



Policy and Resources Committee - 8 November 2010

Housing Contract

Summary

This report sets out the current situation with regard to the Housing Contract, and the requirement for a new contract; and seeks nominations from the Committee for a working party.

Attachment(s)

Appendix 1 - Housing Contract Working Party Terms of Reference

1.0 Introduction

1.1 The current housing contract is due to expire on 31 December 2011, and therefore work needs to commence on putting in place provision for housing services beyond that point.

1.2 This report sets out the current arrangements and seeks to get the process started.

2.0 Background

2.1 The council has a statutory obligation to deliver a number of housing services. These are predominantly:-

- 1) Housing advice
- 2) Housing register (waiting list), applications, and allocations (choice based lettings)
- 3) Homelessness advice and applications

2.2 All of these services are currently provided by Spire Homes under one contract, which commenced in January 2007. It is due to expire on 31 December 2011.

2.3 The current cost of the contract is £202,820 per annum. This will remain the same until it expires as a fixed price increase was negotiated as part of the contract extension (see below).

2.4 The contract originally covered a three year period to January 2010, with an option to extend for a further two years subject to both parties being happy. This option was exercised and there is no further provision for extension within the contract.

2.5 Therefore a new contract is required, and there are a number of options for taking this forward.

2.6 Before a new tendering exercise can commence, the Council will need to determine what service it wants. This will involve establishing a range of options with associated costs, including considerations such as:

- Does the Council want to re-tender for the service on the same basis as the current contract? From contract uplift negotiations with Spire Homes it is known that the cost of delivering the service in its current form is significantly higher than the cost of the contract – i.e. tenders may be received at higher prices including any from Spire.
- What are the alternatives to the current service? Such as:

- a. Joining the recently launched sub-regional Choice Based Lettings (CBL) scheme. This is currently being operated by Corby, Kettering and Wellingborough. If East Northamptonshire Council were to join, this would only cover the CBL element of our housing services, and there would still be a need to give consideration to how the other elements (such as homelessness) could be delivered.
 - b. Keeping the contract on the same basis (ie including the same services), but looking at the way the services operate to see if there is the potential for any savings. Officers have already identified areas where it is felt that savings can be made. For example, a great deal of time is spent checking all of the details of every applicant prior to registering them; whereas other local authorities do the final checks prior to offer of a property, which considerably reduces the work involved.
 - c. Completely changing the service – such as bringing some elements of it back ‘in house’.
 - Are there any opportunities for shared services? An approach has already been made from one neighbouring local authority indicating that it would like to explore the possibility of a shared housing service.
- 2.7 Officers are currently undertaking research looking into areas such as what other local authorities are doing, and are preparing costings for each of the options. This will all help with a final decision on the specification for the tendering process.
- 2.8 Officers are of the view that a Housing Contract Working Party consisting of Members and officers needs to be established. The working party will be able to consider all of the options, provide a Member steer to officers on the preferred way forward, and guide the tender process.
- 2.9 This approach has been followed for other sizeable contracts that the Council has tendered, such as the Waste Contract.
- 3.0 Housing Contract Working Party**
- 3.1 The working party will need to operate to agreed Terms of Reference. Officers have put together suggested Terms of Reference, which are attached at Appendix 1. Members are invited to consider, amend if required, and agree the Terms of Reference.
- 3.2 The working party will not be able to make any final decisions on the new contract, such as on the specification for the service, or the final selection of a contractor. However, it will make recommendations to this Committee based upon its consideration of the best and most cost effective options.
- 3.3 Officers are of the view that it would be beneficial if the working party had some delegated powers in respect of the actual tendering part of the process; such as having the ability to approve the tender documents and agree a shortlist of preferred bidders. This is to ensure that the whole process can be followed in a speedy manner. The proposed delegated powers are also set out in the attached Appendix 1.
- 3.4 Members are invited to consider nominations from this Committee to sit on the working party, and officers are of the view that three Members would be a suitable number.
- 3.5 It is anticipated that the working party would meet approximately once a month, between November 2010 and December 2011. The meetings will be arranged for dates and times to suit attendees. The exact schedule of meetings will be determined by the working party.

3.6 There may be a minimal requirement to spend some time on the project outside of the meetings, such as reading reports or other information.

3.7 When the working party has been established it will be able to begin work on considering the options; and moving forward with any associated tendering for a new contract.

4.0 Recommendations

4.1 Members are recommended to:-

- 1) Approve the formation of a Housing Contract Working Party.
- 2) Agree the Terms of Reference for the Housing Contract Working Party.
- 3) Agree that the Housing Contract Working Party will have delegated powers in respect of the tendering process, excluding any final decisions on the service specification or the successful contractor.
- 4) Nominate three Members of the Policy and Resources Committee to sit on the Housing Contract Working Party.

Implications:	
Corporate Outcomes or Other Policy/Priority/Strategy	
Good Quality of Life	<input checked="" type="checkbox"/> Good Reputation <input type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/> High Quality Service Delivery <input checked="" type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/> Strong Community Leadership <input type="checkbox"/>
Effective Management	<input type="checkbox"/> Knowledge of our Customers and Communities <input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours	<input type="checkbox"/>
Other:	<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval	<input type="checkbox"/>
Financial	There are no financial implications at this stage <input checked="" type="checkbox"/> There will be financial implications – see paragraph <input type="checkbox"/> There is provision within existing budget <input type="checkbox"/> Decisions may give rise to additional expenditure at a later date <input type="checkbox"/> Decisions may have potential for income generation <input type="checkbox"/>
Risk Management	An assessment has been carried out and there are no material risks <input type="checkbox"/> ----- Material risks exist and these are recorded at Risk Register Reference - 230 <input checked="" type="checkbox"/> inherent risk score - 4 residual risk score - 4
Staff	There are no additional staffing implications <input checked="" type="checkbox"/> ----- Additional staff will be required – see paragraph <input type="checkbox"/>
Equalities and Human Rights	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications <input checked="" type="checkbox"/> ----- There will be an impact on equality (see categories above) or human rights implications – see paragraph <input type="checkbox"/>
Legal	Power: Housing Act 2002 ----- Other considerations:
Background Papers:	
Person Originating Report: Cat Hartley, Housing Strategy Manager chartley@east-northamptonshire.gov.uk, 01832 742078	
Date:	
CFO	MO
CX	

Housing Contract Working Party

Terms of Reference

1. Membership

Members: tbc

Officers:	Trevor Watson	Head of Planning Services
	Cat Hartley	Housing Strategy Manager
	Louise Bagley	Housing Services Officer
	Aine Cooper	Housing Enabling Officer

2. Aims

- To establish the full range of options for a housing service specification, to include:
 - Homelessness advice and applications
 - Housing advice and options
 - Housing allocations (Choice Based Lettings)
- To establish approximate costings for the options.
- To recommend a preferred service specification to the Council's Policy and Resources Committee.
- Following a decision on the preferred option, to take forward a tendering process for a new contract. In respect of the tender process, the working party is delegated by Policy and Resources Committee to:
 - Determine the tender evaluation process, operating within the Council's financial regulations, Procurement Procedures and relevant European Union requirements.
 - Agree the shortlist of bidders following a pre-qualification process.
 - Develop tender documents.
 - Contribute to the tender evaluation process – to include assessing tenders and interviewing bidders.
 - Identify a preferred contractor.
 - Make a recommendation to the Policy and Resources Committee for approval on the award of the new contract.
- To draft a Housing Allocation Policy for approval by the Policy and Resources Committee.