
Chief Executive's Office

Please ask for: Mr A Uren
Direct Dial: (01257) 515122
E-mail address: tony.uren@chorley.gov.uk
Date: 11 September 2006

Chief Executive: Donna Hall

Chorley
Council

Town Hall
Market Street
Chorley
Lancashire
PR7 1DP

Dear Councillor

HOUSING TRANSFER COMMITTEE - TUESDAY, 12TH SEPTEMBER 2006

I am now able to enclose, for consideration at the above meeting of the Housing Transfer Committee, the following reports that were unavailable when the agenda was printed.

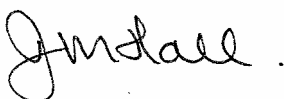
Agenda No Item**6. Presentation on Financial Position (Pages 15 - 18)**

A report of Mr A Johnson (Enterprise BWNL) is enclosed.
Mr Johnson will make a short presentation on the item at the meeting.

7. Homelessness and Allocations Review (Pages 19 - 72)

A joint report of the Director of Finance and the Director of Development and Regeneration, with appendices, is enclosed.

Yours sincerely



Chief Executive

Encs

Distribution

1. To all Members of the Housing Transfer Committee for attendance (Councillors Peter Malpas, Peter Goldsworthy, Greg Morgan and Francis Culshaw)
2. To Colin Campbell (Executive Director – Environment and Community), Gary Hall (Director of Finance), Roger Handscombe, Helen Schofield (Corporate Transfer Project Officer), Tony Uren (Democratic Services Officer), Alan Johnson (Enterprise BWNL) and Rob Beiley (Trowers and Hamblins) for attendance.

3. To Donna Hall (Chief Executive) and Steve Pearce (Assistant Head of Democratic Services) for information.

This information can be made available to you in larger print or on audio tape, or translated into your own language. Please telephone 01257 515118 to access this service.

આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

01257 515823

کیجئے:

CHORLEY BOROUGH COUNCIL**Housing Transfer Committee****12th September 2006**

**Report Title: FINANCIAL ISSUES TO BE ADDRESSED IN THE POST
BALLOT PERIOD**

1. Purpose

- 1.1 The purpose of this report is to inform the Committee of the range of financial issues that will need to be considered in the post ballot period.

2. Recommendations

- 2.1 The Committee is asked: -
- to note and comment on the contents of this report.

3. Background

- 3.1 In the post ballot period, agreement will need to be reached on the financial arrangements for the transfer of assets from the Council and a range of services that may be provided to and from the Council.
- 3.2 In the absence of any formal agreement on both the assets that will transfer and the service provision arrangements this report is intended to set the scene for future discussions and negotiations with the Chorley Community Housing (CCH) and to obtain the initial views of Members on the possible arrangements.
- 3.3 Details of the various types of financial transactions that are envisaged are set out in the following paragraphs.

4. Stock Valuation

- 4.1 Normally there would be intense negotiations on the valuation of the housing stock between the local authority and the acquiring landlord in the post ballot period.
- 4.2 The provisional valuation of the stock has been fixed at £2.7 million which is just sufficient to meet the costs of setting up the transfer. All existing Council HRA debt, estimated at some £8 million, will be written off by DCLG.
- 4.3 In these circumstances there is little advantage in the Council seeking to increase the valuation as this would simply result in a reduction in the amount of debt to be written off by DCLG and would benefit neither the Council nor CCH and the tenants.

- 4.4 Conversely the Council cannot afford to accept a reduction in the provisional stock valuation as such reduction would result in setting up costs having to be met directly from Council resources.
- 4.5 It is therefore accepted in principle by both parties that the provisional valuation of £2.7 million is “fixed” and that the negotiation will focus on the other financial arrangements that will be put in place, as shown in the following paragraphs. However, as a safeguard, the Council should seek an indemnity from CCH in respect of any excess costs.

5. Sale of Assets not included in the Valuation

- 5.1 It is expected that the Council will wish to dispose of the following assets, although not all of these would necessarily be acquired by CCH:-

Building Maintenance DLO

- Vehicles
- Plant and machinery
- Depot and stores (medium term possibility)

Housing Management

- Rent arrears – current arrears
- Former tenants' arrears
- Sundry debtors
- Service charge arrears

Premises and Land

- Development land excluded from the transfer
- IT equipment
- IT systems
- Office furniture and equipment

Staff

- Outstanding car leases and loans in respect of transferring staff

6. Disengagement Issues

There are a large number of disengagement issues which will need to be considered during the post ballot period. These include

- IT issues
- Telephony issues
- Service level Agreements
- Staff issues
- Car leases and loans
- Homelessness and Allocation Service
- Inventories
- Land transfer
- Accommodation
- Procurement

7. Longer Term Arrangements

It is usual for the transfer agreement to include arrangements for the Council to share in some of the financial benefits that will accrue to CCH over a period of years following the transfer. Typically these arrangements would include:

- 7.1 **Development clawback** – with the Council taking a share of any future commercial development values generated on land disposed of as part of the transfer.
- 7.2 **Right to Buy clawback** – with the Council taking a share of the income from RTB sales post transfer. (Detailed arrangements to be negotiated).
- 7.3 **VAT Shelter** – as Members are aware, it is intended that the VAT shelter arrangements will be applied to the stock transfer. Depending on the actual detail the arrangements may be set up in a way that the Council shares in any benefit over and above that allowed for in the CCH business plan
- 7.4 In this context it has already been agreed in principle that the costs of environmental warranties and Pension Scheme underfunding in respect of transferring staff will be a first charge against the monies generated through the VAT Shelter arrangements.

8. Provision of Services

- 8.1 It is expected that the Council will provide a range of services to CCH in the first year of operation. These may include:-
 - Office accommodation and allied services
 - IT
 - Financial services
 - Legal
 - Human resources
 - Grounds maintenance
- 8.2 It is also possible that CCH will provide services to the Council such as:
 - Support in carrying out statutory housing services
 - Support in emergency planning

In each case a detailed service level agreement will need to be drawn up and the content and price agreed between the two parties.

9. Set Up Costs

- 9.1 As reported to the Executive Cabinet meeting on 24 August, it is estimated that the post-ballot set up costs will be in the order of £432,000 for the Council and £1,043,000 for CCH.

The CCH costs will be funded by a loan from the Council that is technically repayable at the point of transfer. However in reality all CCH set up costs will be met from the stock transfer valuation.

The Council will be expected to agree that loan in respect of the post ballot costs incurred on behalf of CCH will be written off if the transfer does not proceed for whatever reason.

EBWNL - 22 August 2006

Chorley Council



FINAL REPORT

Best Value Review of the Homeless and Allocations Services

Version Control		
V.1.1	First Draft	15/12/05
V.1.2	Second Draft	17/01/06
V.1.3	Third Draft	April 06
V.1.4	Final Draft	27/04/06
V.1.5	Final Draft 2	May 06
V.1.6	Final Draft 3	June 06
V.1.7	Final report	Sept 06

Homeless Service and Allocations Service Best Value Review

Contents

	Page
1. Background	2
2. Review Purpose	2
3. Scope of Review	2
4. Outline of the Service	3
5. Challenge	6
6. Consultation	7
7. Comparison	8
8. Competition	9
9. Areas for Improvement	12
10. Conclusion and Recommendations	13
11. Appendices	

Homeless Service and Allocations Service Best Value Review

1. BACKGROUND

Chorley Borough encompasses an area of approximately 80 square miles, comprising the market towns of Chorley and Adlington, and 23 mainly rural parishes. To the North and West the Borough adjoins West Lancashire and South Ribble Councils, and to the South and East, Wigan and Blackburn. The Borough's Council housing stock at 1 April 2004 was 3,120, which represented less than 50% of the total social rented stock in the Borough.

In line with Government requirements, Chorley Borough Council completed an options appraisal of its housing stock in December 2004. The appraisal, which was led by a Steering Group of 15 tenants/leaseholders and 10 Councillors, concluded that a Large Scale Voluntary Transfer (LSVT) of the Council's housing stock to a Registered Social Landlord (RSL) was the option most likely to secure the investment needed to deliver tenants' aspirations for the stock, and to ensure the most sustainable future for the housing service. Consequently, the authority submitted an application to the Office of the Deputy Prime Minister (ODPM) for a place on the 2005 transfer list.

Provided tenants vote in favour of transfer in a secret ballot to be held in summer 2006, the entire Council housing stock will be transferred to an RSL in March 2007. The stock at the time of anticipated transfer (March 2007) is estimated to be around 2950. A rigorous process to select a preferred RSL partner has been undertaken, involving tenants, councillors, affected staff, council officers and independent professional advisors. A preferred partner, Adactus, has been chosen. The new RSL will be known as Chorley Community Housing (CCH).

2. REVIEW PURPOSE

After stock transfer the Council would still retain statutory responsibility for homelessness and the allocation of housing but could choose not to supply the services directly. Decisions on whether to retain or contract out these functions need to be made on 'Best Value' principles, with consideration given to retention, contracting out to the stock transfer RSL or to another provider. The purpose of this review and the role of the review team was to consider these matters and to recommend to the Council how these functions could best be carried out following stock transfer.

Extensive guidance has been produced on the stock transfer process, and the relevant extract from the ODPM's Housing Transfer Manual (Section 14) is attached at Appendix 1 for information.

3. SCOPE OF THE REVIEW

The review looked at the homelessness and allocation function that a housing authority can contract out. These are:

- Homelessness assessments and decisions;
- Securing temporary accommodation;
- Allocation of long term social housing;

- Securing provision of advice on homelessness and the prevention of homelessness;

It specifically excludes the following as the Council cannot legally outsource these functions:

- Production of a homelessness strategy;
- The formulation and amending of an Allocation Scheme.

The Council owns a temporary accommodation facility, Cotswold House. Because of the complexity sourcing this issue, it was excluded from this review and will be dealt with separately.

4. OUTLINE OF THE SERVICE

4.1 What is the service?

The services under review were homelessness and allocations. Both are sub-sections of the Housing Needs Service.

Under Section 184 of the 1996 Housing Act, an Authority is required to make inquiries as necessary whenever:

- Someone applies to the authority for accommodation:
and
- The Authority has reason to believe that they may be homeless or threatened with homelessness.

When a customer makes contact, an initial assessment of their situation is made, to decide how to proceed. Subsequent action may involve a same day interview with a Homelessness Officer, an interview within 7 days or an offer of advice and assistance. If we have reason to believe a customer may be homeless, eligible for assistance, and in priority need we have a duty to secure interim accommodation. This may involve offering a place at Cotswold House (Chorley BC's homeless hostel), or finding other temporary accommodation. The customer may well be referred to other agencies for advice and assistance.

If the Council accepts a full homeless duty to a customer, they will be assisted to find temporary accommodation in the short term, and will be added to the housing waiting list. Their homeless status gives them points that place them close to the top of the list. They will be offered a property as one becomes available, in the same way as anyone else on the waiting list.

The Housing Strategy 2005-2008 includes as one of its priorities 'Reduce incidences of homelessness within the Borough'

The authority is seeing an increase in homeless acceptances and applicants in priority need. This, together with the reduction in turnover in the social rented stock, has put increased pressure on temporary accommodation facilities in the Borough. The Council has sought to address this through increasing the number of temporary accommodation facilities to enable it to meet its policy of not using bed & breakfast accommodation.

The Council, as a landlord, has a role to play in reducing homelessness, not only by rehousing homeless individuals and families, but also by working with our tenants to enable them to maintain their tenancies. The Tenant Support Team works with a

range of vulnerable individuals to provide assistance to enable them to maintain satisfactory tenancies.

The Council has an agreed Rent Arrears Policy and Neighbourhood Nuisance Policy, both of which seek, in the first instance, to find solutions that enable tenants to maintain their tenancy whilst complying with its terms.

The Allocations Service is a comprehensive housing allocations management service following guidelines and statutory obligations, various housing act legislation and good practice guides. The Allocations Policy operates through a points assessment scheme based on housing need to decide which applicants on the waiting list have priority for accommodation.

4.2 Partner Agencies

The Citizen's Advice Bureau (CAB) is often involved in the process in one of two ways. Customers may present to CAB prior to presenting to the local authority. CAB will advise whether they think the Council can assist or will offer advice and assistance in finding accommodation. Secondly, if a customer presents to the Council first, they may be referred to CAB for advice and assistance in finding accommodation and in keeping the accommodation to prevent repeat homelessness. The CAB has a post of Homeless and Advice Worker, which is jointly funded by CAB, Chorley BC and a grant from the Office of the Deputy Prime Minister (ODPM). The focus of this post is to prevent homelessness wherever possible. The arrangement has proved very successful and there is no reason to change this at present.

Customers whom the Council does not have a statutory duty to rehouse are often referred to Help the Homeless, a voluntary organisation which can offer support to homeless people seeking accommodation.

4.3 What are the current service standards?

4.3.1 Homeless Service

The Homeless Service aims to:

- Deal with homeless applications in an efficient, sensitive and effective manner;
- Conduct homeless investigations within the spirit and expectations of the National Code of Guidance;
- Ensure that all homeless decisions are made within the Housing Act 1996, Homeless Act 2002 and relevant case law;
- Provide an accessible, customer-focused homeless service with clear service standards;
- Provide an accessible appeals procedure.

The current standards of the homeless service are:

- All enquiries to be dealt with in confidence;
- A private interview to anyone who thinks they are homeless or may become homeless within 2 working days of applying;
- A home visit within 7 days of the request if someone has difficulties attending an interview;

- The services of an interpreter if the first language is not English;
- The services of intermediaries if someone has hearing or speech difficulties or other special needs;
- Premises used by the Homeless Team to be accessible to people with physical or sensory disabilities;
- An interview with a Homeless Officer of the same sex if someone is homeless because of violence or threats of violence;
- Completion of homeless investigations and written notification of our decision within 33 days (60 days in exceptional or complex cases) and an explanation of the decision in person if someone has difficulty in understanding the consequences of the decision;
- A same day emergency appointment if someone is homeless due to an emergency;
- A 24-hour emergency homeless advice service if someone becomes homeless outside of office hours.

4.3.2 Allocations Service

Chorley Borough Council, through the Allocations Service, aims to:

- Provide affordable housing for rent for people in housing need and to create sustainable, balanced communities.
- Allocate housing to people in the greatest need, in a fair and accountable way which gives all applicants equal access to our waiting and transfer lists and equal treatment regardless of race, ethnic origin, colour, religion, sex or sexual orientation.
- Ensure that it is properly and adequately informed about local housing needs and about its own performance against its targets.
- Establish and maintain the best possible partnerships with registered social landlords and other statutory, private sector and voluntary organisations concerned with housing.

4.4 **How big is the service?**

4.4.1 Homeless Service

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Number of homeless applications	459	508	493	596	484	549
Number of applicants owed full duty (statutory Homeless)	133 (29%)	127 (25%)	118 (24%)	241 (39%)	235 (49%)	190 (35%)

From the figures, it can be seen that the number of homeless applicants peaked in 2003/04 and has fallen over the last two years. However, of those applicants, an increasing number are statutorily homeless. This has implications for the volume of work for the homeless service and the allocations service. Also, as can be seen in the table below, it means the average wait for the statutorily homeless to be rehoused is increasing whilst for others it is staying the same or decreasing.

Average wait to be rehoused (in days)			
Year	All Housing Applicants	OAP	Statutory Homeless
2000/2001	245	402	67
2001/2002	244	425	43
2002/2003	270	377	89
2003/2004	244	331	135

4.4.2 Allocations Waiting List

	2000/1	2001/2	2002/3	2003/4	2004/5	2005/6
Number of applications	367	640	1128	1655	1818	1935
Number applicants rehoused	393	369	325	316	254	271

This shows a dramatic increase in the number of applicants waiting to be rehoused. The Council experienced a significant decline in availability of properties over recent years, whilst there was an increase in demand for both temporary and permanent accommodation. In particular, demand for specialist supported accommodation far outstrips supply e.g. for women fleeing domestic violence, ex offenders and the young single homeless. This position eased slightly in 2004/05.

4.5 What resources does the service use?

The Homeless Assessment Service employs two full time officers, a Senior Homeless Officer and a Homeless Officer. The service also requires management input from the Homelessness Manager and the Housing Needs and Investment Manager. Independent housing advice is provided by a Homeless Advice Worker based at the Citizens' Advice Bureau.

The Allocations Service employs a Senior Allocations Officer and two Allocations Officers although not all of their time is spent on tasks associated with waiting list management; they also spend time on the allocations process and property void management. The Housing Services Manager spends approximately 10% of their time on management of the waiting list.

The total cost of the current services is £87,840. Appendix 2 gives more detail.

5. CHALLENGE

5.1 Why do we provide the service?

The 1996 Housing Act (as amended by the Homelessness Act 2002) places a duty on District Authorities to help homeless people.

As stated above, under Section 184 of the 1996 Housing Act, an Authority is required to make inquiries as necessary whenever:

Someone applies to the authority for accommodation:
and

The Authority has reason to believe that they may be homeless or threatened with homelessness.

Homelessness Act 2002

This Act requires housing authorities to adopt a strategy for preventing homelessness in the district and for ensuring sufficient accommodation and support will be available for those who are homeless or at risk of homelessness. Strategies must be developed after a review of homelessness and must be reviewed at least every five years.

Housing Act 1996, Part 6 (As amended by 2002 Act)

This Act requires housing authorities to publish an allocation scheme and allocate housing to eligible applicants in accordance with the scheme. The Act also affects Registered Social Landlords. On request, they must, if it is reasonably possible, co-operate with local authorities in offering available accommodation to people in priority need under the allocation scheme.

Housing Act 1996, Part 7(As amended by 2002 Act)

Housing authorities must:

- Ensure that the provision of advice on homelessness and the prevention of homelessness is available free of charge to everyone in their district;
- Give proper consideration to all applications for housing assistance and make inquiries to see whether they owe any duty under Part 7;
- Decide whether applicants are eligible for assistance, are homeless and have a priority need, and whether homelessness has been brought about unintentionally;
- Ensure that suitable accommodation is available for people who have a priority need and are homeless through no fault of their own;
- Ensure that certain other homeless applicants, for example those who do not have a priority need or who have brought homelessness upon themselves, receive advice and assistance in finding accommodation for themselves.

6. CONSULTATION

The customers using the Homeless Service are invited to complete a short questionnaire about the service they received. Each customer is offered a questionnaire but not all choose to complete and return them.

Results are available for the period April 04 to September 05. The number of respondents is small, so the results should be treated with some caution but some common themes are identifiable.

6.1 The results for the Homeless Service are summarised below:

- The main reason for contacting the Homeless Service was that people were homeless.
- A personal visit was the preferred way to contact the service
- The majority reported that the appointment made for them was at a convenient time
- Most customers reported receiving the information they needed; but in 2005, 3 of the 8 respondents did not.
- 4 respondents were satisfied or very satisfied with the advice given; 2 were not
- All felt they were interviewed in an appropriate manner and 7 felt the person who interviewed them was helpful
- Most respondents suggested the person who interviewed them was sympathetic to their situation
- 5 respondents were generally very satisfied or satisfied with the service received; 2 were dissatisfied.

Customers of the Homeless Service are generally satisfied with the service they receive but a sizeable proportion is dissatisfied and feels they did not receive the information that they needed.

The results of the consultation exercises were considered in drawing up the Improvement Plan for the service.

6.2 Allocations Service.

When the Allocations Policy and Procedures were developed, Housing Associations, housing service partners, neighbouring authorities, the County Council and the Voluntary Sector including the Faith Communities were consulted and their views were considered in drawing up the final document.

A full list of consultees is available on request from Housing Services or Corporate and Policy Services.

The Tenants Forum was consulted on the Allocations Policy and Procedures and has the opportunity to raise any issues, including ones relating to allocations, at meetings. Also, the Council has a formal complaints procedure that can be used by tenants or potential tenants. No allocations issues have been raised in the last year.

7. COMPARISON

Comparison of the service with others can be carried out quantitatively and qualitatively. The former considers performance indicators and targets, the latter considers performance against recognised best practice.

Cost comparisons would have been helpful to this review but no useful information could be found. A group of local members of the Chartered Institute of Public Finance Accountants (CIPFA) and Housemark were approached but could provide no useful data. Services are provided and costed differently by each authority making it difficult to compare like with like.

There are currently 6 Best Value Performance Indicators that all housing authorities must collect. Two, which relate to homelessness advice and prevention, are new for 2005/06 so no comparative information is available.

The remaining four have outturn data and national comparisons.

- 183a Length of stay in temporary accommodation (B&B)
- 183b Length of stay in temporary accommodation (hostel)
- 202 Number of rough sleepers
- 203 Changes in number of families in temporary accommodation

Housing Services has its own local indicators.

Proportion of homeless applications on which LA makes a decision and issues written notification to the applicant within 33 working days.

Time taken in calendar days from the authority becoming aware that a household was homeless or threatened with homelessness within 28 days, to the date the authority issued a decision under S184 (3) Housing Act 1996 to the household.

Number of families in B&B

Appendix 3 shows the available data for these indicators. Overall, Chorley compares well for all but length of stay in hostel accommodation which is just below the all England median value of 8.

8. COMPETITION

8.1 Market Experience

As previously discussed, the Council would still retain statutory responsibility for homelessness and the allocation of housing, were the housing stock to transfer to another agency. However, certain functions may be carried out either in-house or contracted-out. Some local authorities have transferred their homeless and allocations functions to the stock transfer body, with mixed success. In an attempt to ascertain what influenced their initial decision and how successful the transfer has been, a number of authorities have been contacted.

Within Lancashire, nine districts have already undertaken LSVT. Of these, six decided to retain the homelessness and allocations functions in house. Of the three that put these services out, two have now taken back in house due to poor performance and cost issues. Only Rosendale has left these functions out of house with its LSVT provider.

There is no clear rationale for retaining or outsourcing, but a clear pattern was evident. Decisions seem to be based on local circumstances rather than a formulaic approach.

Problems with the homeless service, as experienced by others, could be overcome if a high quality service specification is in place. It should be noted that there are demanding government targets for these services (a halving of the use of temp accommodation by 2009 and the elimination of homelessness by 2010) which is likely to require on going and far reaching change in these service over next three to four years. In order to encourage sustained good performance and avoid being bound by a long term agreement which is not working as well as planned, services could be provided for a limited period, with a specified review date.

8.2 Options Appraisal

The Chorley BC Procurement Strategy gives guidance on the factors to be considered by review groups in recommending whether a service should remain in-house or be out sourced. There are also a number of other service delivery options. Appendix 4 lists the various options, with a brief description.

The guidance contains a matrix that lists the factors that should be considered in coming to a recommendation on the future of a service. Each of the services under review was considered separately. The scores indicate that alternative options are likely to be worth pursuing, though they are only just into this category. The results are included at appendix 5.

The completed matrices were referred to the Council’s Procurement Working Group for comment. The group agreed with the scores and the related reasoning for their selection.

8.3 Alternative ways of providing the services.

Keeping the services in-house or out sourcing them to a new RSL are not the only available options. The Review Group considered joint provision with a neighbouring authority or authorities. It was felt that there may be some small saving in management costs, but that as services would still need to be provided locally, there would be no significant advantages or savings made from economies of scale.

The review group drew up a matrix to examine the advantages and disadvantages of out sourcing the services.

Keeping the homeless assessment and allocations responsibilities together provides better access to accommodation and seamless services between accommodation allocation, Keywork and Tenant Support Services. Whether or not the services are delivered in-house or by an outside supplier, the review group believes they should be treated as a single unit. This is particularly true given the small number of people involved in delivering these services.

8.3.1 Homeless and Allocations Services

Advantages of outsourcing	Disadvantages of outsourcing
	Homeless assessment and landlord function not separated – increasing the opportunities of a potential conflict of interest.
New organisation may offer more flexible opening times and more creative ways of delivering services.	Council has less control in managing/influencing performance at operational level. However, if responsibility for doing reviews is kept by the Council this would provide effective monitoring of service but would add to service cost.
New RSL partner may have more flexibility in providing other alternative temporary accommodation provision thus continuing avoidance of using B&B	

Advantages of outsourcing	Disadvantages of outsourcing
<p>More staffing capacity – cover for sickness absence/leave etc.</p> <p>Additional Staff Training on legislation/policy changes, customer services etc with no cost to Council</p>	<p>Council cannot contract its responsibilities for producing a prevention of homelessness strategy, and homeless assessment is an essential element of delivering that strategy.</p>
<p>Provides a clear separation between the initial assessment and any appeal reviews (assuming responsibility for doing reviews is kept by the Council)</p>	<p>Council cannot ensure responsibility for re-housing homeless applicants is shared across social landlords and not predominately the transfer RSL</p>
<p>Possible shared costs of the development and implementation of a Choice Based Lettings scheme including marketing.</p>	<p>Council may be better placed to introduce choice based letting across a range of RSL's.</p>
<p>New RSL may be able to provide financial assistance/resources for service delivery and improvements to achieve Council's strategic objectives e.g. Prevention of Homelessness Strategy, Options Packages, Rent Deposit Schemes etc</p>	<p>Council has less control of a statutory service that will be included in the CPA assessment.</p>
<p>Council might be able to share cost of IT set up and maintenance.</p>	

8.4 Costs of the alternative ways of providing the services

8.4.1 Retention of Services In-house

The cost to the Council would be in the region of £96,000. This is based on an assessment of staff required to run the Homeless Management and Allocations services plus identified service improvements. The costs are based upon current established costs, but there may be further grading issues dependant upon finalising job descriptions which would add to the cost, but only at the margins.

8.4.2 Outsource to Chorley Community Housing

The cost implications to the Council of this option surround any, as yet to be specified, additional staffing requirements involved in managing the contract through the Strategic Housing function, plus the cost of providing the service improvements.

8.4.3 Outsource to Other Provider

There has been no assessment carried out of costs of alternative providers.

Note

Any financial issues relating to the management of Cotswold House are not included in any of the above.

9. AREAS FOR IMPROVEMENT

The process of this review, in particular the feedback from partners, comparisons with other authorities and knowledge of best practice, has highlighted some areas for improvement. The improvements are reflected in revised service specifications that are attached at appendices 7 and 8.

9.1 Homeless Service

The main area for improvement is the prevention of homelessness, particularly statutory homelessness. This could be addressed in a number of ways:

- Provision of a 'triage' service to assess the needs of customers and where appropriate refer clients to organisations, which can best assist them to prevent and reduce incidences of homelessness
- Develop and provide specific Prevention of Homelessness Services. (A number of possible initiatives are listed within the draft service specification at appendices 7 and 8)
- Assist and offer training to agencies with the aim of providing consistent housing advice and housing advice material
- Assist agencies to provide clear and simple information about the services they can offer and their policies and objectives

9.2 Allocations Service

The ODPM has announced that all Housing Authorities and partner RSL's should have some form of a Choice Based Lettings Scheme in place by 2010. The purpose is to provide a more transparent allocation process for customers and staff. The Council's Corporate Strategy 2006/07 – 2008/09 includes, as a key project, establishing a choice-based lettings scheme to cover 50% of the RSL rented stock by 2009.

Although the Council's current Allocations Policy is designed to meet the needs of those in greatest housing need, the system is lengthy and the administration of the system can be bureaucratic and frustrating for customers and staff. A Choice Based Lettings Scheme gives customers choice of property, location and if the scheme includes other housing providers, a choice of landlord and tenure.

The new scheme will need to achieve balanced letting to statutory homeless applicants to avoid an increase in temporary accommodation blocking and achieve government targets on the prevention of homelessness. A review highlighting alternative options for securing temporary accommodation has already been undertaken and its recommendations are now being implemented. This involves partnership working with New Progress Housing Association and private landlords and should help increase the availability of temporary accommodation.

At this point, it is unclear what the cost and implications of the introduction of a Choice Base Lettings Scheme will be to the Council but they are expected to be minimal.

All of the above improvements are included in the draft improvement plan at appendix 9.

10. CONCLUSION AND RECOMMENDATIONS

The purpose of this review was to recommend how, as part of a stock transfer, Chorley Borough Council's homeless assessments and decisions, securing temporary accommodation, allocation of long term social housing and securing the provision of advice on homelessness and the prevention of homelessness functions, could best be carried out.

There is a strong legislative framework covering the services and their provision is not discretionary; they must be provided.

Having consulted with partners (CAB and Help the Homeless) and customers of the homeless service, there are improvements to services that can be introduced at minimal cost.

Having compared service performance (2004/05), through best value performance indicators, with other local authorities, no major problems have been identified. The length of stay in hostel accommodation is just below the national median and so could be improved.

Having looked how other authorities provide the services, there seems to be a local pattern of in-house delivery following LSVT. At least two authorities have taken these services back in house following poor performance by an external supplier.

Looking to the future, the Council needs to introduce a Choice Based Lettings scheme and needs to meet the demanding government targets for the reduction of homelessness. This may have cost implications, for Chorley whether or not the services are outsourced or remain in house.

The above led the Group to consider the local circumstances that could influence Chorley's decision. Overall, the advantages of keeping both services in house outweighed those of outsourcing at the present time or providing it jointly with another local authority. This is particularly the case in view of small size of services.

The services generally compare well in terms of performance indicators although some service improvements have been highlighted through a qualitative comparison with other councils. Consultation, with customers and partners, has highlighted that customers are generally satisfied with the service though there are some issues to be addressed through the service improvement plan and the revised service specifications.

In cost terms, retention of the service is broadly cost neutral as no assessment can/has been made of the alternative options it is the service delivery issues that are influencing the decision to retain the service internally.

Therefore, the Review Group recommends that:

1. Homeless assessments and decisions, together with securing consequential accommodation, are retained in house for at least the next two years with a further review being scheduled for 2009 to examine whether outsourcing might be appropriate at that time;
2. The independent homeless advice continue to be provided through a separate contract with an independent provider;
3. Allocation of long term social housing is retained in house on staffing model shown at appendix 10 and included in review above.

4. The Council places these services under the control of its Strategic Housing function;
5. Within its Strategic Housing function, CBC establishes clear processes to monitor and review performance in order to fulfil the authority's statutory responsibilities in relation to homelessness and allocations;
6. The Council, through its Strategic Housing function retains responsibility for the production of the housing strategy and prevention of homelessness assessment appeal reviews procedure.

Appendices

Appendix 1 - Extract from the ODPM's Housing Transfer Manual (Section 14)

Appendix 2 – Service Costs

Appendix 3 – Performance Indicators

Appendix 4 - Procurement Options

Appendix 5 - Options Appraisal Matrices

Appendix 6 - Interpretation table

Appendix 7 – Draft Homeless Specification

Appendix 8 – Draft Allocations Specification

Appendix 9 – Service Improvement Plan

Appendix 10 – Proposed Organisation Structure

SECTION 14

The Local Authority's housing role and functions after transfer

KEY POINTS

- After stock transfer, a local housing authority retains all statutory functions in relation to homelessness and the allocation of housing; in considering its plans for transfer it is essential that an authority plans for its role after transfer to take forward broad-based strategies.
- Local housing authorities are required by law (Homelessness Act 2002) to have a strategy for preventing homelessness and for ensuring that accommodation and any necessary support will be available to everyone who is homeless or at risk of homelessness in their district.
- Certain functions may be discharged in-house or contracted-out.
- Decisions on whether to retain in-house or contract out housing functions should be made on a Best Value basis, with consideration given to retaining functions in-house, contracting out to the stock transfer landlord or contracting out to another agency.
- Local housing authorities remain statutorily responsible for any homelessness and allocations functions that are contracted out.

- 14.1 Where homelessness and/or allocations functions are contracted out, authorities must have adequate monitoring and quality assurance mechanisms in place to ensure their statutory duties are being fully discharged. Nominations agreements should be drawn up with due regard to the statutory obligations of the local authority's and the RSL's statutory obligations, the Housing Corporation's Regulatory Code and to any homelessness or allocations functions that have been contracted out to the stock transfer RSL or any other party.

Ensuring continued housing services post-transfer

- 14.2 Following transfer, local housing authorities retain an important strategic and enabling role, and retain all statutory obligations in relation to homelessness, the allocation of housing and private sector housing. Many of these services are required by statute and the Secretary of State will not grant consent to the transfer if the authority cannot demonstrate convincingly that they will be provided satisfactorily in the future. Performance in these areas will continue to be a part of a post-transfer authority's Comprehensive Performance Assessment and future Best Value reviews.

Strategic role

- 14.3 Transfer provides an opportunity to clarify and strengthen an authority's strategic housing role. Provision of adequate resources (including staffing resources) will be vital in dealing with the wider housing market in the area and, in particular, handling the authority's relationship with the new landlord(s) and other local housing providers.
- 14.4 In its report on housing services after stock transfer *Housing After Stock Transfer; Audit Commission 2002 (100)*, the Audit Commission recommends that, in preparing for transfer, councils should ensure that existing and future service users are fully involved in shaping retained housing functions. A senior non-transferring officer should be designated as responsible for planning post-transfer housing services, in consultation with council members. These plans should cover, among other things, post-transfer arrangements on Anti-Social Behaviour Orders. Full guidance on the strategic role and its relationship with other local authority activities has been provided jointly by ODPM and the Chartered Institute of Housing at:
www.housing.odpm.gov.uk/local/stratsandplans/index.htm
- 14.5 The relevant obligations are set out in the Homelessness Act 2002 and Parts 6 and 7 of the Housing Act 1996 as amended by the 2002 Act. The Homelessness Act 2002 places a new duty on housing authorities to have a homelessness strategy based on a review of all forms of homelessness in their district. Under Part 6 (as amended), housing authorities must publish an allocation scheme. Under Part 7 (as amended), they have a general duty to ensure that advice and information about homelessness, and the prevention of homelessness, is available to everyone in their district free of charge. The detailed provisions are set out below.

Under the 2002 Act:

- 14.6 Housing authorities must adopt a strategy for preventing homelessness in their district and for ensuring that sufficient accommodation and support will be available for people who are homeless or at risk of becoming homeless. Strategies must be based on a review of homelessness and must themselves be renewed at least every five years.

Under Part 6 of the 1996 Act (As Amended by the 2002 Act):

- 14.7 Housing authorities must publish an allocation scheme and allocate housing to eligible applicants in accordance with that scheme. RSLs must, on request and insofar as it is reasonable, co-operate with LAs in offering available accommodation to people in priority under their allocation scheme.

Under Part 7 of the 1996 Act (As Amended by the 2002 Act):

- 14.8 Housing authorities must:
- ensure that the provision of advice on homelessness and the prevention of homelessness is available free of charge to everyone in their district;
 - give proper consideration to all applications for housing assistance, and make inquiries to see whether they owe any duty under Part 7;

- decide whether applicants are eligible for assistance, are homeless and have a priority need, and whether homelessness has been brought about unintentionally;
 - ensure that suitable accommodation is available for people who have a priority need and are homeless through no fault of their own;
 - ensure that certain other homeless applicants, for example those who do not have a priority need or who have brought homelessness upon themselves, receive advice and assistance in finding accommodation for themselves.
- 14.9 RSLs must, on request and insofar as is reasonable, co-operate with local authorities in helping them to discharge their homelessness functions.

Arrangements for Discharge of Obligations

- 14.10 The new duty under the Housing Act 2002 to produce a homelessness strategy cannot be contracted out; nor can be a housing authority's overall responsibility for homelessness and housing allocation functions.
- 14.11 Using their powers in section 70 of the *Deregulation and Contracting Out Act 1994* and the *Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order (SI 1996/3205)* (the contracting out provisions), authorities may contract out certain homelessness or housing allocation functions to the new transfer landlord or to another agency. These functions may comprise:
- homelessness assessments and decisions;
 - securing temporary accommodation;
 - allocation of long term social housing;
 - securing provision of advice on homelessness and the prevention of homelessness;
 - the formulating and amending of an Allocation Scheme is not something that can be contracted out.
- 14.12 As the Audit Commission report on housing transfer emphasises, in considering how they will discharge their homelessness and housing allocation functions post-transfer, authorities should adopt a Best Value approach to deciding the best options for their district. This may involve:
- drawing up clear service specifications;
 - benchmarking services with housing authorities operating in similar contexts and researching the current provider market;
 - giving due consideration to the options of retaining functions in-house, contracting out to the stock transfer landlord or contracting out to another agency;
 - considering the merits of packaging functions into a single contract or market testing each service separately.

14.13 When considering contracting out homelessness functions, authorities should ensure that:

- arrangements are consistent with their requirement under the Homelessness Act 2002 to have a strategy for preventing homelessness and ensuring that accommodation and any necessary support will be available to everyone who is homeless or at risk of homelessness in their district;
- a high quality homeless service will be provided, in particular the assessment of individual applicants and the provision of advice and assistance;
- both short-term and settled accommodation will be available for homeless applicants accepted as owed the main homelessness duty to secure accommodation.

Arrangements in respect of contracted out functions

14.14 Housing authorities remain statutorily responsible for any homelessness and allocations duties that are contracted out. This means that they have adequate contractual, monitoring and quality assurance mechanisms in place.

14.15 The contract should be based on a clear service specification covering all of the authority's statutory obligations. It should define the responsibilities of the authority and the contractor for policy and for securing compliance with the authority's statutory duties. It should also incorporate service standards, performance indicators and targets and make some linkage between achieved performance and contractor fees. It should also allow for continuous improvement. Provision must be made for action to be taken in the event of seriously unsatisfactory contractor performance.

14.16 The contractor will have operational responsibility in accordance with the terms of the contract (see section 72(2) and (3) of the *Deregulation and Contracting Out Act 1994*). This could include acting on the authority's behalf in making nominations to third party landlords. Where this is the case, it is essential that this function be seen by other landlords to be undertaken impartially and without reference to any landlord interests the contractor may have.

14.17 The housing authority should:

- monitor the discharge of those functions to ensure that their statutory responsibilities are being met/fulfilled;
- ensure that the operational staff are fully trained in the legislation and are familiar with the statutory Codes of Guidance and the need to have regard to the guidance when carrying out the functions;
- keep the contracted services and contract arrangements under review; this should include a short-term review to ensure the arrangements are operating effectively in practice and a full review of future options in advance of expiry of the contract term (normally five years).

14.18 Where decision-making in homelessness cases is contracted out, authorities may wish to consider retaining the review function under s.202 of the Housing Act 1996. This may provide an additional degree of independence between the initial decision and the decision on review. The same consideration applies to contracting out the allocation function; authorities may wish to consider retaining the review function under s.167 (4A)(d).

Obligations on registered social landlords and nominations agreements

14.19 Nominations agreements should be drawn up with due regard to the authority's and RSL's statutory obligations, the Housing Corporation Regulatory Code (2002) and to any homelessness or allocations functions that have been contracted out to the transfer RSL or any other party:

- the Housing Corporation's normal expectation of RSLs is for at least 50% of net vacancies to be set aside for local authority nominees. Higher entitlements may be appropriate, depending on local circumstances, e.g. pressure of homelessness, and should be negotiated accordingly;
- variations to standard terms of nomination agreements may be required to reflect the importance of the new transfer RSL in overall supply of housing in a locality;
- agreements with the transfer RSL, when this is also a contractor to the housing authority for some of its statutory homelessness/allocations functions, will need to incorporate clear understandings on procedures (e.g. for monitoring assistance to the authority, nominations to third parties etc.);
- monitoring of nominations outcomes will be required even where allocations are made under common housing register/common allocations or choice based lettings schemes.

14.20 If the transfer RSL reserves the right to refuse to allocate accommodation to certain applicants (e.g. because they have accrued rent arrears), authorities will need to ensure that suitable alternative arrangements are in place to meet the housing needs of such applicants.

Further Guidance

14.21 Further advice is given in Annex S. Official Guidance on the allocation of housing was published in November 2002. The current *Homelessness Code of Guidance for Local Authorities* came into effect in July 2002, and a revised edition is planned for publication in 2004. The ODPM published *Housing Allocation, Homelessness and Stock Transfer – A guide to Key Issues (17)* in January 2004. The document addresses also the implications of partial transfers and Arm's Length Management arrangements in this area.

This page is intentionally left blank

Appendix 2

HOMELESS AND ALLOCATIONS SERVICE COSTS

Homeless Advice and Assessment

Current
£ £

Homelessness Manager 40%	9,900	
Homelessness Officer	15,800	
Senior Homeless Officer	19,500	
	<hr/>	
	45,200	
Add 30% for NI/Sup and other operational costs	<hr/>	
	13,600	58,800

Independent Housing Advice Service - currently CAB

Homeless Advice Worker		25,000
Matching Grant Income		(25,000)

Total Homeless Management

58,800

NB

Homeless Grant from ODPM is used to fund CBC contribution towards cost of CAB worker.

Allocations

Housing Services Manager 10%	2,990	
Senior Allocation Officer 30%	6,690	
Allocation Officer 40%	6,330	
Allocation Officer 40%	6,330	
	<hr/>	
	22,340	
Add 30% for NI/Sup and other operational costs	<hr/>	
	6,700	
Total Allocations		<hr/> 29,040

Total Overall Costs for both services **87,840**

This page is intentionally left blank

Appendix 3

National Indicators

BVPI No.	Description	Outturn 03/04	Target 03/04	Outturn 04/05	Target 04/05	Outturn 05/06	Target 05/06	National Upper Quartile 04/05
183a	Average length of stay in temporary accommodation (B&B)	0	0	0	0	0	0	1
183b	Average length of stay in temporary accommodation (hostel)	9	5	13	5	13	12	0
202	Number of rough sleepers	N/A	N/A	6	0	4	10*	N/A
203	Changes in number of families in temporary accommodation	N/A	N/A	84.62	11	-19.44%	22	-6.94

* national target – No more than 10.

Local indicators

PI No.	Description	Outturn 03/04	Target 03/04	Outturn 04/05	Target 04/05	Outturn 05/06	Target 05/06
HNI 1	Prop'n homeless applications on which LA makes decision & issues written notif'n within 33 wkg days	100%	100%	100%	100%	98.55%	100%
HNI 4	Time to decide	11.53		14.81		23.20	10
	No. of families in B&B	9	5	13	5	2	12

EXTRACT FROM CHORLEY BOROUGH COUNCIL'S PROCUREMENT STRATEGY**4. Options for Procurement - Evaluation Model****4.1 Background**

Chorley Borough Council must demonstrate that we are providing high quality services, efficiently and effectively and achieving best value. The aim is also to show that we are constantly trying to improve services.

Decisions by local authorities on (a) whether to provide, or continue, service delivery by direct, in-house means, (b) whether to provide those services in-house but only after exposure to competition, and (c) whether to out-source services without an in-house bid are at the core of the Best Value procurement approach.

This requirement is regularly confirmed by government and expectations have been clearly set out.

"The 1999 Act does not require authorities to subject their functions to competition in the way in which legislation on compulsory competitive tendering did. Even so, fair and open competition will, in the Government's view, most often be the best way of demonstrating that a function is being carried out competitively". (Para. 26 – DETR Circular 10/99).

"Services should not be delivered directly if other more efficient and effective means are available. Retaining work in-house will therefore only be justified where the authority can show it is competitive with the best alternative. The way in which this can be demonstrated is for an authority to determine in accordance with its procurement strategy and evaluation policy The way in which this is demonstrated is for an authority to determine in accordance with its procurement strategy and evaluation policy, but where there is a developed supply market this will most often be through fair and open competition....." (Para.46).

The presumption, based on the statutory guidance, is that Council in-house services will be exposed to genuine competitive tests unless it can be demonstrated that an external solution would be inappropriate.

4.2 The Options for Procurement

It is the aim of Chorley Borough Council to make key procurement decisions using the Option Appraisal Model at Appendices A and B through which the Council can demonstrate it is embracing the competition elements of Best Value.

It is the responsibility of the Service Review teams to develop a list of service delivery options which can be assessed and agreed by the Executive and Members

Range of Options

The main options for service delivery improvements are likely to include:-

- In-house restructuring or service enhancement
- Market testing (including an in-house tender).
- Full Outsourcing (with no in-house tender),
- Working in Partnerships
- Developing Markets

It should be noted that these options are not necessarily mutually exclusive and that some services are and will be delivered through a mixed economy approach.

Each of the options are discussed briefly below;

In-House Services

Where the existing in-house service can clearly demonstrate that it is currently providing Best Value, or is likely to achieve this standard within the short-term with affordable investment, the opportunity to continue providing the service in-house will be supported. Where it does not meet the Best Value criteria it will be a requirement to consider other procurement options.

Market Testing

Market testing can involve a range of approaches from the gathering of market intelligence to a comparison of competitive bids from external bidders

with the in-house Service's cost and performance levels. This may include an in-house bid.

The outcome of market testing may result in the service being commissioned from an internal or an external service provider and will depend on which provider offers best value for money.

The Council will continue to procure services from a range of sources. Market testing will be considered where it cannot be established whether or not a service is competitive on the basis of reliable and auditable evidence, and competitiveness must therefore be tested in the market; provided that a viable market is known to exist.

Outsourcing

Outsourcing comprises of the award of a contract to an external service provider without any in-house bid being involved. As such, external contractors and other providers prefer this to market testing (i.e. competitive tendering with an in-house bid) although in most cases the external organisation is still selected through a process of competition.

In order to determine whether outsourcing is the best option in a particular case, the estimated benefits of outsourcing – including savings – must be weighed against the estimated costs of procurement and ongoing contract management. For reasons of comparison, these benefits can be compared with an alternative internal improvement option taken over an appropriate period.

Lack of capital to invest in assets or the cost of new technology in relation to a service where there is rapid innovation or there is a need to expedite technological and service delivery changes can provide additional grounds in support of outsourcing.

Partnership

“Partnership” comes in many variations both formal and informal. It provides an opportunity to develop an approach to service delivery that moves away from a straightforward, and sometimes adversarial, contractual relationship to

one based potentially on shared objectives, shared risk, mutual learning, joint investment and sharing of rewards.

Chorley Borough Council already participates in a number of “Partnerships” and has set out a Policy Framework to govern such relationships. Current partners include voluntary organisations, other local authorities and public sector bodies, private contractors and developers.

The partner may already be in existence or may be specially created, such as a joint venture company or local authority company. There are constraints on what may be done under these options and these will have to be assessed in the light of legislation as it applies at the time.

Developing Markets

The Council will analyse and research supply markets for different services as part of its service reviews and maintain a dialogue with potential providers. It will have regard to the DETR guidance regarding the benefits that can arise from assisting new providers to become established. This will include communication with other local authorities and with the voluntary/community sector who may, with further development, have a greater role in service delivery.

THE COUNCIL WILL

- Use the Option Appraisal model at Appendices A and B for assessing and selecting appropriate procurement options
- Be governed in its “partnership’ relationships by the Partnership Policy Framework

Appendix 5

OPTIONS APPRAISAL MATRICES

Homelessness

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
1 Strategic Importance – Is the service of strategic importance? Does include core, sensitive, or policy work? <i>The service (or its major components) is free or can be freed of statutory, legal policy, or practical constraints on contracting.</i>	5	Homelessness is a strategic part of the Housing function, however, it can be separated.
2 Degree of risk – What level of risk is involved in exposing the service to competition? <i>The risk is relatively low risk to all parties including the public, the Council, the Government and the Contractor – taking account of past experience risks during and beyond the term of the contract.</i>	2	The service could be taken back in house if contracting out isn't a success but not immediately as the expertise to deliver the service will have been outsourced. Even if service is contracted out, statutory responsibilities remain with Council. There is a risk in contracting out a service we are accountable for. Council may not have sufficient expertise remaining to manage the contract.
3 Impact on Other Services – What will be the impact (negative and positive) on other services or issues? The service can be specified and subjected to competition without significant disruption to other Council services, functions, or strategies.	4	Limited impact on delivery of the housing strategy and Community Strategy.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
<p>4 Core Values – Would direct competition adversely affect the Council's core values? <i>Exposing the service to competition would not adversely affect the Council's core values.</i></p>	6	No adverse affect on core values
<p>5 Public Service Ethos – Is the public services ethos important to the provision of this service and those who receive it? <i>Commitment to public service ethos has little or no effect on service provision.</i></p>	2	Customers trust the local authority.
<p>6 Replacement Contractors – Will the Council be locked into monopoly service providers? Can failing contractors be penalised or replaced without significant interruption to service provision? <i>Contractors who fail to deliver services to specified standards can be easily penalised or replaced or monopolies can be avoided by repackaging.</i></p>	3	Wouldn't be in monopoly position. Number of alternative providers is increasing. But, if service fails, contractor can't be easily and quickly replaced as it's a specialist service. Contractor could be penalised if contract is so written.
<p>7 Civil / Emergency Planning Considerations – Do significant elements of the service impact on civil / emergency planning consideration? <i>The service does not significantly impact on civil / emergency planning considerations.</i></p>	4	Not central but homeless staff may be involved.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
<p>8 National Issues – Do significant elements of the service impact on sustainability, social inclusion etc? <i>The service does not significantly impact on important national issues.</i></p>	2	Significant impact on social inclusion.
<p>9 Degree of Competition and Market Maturity – Is the market of sufficient maturity with enough contractors to guarantee true competition? <i>The market is well established with many competent competitors</i></p>	4	Market not very mature; not many competent competitors. Generally put out as part of stock transfer.
<p>10 Testing the Market – Can the work be packaged in a different way since the last market test to appeal to existing or emerging markets? <i>The work can be packaged in such a way</i></p>	N/A	Not previously tested
<p>11 Future of the activity – Are significant service developments likely eg legislative changes, and amalgamations or decentralisation of services? <i>Provision of the service continues to be justified, and it is very unlikely that it will be subject to review of legislative changes</i></p>	4	Based on past legislative changes, more are likely in next 3 years, but they're unlikely to change the type of service.

Criteria <i>(Italics indicate an example that would be suitable for exposure to direct competition)</i>	Score	Notes
<p>12 Investment Opportunities – Are there high investment needs in terms of plant, equipment, IT etc? Will competition attract inward investment eg regional offices etc? <i>High levels of investment are required, and competition will encourage inward investment.</i></p>	6	No
<p>13 Specification of Service – Is the service difficult to specify or quantify? <i>The service can be specified easily in advance</i></p>	6	No
<p>14 Ability to Measure Performance – How easy is it to measure performance in service provision? <i>Performance of service provision is easy to measure</i></p>	4	Some aspects difficult to measure e.g. quality of advice, customer relations, support and follow up services.
<p>15 Current Performance Level – Is the current performance good? <i>Current performance is consistently poor</i></p>	2	Current performance is good so little to gain from outsourcing.
<p>16 Period for Performance Improvements – Has an improvement plan been agreed with the current provider? <i>Performance has failed to improve despite the provision of an appropriate timescale for improvement</i></p>	N/A	No improvement plan as yet.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
17 Service Capacity – Will competition result in better capacity to meet fluctuating workload? <i>Competition will result in better capacity to meet fluctuations in demand</i>	2	Contractor is likely to take current staff. No immediate benefits to capacity are evident.
18 Competence in Contract Management and Administration – Will contract management be difficult? <i>The contract and competitive process will be relatively easy to manage with limited scope for contractual claims</i>	4	Managing the contract won't be difficult if Council has the right staff. But may not have sufficient expertise left if stock and homeless and allocations transfer.
19 Impact in Essential Skills and Knowledge – Will contracting the service have an adverse affect on the Council's ability to maintain intelligent client capabilities and retain key staff? <i>Skills and knowledge essential for the department to undertake its responsibilities would be retained</i>	3	Specialist staff involved in delivering the service would be lost to the Council.
20 Direct Control of Services – How important is it to directly control service provision? <i>The service can be adequately controlled through contract management and does not require controlling directly</i>	3	Still retain responsibilities so depends on quality of specification. Important that the service is delivered properly.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
21 Costs and Benefits – Is the cost of procurement and post-contract client service disproportionately high? <i>Overall, the benefits will out-weigh the cost</i>	5	Not if combined with other activities for contract management purposes.
Total	71	

Allocations

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
<p>1 Strategic Importance – Is the service of strategic importance? Does include core, sensitive, or policy work? <i>The service (or its major components) is free or can be freed of statutory, legal policy, or practical constraints on contracting.</i></p>	6	Little strategic implication.
<p>2 Degree of risk – What level of risk is involved in exposing the service to competition? <i>The risk is relatively low risk to all parties including the public, the Council, the Government and the Contractor – taking account of past experience risks during and beyond the term of the contract.</i></p>	2	Less chance that a contractor will be unsuccessful in delivering the service. The service could be taken back in house if contracting out isn't a success but not immediately as the expertise to deliver the service will have been outsourced. Council may not have sufficient expertise remaining to manage the contract.
<p>3 Impact on Other Services – What will be the impact (negative and positive) on other services or issues? <i>The service can be specified and subjected to competition without significant disruption to other Council services, functions, or strategies.</i></p>	4	Limited impact on delivery of the housing strategy and Community Strategy.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
<p>4 Core Values – Would direct competition adversely affect the Council's core values? <i>Exposing the service to competition would not adversely affect the Council's core values.</i></p>	6	No adverse affect on core values
<p>5 Public Service Ethos – Is the public services ethos important to the provision of this service and those who receive it? <i>Commitment to public service ethos has little or no effect on service provision.</i></p>	3	Customers likely to trust a housing association as much as trust the local authority.
<p>6 Replacement Contractors – Will the Council be locked into monopoly service providers? Can failing contractors be penalised or replaced without significant interruption to service provision? <i>Contractors who fail to deliver services to specified standards can be easily penalised or replaced or monopolies can be avoided by repackaging.</i></p>	3	Wouldn't be in monopoly position. Number of alternative providers is increasing. But, if service fails, contractor can't be easily and quickly replaced as its a specialist service. Contractor could be penalised if contract is so written.
<p>7 Civil / Emergency Planning Considerations – Do significant elements of the service impact on civil / emergency planning consideration? <i>The service does not significantly impact on civil / emergency planning considerations.</i></p>	5	Not central but may be involved if accommodation needs to be found.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
<p>8 National Issues – Do significant elements of the service impact on sustainability, social inclusion etc? <i>The service does not significantly impact on important national issues.</i></p>	2	Significant impact on social inclusion.
<p>9 Degree of Competition and Market Maturity – Is the market of sufficient maturity with enough contractors to guarantee true competition? <i>The market is well established with many competent competitors</i></p>	3	Market not very mature; not many competent competitors. Generally put out as part of stock transfer. Less mature than homeless market.
<p>10 Testing the Market – Can the work be packaged in a different way since the last market test to appeal to existing or emerging markets? <i>The work can be packaged in such a way</i></p>	N/A	Not previously tested
<p>11 Future of the activity – Are significant service developments likely eg legislative changes, and amalgamations or decentralisation of services? <i>Provision of the service continues to be justified, and it is very unlikely that it will be subject to review of legislative changes</i></p>	4	Based on past legislative changes, more are likely in next 3 years, but they're unlikely to change the type of service.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
<p>12 Investment Opportunities – Are there high investment needs in terms of plant, equipment, IT etc? Will competition attract inward investment eg regional offices etc? <i>High levels of investment are required, and competition will encourage inward investment.</i></p>	4	Choice based lettings are a likely future development for the service. There is an IT cost relating to CBL administration.
<p>13 Specification of Service – Is the service difficult to specify or quantify? <i>The service can be specified easily in advance</i></p>	6	No
<p>14 Ability to Measure Performance – How easy is it to measure performance in service provision? <i>Performance of service provision is easy to measure</i></p>	5	Relatively easy to measure as there are fewer qualitative aspects than in an advisory service.
<p>15 Current Performance Level – Is the current performance good? <i>Current performance is consistently poor</i></p>	2	Current performance is good so little to gain from outsourcing.
<p>16 Period for Performance Improvements – Has an improvement plan been agreed with the current provider? <i>Performance has failed to improve despite the provision of an appropriate timescale for improvement</i></p>	N/A	No improvement plan as yet.

Criteria <i>(Italics indicate an example that would be suitable for exposure to direct competition)</i>	Score	Notes
17 Service Capacity – Will competition result in better capacity to meet fluctuating workload? <i>Competition will result in better capacity to meet fluctuations in demand</i>	3	Possible benefits to capacity as the task can be carried out by a number of staff. Not as specialised as homelessness.
18 Competence in Contract Management and Administration – Will contract management be difficult? <i>The contract and competitive process will be relatively easy to manage with limited scope for contractual claims</i>	4	Managing the contract wont be difficult if Council has the right staff. But may not have sufficient expertise left if stock and homeless and allocations transfer.
19 Impact in Essential Skills and Knowledge – Will contracting the service have an adverse affect on the Council's ability to maintain intelligent client capabilities and retain key staff? <i>Skills and knowledge essential for the department to undertake its responsibilities would be retained</i>	3	Specialist staff involved in delivering the service would be lost to the Council.
20 Direct Control of Services – How important is it to directly control service provision? <i>The service can be adequately controlled through contract management and does not require controlling directly</i>	4	Direct control of the service is not essential.

Criteria (Italics indicate an example that would be suitable for exposure to direct competition)	Score	Notes
21 Costs and Benefits – Is the cost of procurement and post-contract client service disproportionately high? <i>Overall, the benefits will out-weigh the cost</i>	5	Not if combined with other activities for contract management purposes.
Total	74	

Appendix 6

Options Appraisal Results Indicator

SCORE					
19	to	38	to	57	to
	Definitely Unsuitable		Probably Unsuitable		Borderline
					Probably Suitable
					Definitely Suitable
					95
					114
Alternative Options Unlikely to be worth pursuing				Alternative Options Likely to be worth pursuing	
Alternative Options Unlikely to be worth pursuing				Internal Options Unlikely to be worth pursuing	

This page is intentionally left blank

Appendix 7

Homeless Assessment and Housing Advice**Service Specification**

- Provide a focal point for customer contact, to make an initial assessment of the clients situation and decide how to proceed
- Undertake Homeless Assessments make decisions and issue notification regarding Local Authority rehousing duty to applicants.
- Provide housing advice and assistance service and publicise the service widely through various methods and means, including the Chorley & South Ribble Homelessness Forum
- Provide appropriate housing advice which empowers clients to take action themselves.
- Where possible prevent homelessness through direct intervention to reduce incidents of homelessness in the borough
- Assist clients to access temporary and secure permanent accommodation where the authority owes a duty to do so.
- Where the authority has no duty owed to the client, provide appropriate housing advice and assistance to help the client to access suitable housing. This can be through referrals to other organisations/agencies eg: Citizens Advice Bureau (Specialist Housing and Homelessness Advice Worker) and Smartmove/Help the Homeless, Voluntary Sector etc
- Provide a clear and simple understanding of the housing advice system for clients

Independent Housing Advice is also provided through

- Citizens Advice Bureau Chorley
- Help the Homeless Chorley
- Smartmove
- Shelterline (Freephone and also weekly surgery held at Help the Homeless Chorley)

The Citizens Advice Bureau's Housing and Homelessness Advice Worker is funded through ODPM Homeless Grant and in partnership with Chorley Borough Council and provides Independent Advice regarding various housing and homelessness issues including

- Housing and welfare benefits
- Landlord & Tenant issues
- Difficulties paying rent/mortgage or other priority bills
- Financial debt advice
- Living in insecure or temporary accommodation
- Tenancy issues
- Issues regarding housing in Chorley

Identified gaps in current service

From the statistical information provided there has been a steady increase in Statutory Homeless applicants even though the number of homeless applications have remained steady. Other neighbouring Authorities have seen a drop in both of these areas, and as suggested by the ODPM, P1E statistical return figures, our

prevention of homelessness is not as effective. However, it is fair to say that Chorley is unique in that we currently have high demand and high levels of migration.

Two main causes of homelessness in Chorley are

- Parents, relatives or friends not being able to accommodate
- Relationship Breakdown – Violent

Prevention of Homelessness suggested service area improvements to tackle the two main causes of Homelessness in Chorley

- Provision of a 'triage' service to assess the needs of customers and where appropriate refer clients to organisations, which can best assist them to prevent and reduce incidences of homelessness. (maybe utilise One Stop Shop Customer Service)
- Develop and provide specific Prevention of Homelessness Services. Including initiatives such as
 - Mediation Service – Landlord/Tenant – Negotiate and make agreements to avoid incidences of homelessness.
 - Further develop partnership working and multi agency floating support service specifically with view to prevent incidences of homelessness, so that they are able remain in their home (tackling rent arrears/welfare benefits advice and assistance etc)
 - Return Home/Liaison Service – Which is a form of mediation/support service but all encompassing to assist Rough Sleepers/Relationship breakdown (partners, family or friends) either return home/residence or find alternative appropriate accommodation, in private or public sectors.
 - Multi Agency Working with – Young Single Homeless or Rough Sleepers to access available accommodation support programmes.
 - Representation in Court in respect of rent or mortgage arrears for those whom the local authority would normally have a statutory duty to assist under the homeless legislation.
- Assist and offer training to agencies with the aim of providing consistent housing advice and housing advice material
- Assist agencies to provide clear and simple information about the services they can offer and their policies and objectives

All service improvements are subject to funding resources either through direct application for ODPM Homelessness Grant funding, Supporting People Funding (floating Support) other resource funding which currently would need to be made available through efficiency savings. Following Transfer other funding opportunities can come from bids Lottery funds, Charity Sector Funding or other Community Initiative funding.

Service Accessibility

The current service accessibility is

- a) Appointments with private interviews for public - Monday to Friday 9.30am to 11.30am.

- b) Same day emergency appointment interview if someone is homeless due to an emergency
- c) 24 hour Emergency homeless advice services if someone becomes homeless outside of office hours.
- d) Home Visits within 7 days of the request if client has difficulties attending an interview.
- e) Premises accessible to people with physical or sensory disabilities
- f) Services of an interpreter if the first language is not English
- g) The services of intermediaries if someone has hearing or speech difficulties or other special needs.
- h) An interview with a member of staff of same sex if someone is homeless because of violence or threat of violence

This page is intentionally left blank

Appendix 8**Housing Property Allocations and Waiting List Management**

- Provide affordable housing to meet basic needs for people with limited resources or medical and social needs

Service Specification

- Provide a focal point for customer contact
- Provide general housing advice and assistance service and publicise the service widely through various methods and means including the Nomination Liaison Group, Citizens Advice Bureau and other organisations who are concerned with or used by people who are likely to be in housing need
- Provide appropriate housing advice which empowers customers to take action themselves, including information on other housing providers within the Borough, availability of properties and information on local housing needs
- Follow the Commission for Racial Equality's Code of Practice in rented housing including the provision of information and applications in other languages and methods ensure effective monitoring and make recommendation to influence policy.
- Make initial assessment of customer housing situations and provide advice and assistance in making application for housing and wherever possible provide intervention methods and make referrals to other helpful organisations.
- Make referrals to Homeless Assessment and Housing Advice Team where there is threat of homelessness.
- Provide a clear and simple understanding of the housing allocation system for customers, how to apply for accommodation and what happens to customer housing application, including
 - the application qualification and registration procedure
 - the points system
 - the applicant selection and property matching process undertaken when allocating properties including determining factors
 - Emergency rehousing procedure
 - Tenants Transfer policy
 - Housing and Employment Mobility Service (H.E.M.S)
 - Nominations to other registered landlords agreement and procedure
 - Tenants Right to Mutual Exchange
 - Applicant refusals and suspension reviews Policy and Procedure
 - Complaints and appeals procedure
 - Ensure the service is provided to customer agreed standards detailed in the Allocation Team Service Standard, Housing Service Standard document.
 - Review customer satisfaction and review policies and procedures annually, implement service improvements following wide customer consultation.

Service Accessibility

The current service accessibility is

- a) Appointments with private interviews for public - Monday to Friday 9.00am to 4.30pm
- b) Same day emergency appointment for emergency rehousing cases

- c) Home Visits within 7 days of the request if client has difficulties attending an interview.
- d) Premises accessible to people with physical or sensory disabilities
- e) Services of an interpreter is the first language is not English
- f) The services of intermediaries is someone has hearing or speech difficulties or other special needs.
- g) An interview with a member of staff of same sex at request

Suggested Service Area Improvements

The ODPM has announced that all Housing Authorities and partner RSL's should have some form of a Choice Based Lettings Scheme in place by 2010. The purpose is to provide a more transparent allocation process for customers and staff.

Although our current Allocations Policy is designed to meet those in greatest housing need the system is lengthy and the administration of the system can be bureaucratic and frustrating for customers and staff. A Choice Based Allocations Scheme gives customers choice of property, location and if the scheme includes other housing providers, a choice of landlord and tenure.

Benefits of Choice Based Lettings Scheme

- Transparent and easy to understand for Customers and staff
- Less interpretation and judgements required by staff as no points to allocate
- More emphasis given on application date rather than purely points therefore less frustrating for customers within lower needs category
- Staff resources can be use in giving more general housing advice and assistance in preventing homelessness
- Property turnaround could be quicker and rental void loss minimised further creating further income to spend in other areas of the service
- Sustaining communities, tenants more likely to stay longer in accommodation the have chosen themselves.
- Other housing providers can be part of the scheme thus requiring only one waiting list, customers are not required to make multiple applications to housing providers

Implementation Requirements

- Consult and agree banding system for applicants
- IT system changes to accommodate a waiting list registration and bidding process
- Shortened Application Form
- Introduce Property Advertising methods (Property shop, Property News in local paper, website etc)
- Formal accompanied viewing introduced
- Staff Training

Issues to overcome as a result of implementing CBL Scheme

- Cost of implementation
- Achievement of balanced letting to statutory homeless applicants to avoid increase in temporary accommodation blocking and achieve government targets on prevention of homelessness (a review has already been undertaken to look at highlighting alternative options for temporary accommodation)

Appendix 9

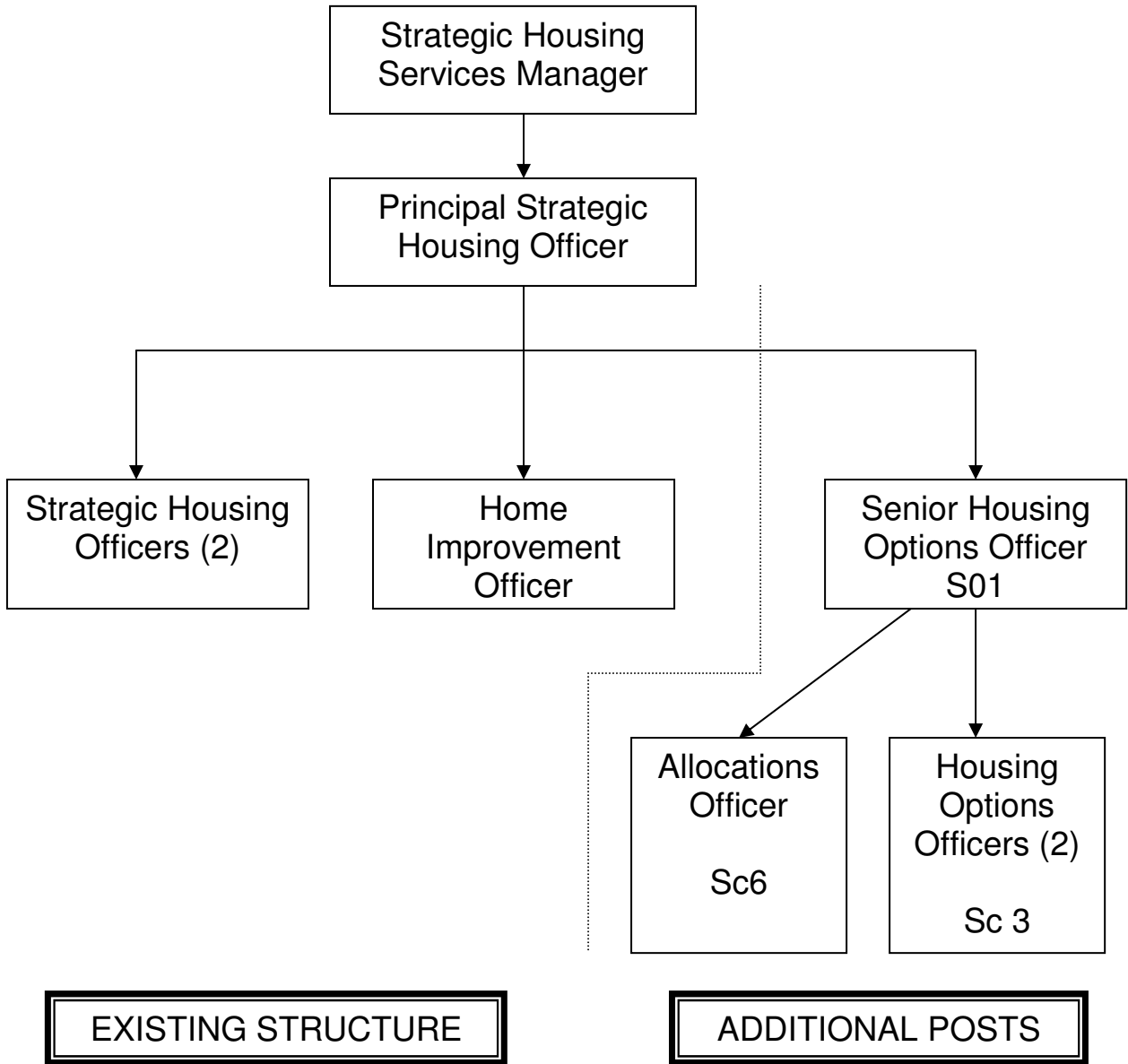
Service Improvement Plan

Issue	Improvement	Estimated Cost
<p>Tasks Outstanding</p>		
<p>Partners gave feedback on the current service levels and policies.</p>	<p>Service improvements to be incorporated in the revised specifications.</p>	<p>£22,400 to employ a Prevention of Homelessness Officer</p>
<p>Specific points raised were:</p>		
<p>Partnership arrangements need to improve.</p>	<p>The draft homeless assessment policy and procedures will be amended. Partnership arrangements will be detailed and formal protocols will be developed.</p>	
<p>Current best practice is not reflected in existing service standards particularly regarding prevention of homelessness.</p>	<p>Prevention of Homeless Officer to enhance the service.</p>	
<p>The service standard relating to homeless decisions needs to be tightened to ensure decision notifications are issued as soon as possible after the decision is made.</p>	<p>A clarified standard will be included in the draft Homeless Policy and Procedures.</p>	
<p>Concerns expressed about possible deflection*.</p>	<p>To ensure current arrangements address this in principle and in practice.</p>	
<p>Length of stay in hostel accommodation is below the median value for All England.</p>	<p>Introduce a robust nominations agreement with the new service provider to ensure the position does not deteriorate.</p>	<p>Included in £22,400 above.</p>
	<p>Improve prevention work.</p>	

Issue	Improvement	Estimated Cost
<p>Tasks Outstanding</p> <p>Experience of other authorities out sourcing homeless services has not always been positive.</p>	<p>Develop clear specifications with due reference to Section 14 of the ODPM's Housing Transfer Manual particularly sections 14.15 to 14.18.</p> <p>Monitor performance monthly Review the service quarterly Review the contract annually</p>	
<p>Government target to introduce Choice Based Lettings by 2010.</p>	<p>Introduce Choice Based Lettings</p>	<p>£30,000 shared costs (shared with RSL)</p>
<p>Tasks Completed</p> <p>People don't feel they receive the information they need from the Homeless Service.</p> <p>People were not satisfied with the homeless advice given.</p>	<p>Key Support Worker service implemented. Officer independent of decision making offers advice and support in seeking alternative accommodation.</p> <p>Referrals made to CAB Housing and Homeless Advisor and Help the Homeless. Information leaflet giving details of partner agencies issued with all decisions and correspondence.</p>	<p>Scheme implemented – costs included in cost of current service.</p>

* deflection – concern that decisions are reversed to avoid an appeal. Legislation requires that if any further information is supplied during the appeals process, the decision needs to be reassessed and a new decision made and notified to the customer within the statutory 328 days. Current arrangements will be examined to ensure the legislation is observed.

Diagram of Strategic Housing Unit Posts



This page is intentionally left blank