

PART A

Report to: Budget Panel
Cabinet

Date of meeting: 29 November 2011
5 December 2011

Report of: Head of Community Services

Title: Housing Value for Money Review Phase 1

1.0 SUMMARY

- 1.1 The Housing Value for Money Review aims to achieve savings targets of **£50,000** in 2011/12 and a further **£150,000** in 2012/13 as part of the Service Prioritisation Programme approved by Council.
- 1.2 Phase 1 savings were approved by Cabinet in June 2011 and are being implemented. Anticipated profiling will be £51,000 in the current year and an additional £4,000 in 2012/13. This leaves £145,000 savings to be identified.
- 1.3 Phase 2 savings will inevitably be located within employee costs as non staffing budgets have already been reduced during Phase 1. The current staffing budget post Phase 1 is £880,000.
- 1.4 This level of savings will require a fundamental remodelling of the service. Even without the necessity of achieving savings, this would have been imperative in the near future in order to manage the current and future demand for services and new workstreams that are emerging.
- 1.5 This report puts forward a proposed new staffing structure for Housing which takes account of the findings of internal and external reviews of the service and aims to align the staffing budget as closely as possible to the savings required. It also puts forward the proposed method of selection for the new roles. These are subject to the outcome of the consultation which closes on the 24th November, the results of which will be reported to the Cabinet meeting.

2.0 **RECOMMENDATIONS**

- 2.1 That Cabinet approves the proposed new staffing structure for Housing.
- 2.2 That Cabinet approves the proposed selection process for the new structure.
- 2.3 That Cabinet delegates authority to the Portfolio Holder for Housing and the Head of Community Services to make reasonable adjustments to the structure and/or profile of the savings targets should this become necessary before or during implementation.

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Report approved by: Lesley Palumbo, Head of Community Services.

3.0 **DETAILED PROPOSAL**

3.1 **Review process**

- 3.1.1 The Housing Service has undertaken an extensive review over the past year involving both internal and external analysis of current service provision and emerging workstreams and pressures. Details of the initial findings were reported to Cabinet in June 2011 and further analysis is included in the accompanying report at **Appendix A**.

3.2 **Restructure principles**

- 3.2.1 In June 2011, Cabinet approved a set of key principles to be taken into account in the restructure proposals:

- Reductions in staffing resource will be spread across both strategic and operational functions
- The service will seek where possible to reduce management resource in order to maintain an adequate level of front line cover
- The potential for outsourcing or sharing aspects of the service where implementation can be achieved quickly will be considered in order to facilitate management reductions
- Current roles will be reviewed and activities redistributed where necessary to balance workloads within reduced resources
- Impact on vulnerable customers will be considered as an integral part of the review

3.2.2 Since that time, ongoing review work has identified further key issues which have also shaped the proposals. These recognise the need to:

- Manage demand for housing services more effectively and proactively e.g. get homelessness prevention in place earlier, be a more effective client to our accommodation providers, use our staffing and other resources to best effect
- Achieve a more flexible structure which can respond to changing tasks and peaks in workload and in particular new areas of work which are emerging e.g. private sector leasing
- Achieve a more resilient structure – to get away from cover issues where we have individuals with specialist skills and a number of small teams carrying out different roles necessitating managers for each of these
- Minimise duplication between teams which results in double handling of cases or fragmented activity e.g. homelessness, private sector
- Encourage a more “tenure blind” approach to the different housing options, reinforced by colleagues dealing with social housing and private sector housing within the same teams
- Achieve this within the allocated cost savings.

3.2.3 The council retains statutory duties regarding homelessness, aspects of the housing register, publication of a homelessness strategy and the provision of Disabled Facilities Grants. All the statutory functions and key discretionary functions will remain in place within the new model. While we anticipate changes to working practices and policies which will need to be assessed separately for their impacts, the core services to the public will continue to be provided and will be accessible to our more vulnerable clients.

3.2.4 The service has experienced a sharp increase in demand, particularly in terms of homelessness and the need for strategic policy responses to a range of national and local changes which impact on demand and supply. While a reduction in staffing resource will present a further challenge to the service, the intention behind the new structure is to mitigate the risks by deploying our remaining staff resources to manage demand and maximise housing supply more effectively than is possible within the constraints of the current structure.

3.3 Restructure detail

3.3.1 In summary, the proposed new structure attached at **Appendix B** moves away from having four teams within Housing to a model based around the two key activities of demand and supply, retaining also a strategic resource

with an overview of the whole service. Key differences from the current structure at **Appendix C** are that:

- There will be fewer managers and direct reports to the Housing Section Head
- The majority of roles will become more generic, dealing with both advice and statutory homelessness on the demand side and dealing with both affordable housing and private sector procurement on the supply side
- More roles will incorporate a visiting function to sites or applicants' homes
- Some existing functions currently located within single roles will be split across the demand and supply sides e.g. Rent Deposit Scheme, Housing Register applications and Choice Based Lettings shortlisting
- In the current structure there are 19.93 full time equivalents. In the proposed new structure there are 17 including 14 new roles which will not necessarily match the skills, experience and aspirations of existing staff members.

3.3.2 Full details of which posts would be deleted and which retained under the proposals can be found in **Appendix A** pages 5 and 6.

3.3.3 Job descriptions for the new roles have been evaluated and moderated and are within the scope of the staff consultation. It is anticipated that the proposed new structure will reduce the annual employee costs from the current budget of £880,000 to £747,000. Final costings will depend on which candidates are successful for which roles, their Spinal Column Point on appointment and whether they opt to join the Pension Scheme.

3.3.4 The cost of redundancy, voluntary redundancy and other factors such as pay protection will need to be assessed once staff have expressed their own preferences and the outcome of the recruitment is known.

4.0 **Recruitment and selection**

4.1 Of the 19.93 existing FTEs, 16.43 are currently covered by permanent staff and only 3 of these permanent staff are not at risk. The proposals will therefore have a significant impact, particularly as new roles may not align to the skills and experience within the existing service.

4.2 The proposal is to recruit to the 14 new roles through a process of interviews and work related assessment tests as appropriate to the grade and responsibilities of the role. Vacancies will be ringfenced to the Housing staff who have been placed at risk and they will be asked to submit expressions of interest and an application for each role they would like to be considered for. At the same time staff will be asked to indicate whether they are interested in voluntary redundancy or jobshare within the new roles.

5. Staff consultation

5.1 On 25 October, the 14 affected staff were advised that they were at risk of redundancy and the formal staff consultation began. This ends on 24 November and any alternative proposals will need to be assessed and tabled at Cabinet on 5 December.

5.2 A programme of consultation has also commenced with other services across the council who interact with Housing and will be affected by the restructure proposals in terms of working practices. These include Revenues & Benefits, the Customer Service Centre, Environmental Health, Property Services, Buildings & Projects and Planning. This will give colleagues the opportunity to identify risks and opportunities around our joint working in order to achieve a more integrated approach to service delivery through the implementation phase.

6. Implementation

6.1 Implementation of the staffing restructure and introducing the new service model will be managed by the Housing Section Head, deploying the principles of Prince 2 project management to plan each stage in detail and respond to emerging issues as they arise.

6.1.1 Subject to Cabinet approval, the outline implementation plan for the next stage is anticipated to be:

5 December	Cabinet decision
6 December – 14 December 11	Staff briefing, completion of skills audits (optional), expressions of interest and internal applications for new roles, voluntary redundancy or jobshare
14 and 15 December 11	Interview skills training for all affected staff
19 and 20 December 11	Interview for manager posts
w/c 9 and 16 January 12	Recruitment to next tier of posts
From 16 January onwards a detailed implementation plan will apply, headlines of which will be tabled at Cabinet on 5 December as critical aspects are under discussion as part of the current staff consultation.	

The timetable and detailed implementation project plan will depend on several variables including the preferences expressed by staff, the outcome of “other service” consultation, the number of interviews to be carried out, the outcome of these and an assessment of the impact of resulting training needs and vacancies.

7.0 **IMPLICATIONS**

7.1 **Financial**

7.1.1 The proposed new structure is anticipated to reduce staffing costs from £880,000 to £747,000. This will potentially leave a relatively small amount of savings (£12k) to be identified from elsewhere within the service depending on the costs associated with each individual staff member who is successfully redeployed into a new role. This will need to be assessed once the outcome of the recruitment is known. Analysis is currently ongoing, through the annual Fees and Charges process, in relation to income raising opportunities that may support any under achievement of the full savings through staffing costs.

7.1.2 The number of voluntary redundancies which may be requested and granted is not known at this stage as these would only be agreed once it was clear that the service would not be left with vacancies which could have been filled by existing staff. There is a corporate provision and an earmarked reserve available to meet any redundancy/ pension implications.

7.1.3. The number of compulsory redundancies is anticipated to be small but it is not possible to predict precise numbers at this stage. While there are a significant number of new roles to apply for, these may not match the existing skills and experience within the service.

7.1.4 Pay protection may apply in a limited number of cases, again depending on the outcome of the recruitment process.

7.2 **Legal Issues** (Monitoring Officer)

7.2.1 The Head of Legal and Property comments that the Council’s HR policies have been complied with in relation to managing this restructure.

7.3 **Equalities**

7.3.1 An equality impact assessment of the restructure proposals is attached at **Appendix D**. This concludes that there is likely to be low level impact during Phase 2 amongst people with the protected characteristics under the Equalities Act 2010 and mitigating measures are proposed.

7.4 Potential Risks

The risks identified prior to the conclusion of the consultation process are:

Potential Risk	Likelihood	Impact	Overall score
<i>Failure to recruit to key roles leaving vacancies which would delay implementation</i>	2	3	6
<i>Lack of service capacity to develop associated working practices and procedures across the council</i>	3	4	12*
<i>Difficulty in managing increased pressure on the service e.g. homelessness while staffing resources are deployed in the implementation of the new model</i>	3	4	12*
<i>Significant costs incurred through redundancy, pay protection or necessity of interim cover or external recruitment.</i>	2	3	6
<i>*The implementation plan will include an analysis of the resource requirements to mitigate the risks of lack of service capacity.</i>			

7.5 Staffing

7.5.1 There is a significant impact on staffing as the restructure proposals put forward 16.93 existing FTE roles to be deleted and 14 new roles, many requiring different skills and working practices to be created.

7.6 Accommodation

7.6.1 There will be no impact on accommodation as the Housing Service will continue to be based within the new annexe of the Town Hall, although releasing some workstation capacity which could be deployed to meet the needs of other staff once the new structure is in place.

7.7 Community Safety

7.7.1 There will be no impact on Community Safety other than potentially a reduced capacity to engage in partnership projects through diminished staffing resource.

7.8 Sustainability

7.8.1 There will be no impact on sustainability issues.

Appendices

- A Housing Review Phase 2 Report
- B Proposed new structure for Housing Services
- C Current structure of Housing Services
- D Equalities Impact Assessment

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report:

None

File Reference

None