which was to follow, via the 8 Service Design Project Groups involving customers, described in **section 4.1.2**.

**4.4.4** Following the outcomes of these 8 Project Groups, further consultation work was undertaken with tenants on the proposed principles of the new Housing+ model. This consultation is described in more detail in Appendix Four.

**4.4.5** In addition to the specific consultation activities described above, there have also been regular updates and feedback opportunities provided to tenants and leaseholders through the Council’s established governance channels – e.g. Local Housing Forums, Area Board meetings, Leaseholder Forum, Interim Sheffield Council Housing Board and through regular articles in tenant publications.

## 4.5 Managing the transition to the new model

**4.5.1** Housing+ will be implemented according to the Council's Managing Employee Reductions / Achieving Change policy and procedures. Robust consultation, communication and change management will be undertaken, including full consultation with staff and Trade Unions. There will be a clear communication strategy– for customers, staff and other stakeholders, to ensure full understanding of and engagement with the changes. Organisational design work, new job descriptions and grading, and training and development will also be key elements of the transition.

**4.5.2** The success of the new model will rely on the skills of staff delivering the service. This applies equally to all staff involved at whatever level. The right individual skills and behaviours are essential and it is important that the 'ask' of staff and reward is balanced. There will need to be careful consideration given to any recruitment and selection process for newly created posts to ensure that the staff recruited have the right skills.

**4.5.3** Implementation will begin by rolling out the Housing+ approach as a 'test phase' in a specific housing area, testing the policies and procedures introduced to support the new way of working. This will be evaluated after 3 months and learning from it used to fine-tune the model. Full roll-out is expected to begin on an area-by-area basis in April 2015.

## 4.6 Measuring the outcomes of the new model

**4.6.1** It will be important to monitor the impact of Housing+ to ensure that it is delivering its ambitions and the predicted benefits for all stakeholders. The Performance Monitoring Framework will be reviewed to ensure it is fit for purpose to measure the impacts of a new service. This will need a more sophisticated approach which (i) focuses on outcomes for households, (ii) measures sustainability, (iii) is based on local conditions and local priorities, and (iv) involves tenants in identifying their ambitions and expectations.

**4.6.2** The new Framework will also need to quantify not only the benefits realised for the Council Housing Service in terms of cashable savings through improved outcomes for tenants, but also those for services in the wider Council and for external partner organisations. To do so, the wider impact of the work will need to be measured so that the model can be further developed and expanded.

## 5 Risks

**5.1** As with any large-scale project, there are risks associated with the implementation of Housing+. The key risks are described below, along with the appropriate mitigating actions to be taken to effectively address and manage these risks.

**5.2** Most significant are those relating to TUPE regulations under which Sheffield Homes staff transferred into the Council. Housing+ may require changes to some job descriptions and grades. The TUPE regulations state that any variation of a contract to the employee's detriment is void if the principle reason for the change is the transfer itself or a reason connected with it - unless the employer can point to an "economic, technical or organisational reason entailing changes in the workforce". HR are seeking legal advice on this in relation to Housing+ proposals to ensure that the Council meets its legal obligations.

**5.3** CHS staff are currently excluded from proposed changes to the Council's Pay Strategy. Longer term, for economic, technical or organisational reasons, it is likely that the Council will need to address any differences in pay, terms and conditions between CHS employees and

the rest of the Council by moving CHS staff onto the Council's pay structure. HR are seeking legal advice on the detail of the proposals, how they impact on staff and any legal implications.

**5.4** Housing+ could result in increased demand for services (both within and outside of the CHS) which cannot be met. However, the benefits described in 4.2.8 above are expected to help mitigate this. Learning from the Successful Tenancies Pilots currently running will also help assess this risk and the Housing+ model will be sufficiently flexible to accommodate any resulting changes required. Joint working on clear pathways and referral mechanisms, and joint-training and sharing of skills, will also help mitigate this.

**5.5** Potential disruptions in the Council's IT system could impact on the mobile technology needed for Housing+. Work will be done with Capita to ensure that the IT sourced is as reliable and efficient as possible, and that we have robust arrangements in place to deal with any IT disruption. Business Continuity Plans will be made by all teams for alternative service delivery arrangements during periods of IT disruption.

**5.6** To help minimise the risks of a wholesale change in housing management, and to ensure successful implementation, a staged roll-out of the new model is proposed. This will begin with an initial test phase of the Housing+ approach in a selected area.

**5.7** Given the above there could be a risk that the proposal may not deliver the savings assumed. Once the detailed operational work commences on moving towards Housing+ and the final organisational structure and working practices are decided then the financial costs will be monitored and re- evaluated against those contained in this proposal.

## 6 Next steps

**6.1** Cabinet are requested to give the Director of Housing Services delegated authority to take the necessary steps and make the appropriate decisions to ensure that the work and changes required are undertaken. This will be done in consultation with the Director of Human Resources.

**6.2** Following the evaluation of the initial test phase, and of the feedback received from the customer consultation, the Housing+ model will be adjusted as needed - based on the lessons learnt.

**6.3** The timetable planned is currently as follows:

- |  |                         |
|--|-------------------------|
| • Preparations made for launch of initial test phase   | Mid Apr-end of May 2014 |
| • Tenant consultation undertaken                       | May onwards             |
| • Test phase is launched                               | June                    |
| • Evaluation of test phase                             | Sep                     |
| • Consideration of feedback from customer consultation | June - Sep              |
| • MER / Achieving Change launched                      | 1st Oct                 |
| • MER /Achieving Change and recruitment process        | Oct – Feb 2015          |
| • Final preparations made for full roll-out            | Feb - Mar               |
| • Full roll-out of Housing+ begins                     | 1st Apr                 |

## 7 Taking a 'Whole Council' approach and achieving Council-wide benefits

**7.1** Under the new model, with its focus on prevention, fewer households living in Council properties should progress to more costly forms of interventions, reducing the demand for the relevant services. However, it may also uncover 'hidden' demand for some services, for example,

Adult or Children's services. Joint working to develop clear pathways and referral mechanisms, and joint-training and skills sharing, will hopefully mitigate this. Joint-working will also help reduce the duplication of services within the Council working with individual households and so reduce the business costs for those services.

**7.2** Housing staff will help in developing communities by supporting volunteering and community activities in neighbourhoods with council housing properties. Doing so, and developing more resilient households through the Housing+ approach, will give communities the best possible chance of succeeding and so potentially reduce the need for Council intervention.

**7.3** The Council may also benefit from the best use of local community facilities. Closer working with Libraries for example, could generate financial cost savings where shared spaces can be developed into community resources.

**7.4** There may be joint benefits for services working together on data sharing. Understanding where potential service demands are generated would inform strategic planning and the best use of overall Council resources.

**7.5** Longer-term, there is the potential to deliver some limited services on behalf of sections within the Council. This may be limited by skills and training and must be mindful of the restrictions around use of the HRA and Housing Benefit, but the potential exists for the expansion of the Housing+ approach.

**7.6** To fully maximise the potential benefits, CHS staff need to be empowered and fully able to competently undertake their role. Commitment from other relevant services and teams across the Council will help to contribute to this – in terms of staff training and development, and also in designing and implementing effective pathways and guaranteed referral routes. The services expected to play a particularly important part in this are Public Health, Adult Social Care and Children, Young People and Families.

**7.7** Housing+ has the potential to grow and expand over time, and to improve outcomes for tenants and their families. To do so, there needs to be full commitment to the model from other relevant services, and they will need to contribute to the development of, and provide data for, the Performance Monitoring Framework described above in 4.6. This will allow Housing+ to expand to its full potential and make the biggest difference possible for the people of Sheffield.

**7.8** To help ensure 'buy-in' from and engagement of other relevant services, key officers from those services have been involved throughout the development of the Housing+ model. Presentations have been made at Executive Management Team and Portfolio Leadership Team meetings, which have included the sharing of the full business case - and comments from those discussions have helped to shape the proposals. Key managers of other services are members of the Interim Sheffield Council Housing Board and the Housing+ Project Board to help ensure they can fully engage with the project's objectives and have the opportunity to contribute.

**7.9** Other staff from the relevant service areas have also been involved at key stages throughout the project - e.g. at Staff Welcome Events, Service Design Feedback events, etc - to ensure a good level of awareness. These services were also represented on the appropriate Staff Working Groups to enable them to directly input into the detailed development of the Housing+ model.

## **8 Financial implications**

**8.1** The final cost of the Housing+ model is subject to change as more details are worked through. For this report, a number of assumptions have been made:

**8.1.1** The resources needed for implementing the new model must be met within the existing HRA Business plan. Any additional costs would need to be met from savings elsewhere in the Business Plan.

**8.1.2** The average patch-size across the city will be 230 households per Housing+ Officer, but actual numbers will vary across each Ward to reflect differences in the demographics. More information about the activities taken into account when determining the patch sizes is given in Appendix Five.

**8.1.3** Costs estimated for the staffing resource needed are based on assumptions made regarding pay scales/grades. These assumptions are based on comparisons with similar roles elsewhere in the Council. However as yet there can be no certainty in these costs until job descriptions are agreed and assessed under the corporate job allocation process.

**8.1.4** The staffing cost assumptions contained in this report are currently based on implementing the Council's original proposals for a revised Pay and Reward Strategy which were launched in November 2013. The Council have subsequently proposed an alternative strategy (28<sup>th</sup> February 2014) which is currently being consulted on with staff and Trade Unions. These proposals were launched shortly before the publication of this Cabinet report and the potential financial impact of these changes on Housing+ has not yet been modelled. The assumption is that the overall financial impact of these changes will be similar to the original proposal however. Should this not be the case, a further report would be provided to Cabinet in line with the recommendation at 15.2 in this report.

**8.2** It is important to note that, whilst the costs and savings referred to in this report are based on well-informed financial modelling and assumptions, there are a number of variable factors and decisions still to be made which could impact on the actual final costs.

**8.3** However, there will be enough flexibility built into the new model to allow for staffing levels, patch sizes, etc. to be adjusted to ensure that the HRA budget limit set for this project is not exceeded and the delivery model, performance and services to tenants are not compromised.

**8.4** Financial modelling based on the above assumptions suggests that the new model can be delivered with a 5% reduction in the existing substantive workforce. This is a reduction of 46 posts from the existing staffing structures. There are currently a number of vacancies in the CHS, and so this would require the recruitment of a small number of additional staff.

**8.5** Mobile technology is essential for the effective implementation of the proposed model and an assumption has been made that good quality IT solutions will be provided to meet this requirement.

**8.6** The outline ICT costs are based on the implementation of a housing version of the type of mobile software package being implemented by Adult Social Care. This would be delivered through 300 mobile devices (tablets or laptops) and includes all project and implementation costs. It also includes the provision of mobile telephones and a lone working safety system for 300 staff. The ICT would be implemented over a two-year period at an initial cost of approximately £2.1million, followed by an on-going annual cost of £421,000.

**8.7** In addition to the IT costs described above, there may also be other additional one-off costs in the first two years of implementation – most significantly in terms of Voluntary Early Retirement or Voluntary Severance costs. The full cashable efficiencies of Housing+ are therefore not expected to be fully achieved until the end of the third year following implementation.

**8.8** Further assumed savings considered achievable through the new way of working and are built into the financial modelling:



- (i) £172,000 per year from a reduction in early rent arrears
- (ii) £600,000 per year from a 6% reduction in avoidable relets
- (iii) £165,000 reduction per year from a 10% reduction in face-to-face enquiries at local housing offices, as a result of more home appointments
- (iv) 10% efficiency savings resulting from mobile working technology
- (v) 10% efficiency savings from customer service and business support teams
- (vi) 8% savings in back and front office (that would have minimal impact on staff or customers).

(The savings identified in (iv), (v), and (vi) are to be reinvested into frontline services).

**8.9** Taking into account these additional one-off costs, and the savings expected to be achieved by Housing+ based on the assumptions described above, the new delivery model could generate £0.5million in HRA savings, compared to the baseline, over 5 years. There is then predicted to be a further forecast annual saving from Year 6 of £0.5 million. This is summarised in the table below:

<b>Housing+ Cost-Benefit Analysis</b>		<b>Baseline (14/15)</b>	<b>Housing+ (incl. P&amp;R)</b>
1	Total Cost (Years 1 & 2) <sup>1</sup>	£ 61,330,000	£ 63,430,000
2	Total Benefits (Years 1 & 2) <sup>2</sup>	£ -	£ 1,050,000
3	<b>Net Cost (Years 1 &amp; 2)</b>	<b>£ 61,330,000</b>	<b>£ 62,380,000</b>
4	Total Annual Cost (Year 3 on) <sup>3</sup>	£ 30,120,000	£ 30,520,000
5	Total Annual Benefits (Year 3 on) <sup>2,4</sup>	£ -	£ 930,000
6	<b>Net Annual Cost</b>	<b>£ 30,120,000</b>	<b>£ 29,590,000</b>
7	<b>Difference to Baseline</b>	<b>£ -</b>	<b>-£ 530,000</b>
8	5-year Costs <sup>1</sup>	£ 151,690,000	£ 154,990,000
9	5-year Benefits <sup>2,4</sup>	£ -	£ 3,840,000
10	<b>Net 5-year Cost</b>	<b>£ 151,690,000</b>	<b>£ 151,150,000</b>
11	<b>5-year Difference to Baseline</b>	<b>£ -</b>	<b>-£ 540,000</b>

<sup>1</sup>Total Cost includes salaries (and on-costs), P&R transition, VER/VS, mobile ICT implementation and hardware costs and accommodation

<sup>2</sup>Potential savings from reductions in turnover, rent arrears and customer contacts

<sup>3</sup>Total Cost includes salaries (and on-costs) mobile ICT and accommodation

<sup>4</sup>There is an assumed £250,000 saving per year from improvements to tenancy sustainability built into the HRA Business Plan from 2016/17 onwards . The actual saving to the HRA would therefore be less than that shown here



## 9 Legal implications

### 9.1 The Housing Revenue Account (HRA) “Ringfence”

**9.1.1** The duty to keep a Housing Revenue Account and prevent a debit balance on it and restrictions as to what may be credited or debited to the account (the "ring-fence") are governed by Part VI of the Local Government and Housing Act 1989. Expenditure in connection with the Council's provision of housing under Part II of the Housing Act 1985 (the 1985 Act) falling within the heading of “repair, maintenance, supervision and management” must be debited to the HRA.

**9.1.2** Whilst some of the services offered through the Housing + model are beyond what might be understood as housing management the Council has the power to provide “welfare services” in connection with its housing provision to promote the welfare of people for whom the housing is provided, which broadly describes those additional services. The costs of providing such welfare services may be debited to the HRA unless they amount to personal or nursing care, which is not proposed within Housing+. The proposal therefore falls within the HRA legal framework.

**9.1.3** If the model is developed in the future to include more cross-service working it will be necessary to consider the model against the legal restrictions governing the HRA before further implementation.

### 9.2 Duty to consult

**9.2.1** The general power of management of its housing is vested in the Council by section 21 of the 1985 Act. There is wide discretion as to how the Council may exercise that power, but there is a duty under section 105 of the Act to consult its secure tenants when they are likely to be substantially affected by certain matters of housing management which involve a change to practice or policy, including arrangements for the management, maintenance, improvement or demolition of its housing stock, or the provision of services or amenities. The duty therefore applies to the implementation of Housing+. There is no prescribed form of consultation but it must include arrangements for tenants to be informed of the Council's proposals and to make their views known and the Council must consider any representations made.

**9.2.2** The duty will be complied with in June 2014, at the same time as the launch of the initial test phase, by publishing an article in the ‘In Touch’ magazine, which will be delivered to all tenants, giving details of the new model and the timetable for its implementation and how to make their views known. Responses to the consultation will be considered before full roll-out of the Housing+ model.

### 9.3 Data protection

**9.3.1** The Council has a duty under the Data Protection Act 1998 to comply with the Data Protection Principles. The use of mobile devices enabling access to tenant records and personal information carries the risk of a breach of security as a result of loss or theft; the Information Commissioner has the power to levy substantial fines in the event of such a breach.

**9.3.2** To mitigate this risk, the mobile IT hardware and software provided to staff will be fully encrypted and protected, in line with the Council's Information Security Policy. Staff will be trained – as they are now – to be aware of their duties under the Policy and of how to satisfy these requirements in practice.

**9.3.3** Within the Housing+ model it may be desirable on occasion to share data with other services within the Council or with other organisations such as those identified at Section 4.2.4. In such situations the statutory Data Sharing Code of practice will be followed.

## 10 Human Resources implications

**10.1** The success of Housing+ will rely on empowering front-line staff to deal with the situations they face when working with individual households, and on staff being able to work more flexibly to achieve their agreed outcomes. Flatter management structures will require delegated decision-making and enable staff to operate within a policy and procedure framework that doesn't leave them feeling caught up in 'red tape'. This will lead to greater job satisfaction.

**10.2** A new performance framework focusing more on outcomes and the differences that staff make should be similarly empowering. The patch-based approach will allow performance management at a local level to focus on achieving sustainability in local neighbourhoods, and staff will better understand the role they play in supporting the 30-year HRA Business Plan.

**10.3** Most staff will also have a more varied workload and more contact with other Council services through making referrals and building community contacts in their 'patch'. This will provide a range of career development opportunities that they may not currently have access to.

**10.4** The new mobile way of working should increase staff productivity— staff will be able to access information and update electronic records systems whilst 'out in the field' (as opposed to travelling back to the office for this). As well as creating additional resource to direct into front-line services, this should also improve staff satisfaction through a reduction in routine tasks.

**10.5** In order to deliver the proposed Housing+ service, staff will require training to support them in any new roles. Changes to existing referral routes and protocols with other Council or partner services may also be required as a result of the changes.

**10.6** Housing+ will be implemented under the Council's Achieving Change/ Managing Employee Reductions Policy. It is expected to take around 5 months depending on final decisions made as part of the evaluation of the initial test phase, recruitment process and impact on individual grades.

**10.7** Council Housing Service employees are currently excluded from proposed changes to the Council's Pay Strategy. In the longer term, for economic, technical or organisational reasons it is likely that the Council will need to address any differences in pay, terms and conditions between CHS employees and the rest of the Council by moving CHS staff onto the Council's pay structure. If Housing+ is implemented then this may be an appropriate time to start the process using the Council's MER/AC process. HR are seeking legal advice on the detail of the proposals, how they impact on staff and any legal implications.

**10.8** Formal consultation on the Pay Strategy in relation to Council employees within the scope of the exercise is underway. However, these proposals have changed during the final stages of producing this report to Cabinet as referenced in paragraph 8.1.4. This means that the financial modelling undertaken in producing this report is based on the previous Pay Strategy proposal. It has not been possible to model the impact of these changes in time to update this report to Cabinet. The assumption is that the overall financial impact of these changes will therefore be similar to the original proposal. Should this not be the case, a further report would be provided to Cabinet in line with the recommendation at 15.2 in this report. HR will seek legal advice on the process for implementation of these proposals in the context of the protections afforded by TUPE.

**10.9** Full consultation with staff and Trade Unions will be undertaken around all aspects of the implementation of Housing+ to ensure that the process can proceed as smoothly as possible.

## 11 Environmental and sustainability implications

**11.1** As part of the work with households to increase their financial resilience and maximise their household budget, Housing+ Officers will support and encourage tenants to reduce their energy consumption to help achieve energy cost savings. Neighbourhood Management Teams will also be responsible for monitoring the green spaces on their estates and ensuring that they are effectively managed and maintained.

## 12 Equality of Opportunity implications

**12.1** Consultation around the principles of Housing+ showed that customers feel positive about the proposals and that the model will help address some of the barriers they face with current service delivery. This feedback, coupled with our customer insight information, will allow us to tailor our approach to service delivery to deliver positive outcomes for all customers including those protected groups under the Public Sector Equality Duty.

**12.2** Staff Working Groups raised some issues which will need to be mitigated as part of the implementation of Housing+. These include the move to online and more self-service ways of accessing services for those who are digitally excluded. However, it is anticipated that the in-person contact provided by developing a relationship with customers who are unable to access the service or resolve their query through self-service will help to mitigate this.

**12.3** A full Equalities Impact Assessment (EIA) has been undertaken for this project, which takes account of the feedback received on the Housing+ principles from both staff and customers. This has assessed the overall impact of the project as 'medium positive, and a copy is attached in Appendix Six.

## 13 Alternative options considered

**13.1** The focus for the work with customers, staff and Members since the transfer of Sheffield Homes has been on delivering their vision set out in section 4.1. There is still further consultation work to do with both customers and staff about the detail of the Housing+ approach. As part of this detailed work, there will be a number of delivery options that will need to be evaluated within the overall Housing+ proposals.

**13.2** The main alternative to the overall Housing+ approach that has been considered is a no-change 'standstill' position. Under this option, there would be no significant changes to the way council housing services are currently delivered.

**13.3** However, the 'do nothing' option is not viable in the medium to longer-term. The service has to modernise and change the way it operates to improve performance and meet the changing demands of its customers. Without this modernisation and drive for further efficiencies there is a risk that performance could reduce and the long-term aspirations of the HRA Business Plan would not be delivered. A proactive change in the way that the service operates, through Housing+, will help to secure a long-term income stream for the HRA and protect the value of the asset to the Council.

## 14 Reasons for recommendations

**14.1** Housing+ will deliver a housing service which achieves the ambitions set by Cabinet in March 2012 as part of the ballot commitment to tenants (as described in section 4.1.1). Through the

intensive large-scale consultation undertaken with tenants and Members over the last 2 years, a strong and detailed vision for the future of the service has been developed. Customers are clear that they want more streamlined and better joined-up services, tailored to their individual needs and those of their local community. Members also strongly support this vision, which cannot be delivered without a wholesale change of approach.

**14.2** Housing+ offers the potential to help reduce demand for other Council services, for example, Adult Social Care. The preventative nature of the Housing+ approach should reduce the demand from council housing tenants for high-cost service interventions at a later stage. This is not achievable without a significant change to the current council housing service.

**14.3** The Council must make effective and efficient use of the HRA – and the cashable benefits offered by Housing+ will help do just that. Achieving more sustainable tenancies and thereby reducing empty properties and turnover – alongside earlier intervention and guidance in cases of rent arrears – will in the medium- to long-term generate significant savings for the HRA. This in turn will mean more money available to invest in homes and front-line services.

**14.4** Similarly, Housing+ also protects the long-term asset value of the council housing stock, and of the HRA investment which has been made in it under the Decent Homes Programme. The same protection of the HRA investment would not be afforded by a standstill position.

**14.5** Prior to Sheffield Homes transferring to the Council in April 2013, the housing service largely determined its own priorities and strategic objectives. Now that the service has transferred to the Council there is an expectation corporately for the Council Housing Service to operate and shape itself in a way which achieves the Council's corporate objectives. The service as it currently stands does not do this. In comparison, Housing+ would see the development of a Council Housing Service which meets and fully supports the Council's Strategic Objectives and Organisation Design Principles, and the Council Housing Service would become a key player in delivering the Council's wider ambitions.

**14.6** This report outlines the projected resources required to implement Housing+ in the short to medium-term. These costs and benefits will change as the model develops and the service would look to improve efficiency measures once Housing+ is implemented. These would be in addition to the figures quoted in this report and represent a long-term commitment to the viability of the HRA Business Plan.

## 15 Recommendations

**15.1** The implementation of the Housing+ model as described in this report is approved.

**15.2** Work on implementing Housing+ does not continue without a further decision from Cabinet should the overall financial assumptions made within this report (as set out in Section 8) prove to be inaccurate.

**15.3** Delegated authority is given to the Director of Housing Services to take the necessary steps to implement the Housing+ model of housing management as described in this report, including the development of the organisational structure needed to deliver the model, in consultation with the Director of Human Resources.

**15.4** Delegated authority is given to the Executive Director of Communities to make the final decisions in relation to the budget and implementation detail for the IT element of the project, as specified in Section 4.3.

**15.5** Cabinet endorses the 'whole Council' approach to Housing+ described at Section 7 and requests that members of the Executive Management Team establish a Working Group to be responsible for overseeing the engagement of, and support from, other relevant Council services in the implementation of Housing+.

**15.6** Cabinet requests a review of the Housing+ model to be carried out and the findings reported back to Cabinet within 12 months of the commencement of the city-wide roll-out (currently scheduled to begin on 1<sup>st</sup> April 2015).

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