Report to the Council

Committee: Cabinet Date: 22 February 2011

Subject: Housing Portfolio Item: 6(e)

Portfolio Holder: Councillor David Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted

Appointment of Repairs Management Contractor – Housing Repairs Refresh Programme

I reported in my last report to Council that an important part of the Council's Housing Repairs Refresh Programme is the appointment of a private repairs contractor to manage the Council's Housing Repairs Service and staff, whilst the staff and managers remain employed by the Council. This is a very innovative approach, which the Housing Repairs Advisory Group considers to be low risk and of high benefit, especially in the light of large contractors (e.g. Connaught and Rok) recently going into administration.

Following a pre-qualification questionnaire (PQQ) process, five private repairs management contractors were invited to tender. I opened the tenders on 18th January 2011 and they are currently being assessed by the Council's housing procurement consultants, Cameron Consulting.

The tenders will be assessed having regard to both price and quality. As part of the innovative approach to the contract, all the contractors will also have to take part in a one-day Assessment Centre, which will comprise three main elements:

- A competency-based interview with the contractor's proposed contract manager, who would be responsible for the day-to-day delivery of the Housing Repairs Service:
- An interview with the contractor's team on their tender submission and a
 presentation by the contractor, including their proposed contract manager, on their
 proposed approach to the first 90 days of the contract; and
- A role-play session for the contract manager, to assess how he/she deals with a number of management issues.

Officers from Housing and HR will be involved with the Assessment Centre, together with the Procurement Consultant's staff, Cllr Ricki Gadsby (on behalf of the Housing Repairs Advisory Group) and Mike Tobin, Vice-Chairman of the Tenants and Leaseholders Federation.

The contract is due to commence in May 2011, and is initially for three years with an option to extend for two further three-year periods.

The Assistant Director of Housing (Property) will be giving a presentation on the new Repairs Management Contract at the meeting of the Housing Scrutiny Panel to be held at 5.30pm on Thursday 24th March 2011. Further details will be sent to all members in due course, but interested members may wish to note the date in their diary – they will not need to stay for the other Housing Scrutiny Panel business.

It is also hoped that the provisional decision on the appointment of the contractor will have been made by this date, and that a representative from the preferred contractor will also be able to contribute to the presentation from their perspective.

Funding for Caring and Repairing in Epping Forest (CARE)

At the last Council meeting, I reported that the Council received an unexpected letter in November 2010 from Essex County Council (ECC), informing us that ECC intended to cease the provision of its £46,000 per annum funding to the Council for our CARE Service, which represents a third of CARE's funding.

I also reported that, following representations from our officers and other councils, it appeared that ECC was withdrawing from this position – I agreed to keep members informed of progress on this matter.

I am pleased to report that ECC no longer intends to withdraw funding for our CARE Service, or any of the other home improvement agencies (HIAs) in Essex.

Our Director of Housing has received a letter from the Head of Supporting People at ECC stating that "Essex County Council is committed to continuing to fund HIA's in the county". It goes on to say that "we are prepared in principle to invest more funding in future in services that will support prevention, but this must be based on evidence of needs and policy and not on historic arrangements."

ECC says that it "intends to pursue an accelerated procurement now, in order to stabilise the situation over the next two years, and then to work jointly to develop new services to be in place from April 2013". If for any reason the accelerated procedure fails, however, ECC has made it clear that it may withdraw HIA funding.

A new specification for HIA services is being drawn up by ECC to "strike a balance between bringing some uniformity of specification across the county and to realise some efficiencies, on the one hand, and not creating significant changes at this point in time where there is financial uncertainty for local authorities and providers alike". ECC has indicated that one important change it would wish to make is to remove from the specification the requirement for HIAs to help clients apply for Disabled Facilities Grants and other types of Housing Assistance.

Rather than having one, or even two, contracts across Essex, ECC is currently considering how a framework agreement could be used to have preferred providers in place on a locality/district basis. Therefore, the "interim" arrangements will not be radically different in the short term. In the medium term, ECC says it will work with stakeholders to develop a blueprint for the future delivery of HIA services - which it intends to have in place from April 2013.

Since EFDC's HIA is provided in-house (through the CARE Agency), at the time of writing, ECC has said that EFDC will **not** be included within the current tendering arrangements, and that our funding for the next two years will need to be negotiated with ECC, based on the new specification. This means that the Council can continue to provide its own HIA,

without having to be subjected to a tendering exercise, but that the funding provided by ECC may reduce.

CLG Consultation Paper "Local Decisions – A Fairer Future for Social Housing"

I referred to this important Consultation Paper in my last report to Council. Probably the Government's two most radical proposals are to give local authorities and housing associations the flexibility to introduce "fixed-term tenancies" for a minimum period of 2 years, instead of "lifetime" secure and assured tenancies, and to (effectively) require housing associations to charge "affordable rents", of up to 80% of market rents, for all newly built affordable homes - as well as an agreed percentage of their re-lets.

The Council's response was agreed by the Housing Scrutiny Panel at its meeting on the 11th January 2011. In view of the impact and effect that the Government's proposals will have on the Council's tenants, all the members of the Epping Forest Tenants and Leaseholders Federation were also invited to attend the meeting, take part in the debate and inform the Council's response. The Federation then met separately to consider the issues raised in the Consultation Document, and whether or not its views were sufficiently similar for it to join in with the Council's response.

In the event, a joint response was able to be sent, but the Federation wanted to include some different responses to the Council in respect of some questions.

The Housing Scrutiny Panel's view was that, although this was an important issue that members would need to consider carefully at the appropriate time, the Council supported the proposed flexibility of councils being able to introduce the new fixed-term tenancies and that the Council would probably want to use them in some form if introduced, subject to a consultation exercise with tenants and housing applicants. However, the Scrutiny Panel felt that the minimum tenancy period should be five years and not two years, as proposed by the Government.

The Tenants and Leaseholders Federation, on the other hand, felt that fixed-term tenancies should not be introduced and, if they are used, they should be for a minimum of ten years.

With regard to the proposed introduction of "affordable rent tenancies" for housing associations, both the Housing Scrutiny Panel and the Federation were very concerned that for many people the "affordable rents" would, in fact, be unaffordable – especially if they are actually set at (the maximum of) 80% of market rents, and especially in a high cost / rent district such as in Epping Forest.

Homelessness Prevention Funding

I am pleased to report that, at a time when most Government funding to local authorities is being cut, we have received £113,000 per annum for the next two years within the Council's Local Government Grant Settlement, in order to fund the Council's Homelessness Prevention Service – an increase of £53,000 per annum on the previous £60,000 per annum.

At the time of writing, the Cabinet is due to consider a recommendation from me at its meeting on 31st January 2011 that £60,000 per annum of the funding be used to continue to help fund the cost of staffing our Homelessness Prevention Service, and that the remaining £53,000 per annum be used to fund - in equal amounts - the Council's Rental Loan Scheme and the Epping Forest Housing Aid (EFHAS) Rent Guarantee Scheme, to further help to prevent homelessness.

The Cabinet will also be considering my recommendation that a progress report on the Homelessness Prevention Service be considered by the Housing Scrutiny Panel in July 2012.