

# Forest Heath District Council

(This report is a key decision and has been subject to appropriate notice of publication under the Council's access to information rules)

## Report of the Cabinet Member for Planning, Housing and Transport

**CABINET**

**29 MAY 2012**

**CAB12/006**

**HOUSING SHARED SERVICE TRANSITIONAL BUSINESS CASE** (Forward Plan Reference – May12/06)

### **Summary and Reasons for Recommendation(s)**

This report updates Cabinet on the progress on shared services across the Housing Service and recommends approval of a transitional structure and identified savings, ahead of full transformational changes that will be possible following changes to the corporate approach to customer access.

### **Recommendation(s)**

**Cabinet are recommended to approve the transitional structure for Housing Services as recommended by the Shared Services Steering Group at the meeting on 20 April 2012 .**

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## **How will the recommendations help us meet our strategic priorities?**

1. The recommendation will enable the early transition of the two separate services into one housing service, which will assist in providing a flexible workforce with increased resilience and capacity to enable sufficient staff time to be allocated to the identified strategic housing priorities.

## **Wards affected**

2. The proposals do not impact directly on any one individual Ward, but as a whole will indirectly impact on all Wards.

## **Key Issues**

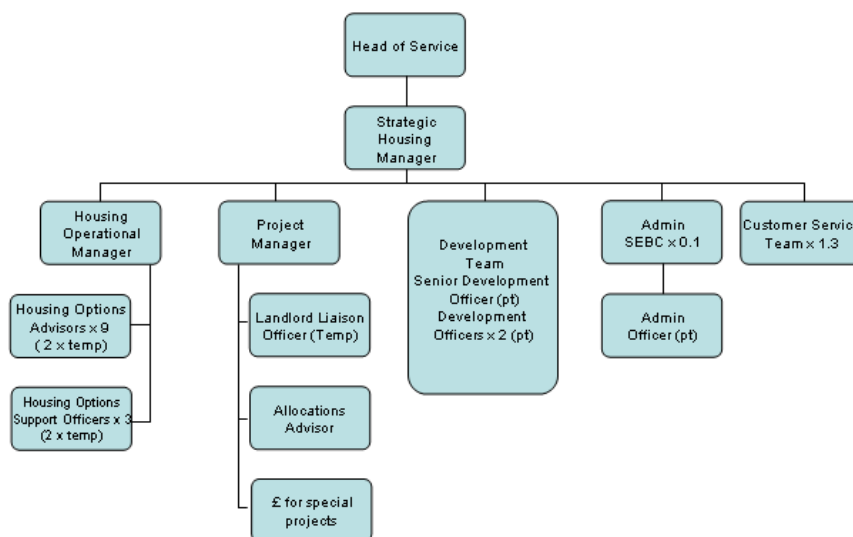
3. The Housing Service being a major front line service was selected as a phase two service within the shared service programme with three distinct aims:
  - ◆ To integrate the services of two different Councils into one
  - ◆ To make savings
  - ◆ To transform the services and change radically the way that they operate.

Considerable work has been undertaken to understand the views of customers and identify the change opportunities available resulting in a Business Case that includes both transitional and transformational opportunities.

4. However it at this stage it is felt that transformational opportunities will take longer to introduce and should, therefore, be deferred and progressed alongside other services as part of the wider corporate approach to Customer Access.
5. The Shared Services Steering Group considered Report SSC12/016 at its meeting on 20 April 2012 and resolved to support the transitional structure for housing as detailed in the business case. This will enable some early savings to be achieved ahead of more transformational change.
6. The housing landscape nationally is also a changing, uncertain one and there will be a need to undertake research and close monitoring over the next 12 months to ascertain the full impact of the Social Housing reforms and Welfare reforms introduced by the Government. There is likely to be an increase in demand for the housing advice and options service due to these changes and demand on the housing enabling and development teams to come up with innovative solutions. It is because of these uncertainties that it is proposed to only make minimal reductions at this stage and to retain as much capacity within the housing service as possible, whilst still making some initial savings
7. The fundamental aim of the transitional phase of the business case is to bring the two housing teams together. This can be achieved at an early stage as the two teams are structured very similarly and operate the same IT systems. Initially bringing the teams together will allow savings in the management structure and will result in the required budget savings in 2012/13.

8. The transitional structure would bring the two services together through a single shared Strategic Housing Manager and delete one of the existing Strategic Housing Manager posts (currently a temporary contract which is due to finish at the end of June 2012). The current two Housing Options Managers would reduce to one Housing Options Manager and one 'Project/Transformation Manager' post would be created in the transitional phase, to specifically work on moving forward the transformation of the service over the next 12 months. The additional finance available from savings within the development team would be utilised to buy in expertise to carry out research and monitoring as necessary.
9. Under the transitional structure the remaining housing options and homelessness staff would continue with their current working arrangements but would be required to work flexibly and share expertise where necessary to ensure the expected increase in demand can be met. Details of the proposed structure are set out below.

### **Proposed Transitional Structure**



10. The services need to be integrated quickly in order to achieve the required level of savings in the current financial year and to provide stability to the staffing structures that have a variety of temporary arrangements in place. It is expected that the transitional structure will be in place by July 2012.
11. Transforming the service will take longer but should result in further savings from 2013/14 onwards. The business case identifies the opportunities for transforming the service but it will be difficult to make this level of change and improvement in isolation from other departments of the council because of interdependencies and there are likely to be more opportunities for savings identified through a corporate customer access approach.

### **Other options considered**

12. Whilst the business case does identify other options for providing the service which could be investigated further, as both councils have agreed to share services only that option was considered in any detail. Clearly the option to go straight to

transformational change was considered but deemed impractical until the corporate customer access strategy has been implemented and there is a common approach to customers accessing all council services.

### **Community impact**

13. The proposed transitional structure is expected to meet the statutory requirements of the Council. There will be a need for some flexible capacity within the teams in the transitional phase and also flexibility in working across both locations to ensure there is no reduction in ability to meet the statutory requirements. An Equality Impact Assessment is contained within the business case. The assessment does not indicate any negative impacts that can not be mitigated as a result of a shared services approach.

### **What consultation has been undertaken and what were the outcomes?**

14. Formal staff consultation will be carried as a part of the process in line with council policy and legal obligations.

### **Financial and resource implications**

15. The transitional proposal is expected to result in savings of approximately £56,000 per annum out of a total combined budget of £710,684, split on a 50:50 management split in line with agreed conditions, giving approximately £28,000 to FHDC and £28,000 to SEBC. There will be no further costs required to realise this saving.

### **Risk management implications**

16. Temporary staff arrangements will not be sustainable in the longer term and therefore formalising a transitional structure ahead of a more radical transformation should offer some stability and re-assurance to permanent members of staff.

### **Legal/Policy implications**

17. Both Councils will be required to meet all of the requirements of employment law in redeploying or releasing staff.

### **Documents attached**

None.

### **Background papers**

Report No SSG 12/008 – Shared Services Steering Group – 24 February 2012  
Report No SSG 12/016 – Shared Services Steering Group – 20 April 2012  
Business Case for Transitional Shared Housing Service