

# LONDON BOROUGH OF BRENT

**Executive - 14 February 2005**

## Report from Director of Housing

For action/approval

Wards affected:  
All

**Report Title: The creation of an in-house housing advice service and housing advice related services review.**

Forward Plan Ref: HSG-04/05-41

### **1.0 Summary**

1.1 This report seeks approval to create an in-house housing advice service to enhance existing advice provision within the borough.

### **2.0 Recommendations**

2.1 That the Executive agree: -

2.1.2 The creation of an in-house housing advice service. Further detail is provided under section 5 below;

2.1.3 For Housing Services to negotiate new agreements with both the BCLC and the CAB to include new robust monitoring and referral arrangements, subject to the requirements of Standing Orders and procurement regulations;

2.1.4 The creation of a new post of Welfare Benefits Advice Co-ordinator to be located in the One Stop Shop, further detailed in section 6.9.

2.2 That the Executive notes:-

2.2.1 That a growth bid for £100k is included in the budget process for 2005-6, and that inflation increases will be applied to the advice and associated budgets from 2006/7 onwards.

### **3.0 Detail**

- 3.1 The Council agreed heads of terms with the Citizens Advice Bureau in 1999 for the provision of generalist telephone advice and assistance, and with the Brent Community Law Centre for the provision of specialist advice and assistance.
- 3.2 In October 2002, agreement was given by the Executive to transfer the clienting role in respect of both organisations from Environmental Services to the Housing Service. The transfer was based on concerns raised by the Housing Resource Centres Fundamental Service Review and the subsequent audit by the Housing Inspectorate.
- 3.3 Advice services in the borough provided by the voluntary sector have been the subject of discussions for many years. Concerns have been raised by both Members and Officers in relation to the following points:-
- whether the Council is receiving value for money;
  - whether the services provided are of the required quality, and;
  - whether the arrangements established in 1999 are still relevant approximately 5 years on.

### **4.0 External Provision**

- 4.1 The original agreements with both the CAB and BCLC were based on a three-paged document referred to as 'heads of terms'. Unfortunately, the arrangements failed to include adequate monitoring arrangements and this has meant that officers do not have the processes in place, and/or the authority to obtain proper feedback on quality and performance of these organisations. The poorly specified arrangements have led to the general lack of understanding of how these organisations operate and whether they provide value for money.
- 4.2 Under the 'heads of terms' for the CAB, the Council agreed and set a target of 18,000 clients to be advised over the telephone of which 3,000 are to be interviewed face to face. However, performance has been consistently below target for the last 3 years.
- 4.3 The CAB performance for 2002-2003 only achieved 87% against the set target for telephone advice and 52% for face to face appointments. In 2003-2004 performance against target dropped to 84% for telephone advice and but increased to 55% for face to face appointments.
- 4.4 The first two quarter stats for this financial year show performance against target at 73% for telephone advice and 53% against target of face to face interviews.
- 4.5 Based on the performance for the first two quarters, it is highly unlikely that the CAB will meet their targets in 2004/5. However, given that these targets were set some time ago, it is not possible to properly test

if this is in fact poor performance, given the available resources. But there is clear evidence of accessibility problems.

- 4.6 In the 'heads of terms' for the BCLC, the Council agreed and set the target at 6,720 acts of advice and assistance with some face-to-face appointments. The BCLC have consistently achieved above 100% against their targets for the last 3 years.
- 4.7 Performance for 2002-2003 exceeded the target at 120%. Performance for 2003/4 again exceeded target by at 128%. Performance to date shows that BCLC is likely to exceed their target for 2004/5.
- 4.8 However, this data only provides the Council with information relating to the number of clients that have been advised over the telephone. The data does not provide a comprehensive picture of the services currently provided, for example:-
  - there is no distinction between first time callers, or follow up calls where the issue remains unresolved;
  - there is no data indicating the length of time customers are kept in a queuing system before their call is answered;
  - whether the clients issued were resolved effectively, and;
  - whether the advice provided was legally correct on a point of law.
- 4.9 The performance data does not provide the Council with any detail of the more complex quality issues, for instance, the total number of cases appealed i.e. s204 homelessness appeals and the % of appeals that were successful.
- 4.10 In order to address the issues highlighted above and those identified in section 3.3, officers proposed the use of an independent auditor. The independent audit would have provided the Council with the level of detail needed on quality by assessing sample case files. The audit would also have ensured that client confidentiality was not compromised and the agency's credibility as an independent source of advice is not jeopardised. Further detail on the scope of the audit is included in appendix 1.
- 4.11 However, the concept of an audit received a great deal of resistance. During the process of resistance, Housing Services sought the agreement of a number of external bodies that the agencies are affiliated to, for example, the Bar Council, the Legal Service Commission.

- 4.12 Having received agreement, Housing Services entered into lengthy discussions with both agencies. Shelter, a nationally recognised voluntary sector body undertook a small sample audit of the Citizens Advice Bureau and concluded that the agency were providing a good level of advice. However, it must be noted that the audit was very much restricted and does not address all the issues in relation to quality. Shelter were unable to conduct any quality audits for the service provided by the BCLC due to BCLC's resistance at the time the quality surveys were scheduled.
- 4.13 It is the opinion of officers that resistance to quality measures will continue under the existing arrangements. The arrangements lack sufficient robustness and effective monitoring arrangements. As a result officers have been unable to collate sufficient data to determine the real effectiveness of these services. This will continue unless new service levels are introduced. Although the recent audit of the CAB showed that the advice provided by the CAB was of a good quality, this masks the poor performance of the call centre, which has continually failed to deliver on targets. This may be due to a number of reasons, but given the nature of how the 'heads of terms' were constructed; it is likely that these targets were over ambitious. There is however also evidence that customers have difficulty accessing the service.
- 4.14 Some of the conclusions officers have drawn from this process is therefore not necessarily a reflection of 'poor service'. More that there needs to be a better approach to the co-ordination of housing advice. In the absence of a really true picture, changes must be made to immediately address clear inadequacies.

## **5.0 In-House Services**

- 5.1 Advice work, particularly in the housing advice area has taken on more prominence recently. The drive from the Office of the Deputy Prime Minister (ODPM) to eliminate the use of bed and breakfast establishments aligned with a growing prevention of homelessness agenda, has hastened the need to review advice services across local authorities.
- 5.2 Housing currently provides a number of services, which traditionally would sit within a housing advice service. Along with other services provided, Housing carries out homelessness prevention work with priority need homeless customers, or those threatened with homelessness. This work provides support to customers through mediation and conciliation advice to prevent or delay homelessness.
- 5.3 Our own success in the prevention of homelessness, which assisted us in reaching our bed and breakfast target, leads officers to believe that building on these successes can bring added benefits. These benefits include: -

- A frontline advice service, which receives all callers for housing. See Appendix 2 shows how this will work;
- Housing advisers who can advise on any housing issue or refer to specialist advisers in the Council or an external provider;
- A specific Welfare Benefits Advice Co-ordinator will be responsible for the strategic delivery of welfare benefits advice through-out the borough, this post will be based within the One Stop Service; Further detailed in section 6.9.
- Clear accountability and value for money measures and
- new agreements with the CAB and BCLC and,
- The in-house service will provide comprehensive performance information, indicators and outcomes on time and will be able to respond to the changing agenda.

## **6.0 Future of advice services**

- 6.1 Research has been undertaken by officers to ascertain how advice services are delivered within other London boroughs. Most authorities provide grants to external providers for independent advice and assistance; the amounts vary from authority to authority from £15k to £1m. In addition many of these authorities also have a range of services provided by in-house housing advice teams.
- 6.2 Some Authorities in London are currently considering tendering external advice provision on the basis that existing external provisions are failing or that Authorities wish to introduce internal advice services. These proposals are in their very early developmental phases.
- 6.3 However, officers have been unable to provide concrete evidence that the existing services are failing and as a result deem it premature to withdraw completely from the existing arrangements. The lack of monitoring arrangements has played a significant role in Housing Services not being able to provide any conclusive and successful qualitative data.
- 6.4 As a result it is recommended that the existing arrangements be tightened to provide some real evidence in future years, particularly to justify to Members that services are effective and are adding value. In addition there are many flaws in the current system, which requires urgent attention: -
- there is a gap between the contracted budget for the organisations delivering advice and the budget that is available;
  - the 'agreements' have been in place since 1999;
  - the call centre is not an effective mechanism for delivering housing advice in the form that is needed and;
  - there is no strategy for dealing with housing advice in the borough.

- 6.5 It is recommended that the Council take the opportunity of renegotiating the existing arrangements and also enhancing the internal provisions provided by the services internal to Housing. The provision of an in-house housing advice service with new agreements with both external agencies is paramount to the delivery of excellent services in the borough.
- 6.6 Brent Community Legal Services Partnership (BCLSP), have been unable to establish the level of need in the borough for advice services however anecdotal evidence indicates a further need for housing and welfare benefits advice in the borough. Other Community Legal Services Partnership's across London have found similar anecdotal evidence for need, with a particular need for welfare benefits. This research has resulted in the introduction of the Welfare Benefits Strategy for west London. This partnership is made up of representatives from the Council, the Legal Services Commission and the voluntary sector. The partnership is chaired by the BCLC and includes representation from the CAB.
- 6.7 The housing advice service will seek to provide all frontline services for housing advice and existing homelessness services. This model is recommended by the ODPM's office, in the document entitled, 'Homelessness Prevention - Avoiding the crisis'. The new structure would mean that all customers would be seen by an adviser, and where appropriate, referred to a specialist service. The in-house service will provide advice and assistance on all housing and housing related issues. It will include debt counselling and welfare benefits advice, as these are issues often closely related to the cause of homelessness.
- 6.8 The proposed in-house service will be tenure neutral and will assist all, initially through mediation and negotiation. Only when matters cannot be resolved without possible legal action or where a conflict of interest occurs will the customer be referred to an independent external adviser through a referral mechanism. The advice service 'membrane' is broken into three elements; these are further detailed in Appendix 3.
- 6.9 In addition to the above measures, it is recommended that the Council appoint a Welfare Benefits Advice Co-ordinator. The Co-ordinator will be responsible for the strategic delivery of the Welfare advice functions across the council. There is evidence that where authorities have taken a more pro-active and certainly more strategic approach to Welfare Benefits there has been considerable benefit to the borough's residents. A detailed review undertaken by the One Stop Shop has shown major additional potential from an integrated approach to welfare benefits work in Brent, both with external organisations and amongst a number of Brent staff and sections from different areas which undertake elements of welfare benefits work as part of their roles. Officers are therefore strongly supporting the introduction of a borough Welfare Benefits Advice coordinator as an initial step in developing advice services across the borough.

- 6.10 It is possible to manage the transition of the new advice network within a short time frame detailed below but is dependant on a number of factors: -
- Consultation with current external providers to reshape the existing provision;
  - That some existing officers in Housing Services are 're-badged' and a package of training put in place for them to become fully-fledged housing advisers.
  - That the existing budgets are increased by £100k to enhance existing internal services and to eradicate the existing shortfall in budgets and
  - That RPI increases are agreed for 2006-7 and beyond for all advice related budgets.
- 6.11 An initial assessment was undertaken as to whether it would be possible to provide the revised services (both internal and external) within the existing overall budget. This would have entailed there being a reduction in the current funding for both the CAB and the BCLC. This report takes account of the consultation that has taken place with external partners, namely, the Legal Services Commission and both the agencies concerned. The consultation process, which commenced in November 04, has identified a number of key issues, particularly in relation to the impact of a reduction in funding. A reduction in funding is likely to: -
- Jeopardise the financial viability of both agencies;
  - Lead to reduced services to the public;
  - Create gaps in service provision;
  - Result in loss of expertise and knowledge as a result of potential redundancies;
  - Have a detrimental effect on the ability of these organisations to attract investment into the borough for advice and related services, and;
  - Have a knock on effect on other non-funded agencies who are reliant on the CAB and BCLC for second tier advice and assistance for the customers.
- 6.12 As a result of the issues identified above, and the outcome of the consultation process with external partners, officers consider it inappropriate to reduce the existing level of funding to these agencies. Instead, officers are recommending that the existing arrangements be tightened to allow officers the authority to conduct the level of detailed performance and/or quality checks required to ensure that the Council is received value for money. It is proposed that the new arrangements be time limited to three years and for a formal review to take place at the end of year two to assess the quality of services. Both agencies have been notified of the current proposals and the intention to renegotiate the existing arrangements.

6.13 In order for the Council to meet its obligations under the Homelessness Act 2002 for advice and assistance, there is a need to enhance existing internal services and to restructure the external services to work together more effectively. In order to implement the proposals in this report and to eliminate the existing shortfall in budgets identified in section 7, officers have submitted a growth bid of £100k in the 2005-6 budget process and will seek to apply annual RPI inflation increases from 2006/7 onwards. In addition the providers would be subject to any efficiency savings that the council decides are applicable to the council budgets as a whole

6.14 To encourage the agencies to co-operate with officers in renegotiating new robust agreements without delay, it is proposed that officers will: -

- Withhold a 10% retention fee each quarter to be released on the conclusion of renegotiations of the existing agreements;
- Thereafter, to withhold a 10% retention fee each quarter, this fee will be released subject to timely receipt of monitoring information and satisfactory progress reports in line with any proposed service/operational improvements;
- Withhold RPI increases until the new arrangements are fully implemented.

6.15 For agencies to be held accountable for service improvements under the new agreements, it is propose that Members are provided with regular updates on progress, to include but not to be limited to,

- Performance information;
- A project plan from both organisations listing timescales for improvements with agreed targets, and;
- Total value of fee's withheld to date.

6.16 The initial proposals were based on the in-house housing advice service being operational from 1<sup>st</sup> April 2005. However, the timescales have slipped to 1<sup>st</sup> May 2005. The implementation process is described below.

- |                                      |               |
|--------------------------------------|---------------|
| • Consultation Paper                 | Nov 04        |
| • Consult with BCLC, LSC, CAB, Staff | Dec 04/Feb 05 |
| • Executive Approval                 | Feb 05        |
| • SLA consultation                   | Feb - Mar 05  |
| • Implement In-house structure       | Mar/Apr 05    |
| • Fully Operational In-house Service | May 05        |
| • Implement external                 | May 05        |

## 7.0 Financial Implications

7.1 The current financial commitment for the advice services exceeds the budget available. This is because no inflation has been added to the budget in recent years. Adoption of the recommendations in this report will align the anticipated expenditure within the available budget.

7.2 Table 1 shows the financial projections for 2004/5.

Full year expenditure for 2004/5, the CAB and BCLC budgets remain unchanged. The In-House expansion and Co-ordinator costs from March 05 have been added to the budget together with the cost of the exit strategy until Feb 05. The table below also includes the costing of staff currently employed as an exit strategy to deal with the demand from the conclusion of the homelessness prevention contracts.

| <b>Available Budget 2004/5</b>        | <b>£k</b>  | <b>Expenditure 2004/5</b>  | <b>£k</b>  |
|---------------------------------------|------------|----------------------------|------------|
| CAB                                   | 320        | CAB Actual 2004/5          | 367        |
| BCLC                                  | 220        | BCLC Actual 2004/5         | 247        |
| Associated Costs                      | 32         | Client Actual 2004/5       | 47         |
| Client                                | 40         | In-House Service expansion | 59         |
| Housing Growth (prevention contracts) | 152        | Co-ordinator               | 6          |
| Housing committed funds               | 30         | Exit strategy              | 68         |
| <b>Total</b>                          | <b>794</b> | <b>Total</b>               | <b>794</b> |

7.3 Table 2 below shows full year expenditure for 2005/6. This table takes account of the £100k growth requested as part of the 2005-6 budget process. The full year projected cost for the in-house Housing Advice Service, together with the post of the Welfare Benefits Advice Co-ordinator have also been included in the table for 2005/6.

| <b>Available Budget 2005/6</b>    | <b>£k</b>  | <b>2005/6</b>        | <b>£k</b>  |
|-----------------------------------|------------|----------------------|------------|
| CAB                               | 320        | CAB Actual 2004/5    | 367        |
| BCLC                              | 220        | BCLC Actual 2004/5   | 247        |
| Associated Costs                  | 32         | Client Actual 2004/5 | 47         |
| Client                            | 40         | In-House Service     | 180        |
| Prevention Contracts (terminated) | 152        | Co-ordinator         | 66         |
| Housing committed funds           | 43         |                      |            |
| Growth Requested                  | 100        |                      |            |
| <b>Total</b>                      | <b>907</b> | <b>Total</b>         | <b>907</b> |

7.4 The above tables provide the Executive with an indication of the potential costing for 2004/5 and 2005/6.

## **8.0 Legal Implications**

8.1 The Council has a statutory duty under the Housing Act 1996 and the Homelessness Act 2002 to provide advice and assistance to homeless households or households threatened with homelessness. At present this duty is discharged through internal Council Units, such as the Housing Resource Centre and the Private Housing Information Unit. In addition, the Council funds external organisations, such as the CAB and the BCLC who both provide, among other things, housing advice.

8.2 It appears that the organisations are both currently funded on a somewhat informal basis albeit predicated on the letter in 1999 from the then clienting service, Environment, setting out the basis on which contracts would be entered into. It appears that the actual contracts were never entered into.

8.3 There is currently no contractual requirement for the Council to give either the CAB or BCLC notice of variation of or termination of the arrangements, but it is important that proper consultation is undertaken with them both and that Members consider their response to the proposals. Failure to do this could leave the Council liable to judicial review.

8.4 Voluntary Sector Organisations (VSOs) have traditionally received their funding by way of grants. As a consequence of the on-going Grants Review, instead of receiving grants the Council in the main requires VSOs to enter into legally binding agreements (contracts or SLAs) with it.

8.5 Contracts typically specify the services to be provided by the VSO and what the VSO is to be paid for providing them. They also include provisions setting out the legal obligations that each of the parties accepts in order to fulfil the purposes of the contract.

8.6 Concern arose a few years ago that monies paid to VSOs by local authorities under contracts (rather than grants) could be deemed payments for services and subject to VAT. Any future agreement with the CAB and BCLC, whether by way of grant or contract/SLA, will contain clauses designed to ensure that a liability for VAT does not arise.

8.7 Officers from Housing will work with the Legal Team to ensure that the proposed arrangements comply with all applicable Standing Orders and procurement regulations, including bringing further reports to Members where necessary.

## **9.0 Diversity Implications**

- 9.1 Officers are currently working on an initial diversity impact assessment of services and will ensure that any new arrangements are reviewed and that the assessment is amended accordingly.

## **10.0 Staffing/Accommodation Implications (if appropriate)**

- 10.1 A total of 6 officers within housing services will be re-badged and trained to form part of the new in-housing housing advice service.
- 10.2 A further 3 members of staff will be recruited to compliment the existing staffing numbers.
- 10.3 Staff within Housing Services will be given an opportunity to apply for secondments as housing advisers.

## **11.0 Conclusion**

- 11.1 The direction described above gives this council the opportunity to put in place an approach to advice in line with many other local authorities. Housing advice in Brent has been shown to be a priority by both the Legal Services Commission and the Brent Community Legal Services Partnership. In many cases housing advice will help to delay, if not prevent homelessness long term. The importance of advice work is paramount to the delivery of excellent services. It is quite clear that an in-house advice service will add value to the work currently being undertaken by Housing Services and by clarifying the provision delivered by partners, this will only enhance this work and seek to provide a strategy for the future.
- 11.2 The £100k increase in the advice budgets will help to eliminate the current budget shortfall described in section 7.1 and fund the post of the Welfare Benefits Advice Co-ordinator.
- 11.3 The introduction of a Welfare Benefits Advice Co-ordinator will assist in building this link across partnerships and will lead on specific take-up campaigns and research how better the Council can deliver on outreach work in the community. This will assist in an over-arching advice strategy for the borough which will assist in closing the gaps of inequality by making good advice accessible to all.

## **12.0 Background Papers**

Housing Advice Report – October 2004

Shelter Audit Results

Consultation Responses – Brent Community Law Centre, Brent Citizens

Advice Bureau, Legal Services Commission.

### **13.0 Contact Officers**

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