

	<p style="text-align: center;"><b>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 17 February 2015</b></p>
<b>Title</b>	Authority to appoint Omega Housing Ltd for the management of Private Rented Sector (PRS) stock
<b>Report of</b>	Adults and Communities Director
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	<p>Maria Kaphouris, Assistant Category Manager, Customer and Support Group (CSG), 020 8359 5562,  <a href="mailto:Maria.Kaphouris@Barnet.gov.uk">Maria.Kaphouris@Barnet.gov.uk</a>            Debbie Sarson, PRS Project Manager, 07960386997,  <a href="mailto:Debbie.Sarson@capita.co.uk">Debbie.Sarson@capita.co.uk</a></p>

## Summary

The PRS project is tasked with finding suitable properties for Adults and Communities Delivery Unit service users to offer as move on accommodation. Advantages should arise from engaging a Registered Provider of social housing (Omega Housing Ltd). These advantages are itemised in the main body of the report but include extending the opportunities afforded by the scheme to a broad pool of service users. Following an open procurement exercise to seek proposals from suitable Registered Providers this report requests authority to appoint Omega Housing Ltd for the provision of housing management services. This service would be for a three-year period. The total income that may derive over this period is estimated to be £171,000.

## Decisions

- 1. To appoint Omega Housing Ltd for the provision of housing management services using properties from the private rented sector for the use of Adults and Communities service users**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 This report requests authority to appoint Omega Housing Ltd for the provision of housing management services using properties from the private rented sector for the use of Adults and Communities service users. This service would be for a three-year period. Total income that may be derived over this period is estimated to be £171,000.

## **2. REASONS FOR DECISIONS**

- 2.1 The award of this service does not require any financial input from the London Borough of Barnet (LB Barnet) as income will be derived from Rent and Service Charge receipts from tenants. In the main these tenants (Adults and Communities service users) will be eligible for Housing Benefit to cover these charges. An open procurement process has been undertaken to determine which providers deliver the best value for money. Evaluation of the request for proposal submissions resulted in the identification of Omega Housing Ltd as the successful candidate. The open procurement process, as well as, the Private Rented Sector Briefing that took place on 20<sup>th</sup> January 2015, allowed for any registered providers to register their interest and submit a proposal through the e-portal. Three providers submitted proposals and of these 3, Omega Housing Ltd was the only provider that passed all stages of the Request for Proposal Procurement Process.
- 2.2 Evaluations were carried out on the responses from the Housing provider by a select team and these evaluations were also moderated to come to the decision that Omega Housing Limited was to be awarded the provision of housing management services using properties from the private rented sector for the use of Adults and Communities service users.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 3.1 If a Registered Provider is engaged in securing and letting private rented sector properties then the suggested benefits are:
- a) In relation to Housing Benefit:
    - i. Within reason the rent should be eligible for benefit. Subject to the personal circumstances of the service user. Even if the rent being charged is over the Local Housing Allowance level then Housing Benefit can cover it. This should open up a greater pool of properties for our service users and avoid the requirement for a top-up out of the service user's income
    - ii. Under 35's are normally restricted to a level of benefit that theoretically relates to the market rental rate for a single room in a shared house. The use of a Registered Provider can remove this restriction to a "single-room in shared accommodation". This should open up more service users for the project
  - b) In relation to the service that our clients will receive in their homes this should be of a higher standard. For example in relation to emergency repairs,

stipulations that Registered Providers will offer a call-out and emergency advice option as part of the service delivery may be made.

- c) In relation to the longer term prospects for service the Registered Provider may be able to negotiate longer lease terms and, through their linkage to the PRS project they should have a vested interest in finding alternative accommodation when the leases expire.

These issues were presented in a delegated powers report and approval was received to proceed with the external advertisement of a Request for Proposals in January 2015.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 Following approval to appoint Omega Housing Ltd the PRS team will enter into an implementation phase with the objective of the service going live on 1 March 2015 subject to the successful negotiation of contractual terms. Omega Housing Ltd will start to source properties from the private rented sector and liaise with Officers from LB Barnet on the matching of service users' requirements. The service will be undertaken for a three-year period and the service specification provides for regular reporting of relevant measures.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Corporate Plan 2013-2016 states that under the Financial Strategy "We will continue to keep a tight rein on our finances and provide quarterly reports on how we are managing the business – and our new contracts – to ensure even better value for money for tax payers"
- 5.1.2 The allocation of this service to Omega Housing Ltd should help ensure the most effective use of council funding in supported living and registered care homes. Service users who are capable of independent living will have access to accommodation alternatives sourced from the private rented sector but managed through a reputable Registered Provider. The opportunity to relocate will in turn free accommodation while maximising the independence of service users.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The allocation of the service will not require LB Barnet funding. The intention is that Omega Housing Ltd will receive an income stream from the rent and service charges relating to the properties that are included in the scheme sufficient to cover their costs. For most service users the rent and other charges should be covered wholly or in part by claims from Housing Benefit.

##### **5.3 Legal and Constitutional References**

- 5.3.1 This is not a 'management agreement' under section 27 of the Housing Act

1985 because the council will not own the houses or the land and so does not require the consent of the Regulator of Social Housing or the Secretary of State.

5.3.2 The Council's Constitution sets out the Contract Procedure Rules. Appendix 1 – Table A sets out the Authorisation and Acceptance thresholds. This table states that Directors have the authority to commence a procurement process of a value of up to £172,514, and that this authorisation should be documented by a delegated Powers Report.

5.3.3 The Service Specification will be incorporated into a contract approved by HB Public Law which clearly sets out the rights and obligations of the council and Omega Housing Ltd.

#### **5.4 Risk Management**

5.4.1 As mentioned in 5.3.3 the service will be monitored through the measures specified in the Service Specification. LB Barnet will refer people for the service following appropriate consideration by qualified Officers. There will be no guarantee of referrals and related income streams as part of the service allocation. Consequently there will be no financial liability for LB Barnet as a consequence of awarding the service.

#### **5.5 Equalities and Diversity**

5.5.1 The allocation of the service has been facilitated through the open advertisement of the opportunity through the procurement portal. Responses to the Request for Proposal were welcomed from any suitably qualified organisation.

5.5.2 The Service Specification relating to the service opportunity requires Omega Housing Ltd to have appropriate policies and procedures relating to Equality and Diversity including provisions to ensure compliance with the Equality Act.

5.5.3 No adverse impact on service users is anticipated. Any agreement with Omega Housing Ltd will increase accommodation choice and will benefit service users.

#### **5.6 Consultation and Engagement**

5.6.1 None undertaken as no adverse impact on service users is anticipated. Any agreement with Omega Housing Ltd will increase accommodation choice and will benefit service users.

### **6. BACKGROUND PAPERS**

6.1 None

### **7. DECISION TAKER'S STATEMENT**

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

## **8. OFFICER'S DECISION**

### **I authorise the following action**

- 8.1 The appointment of Omega Housing Ltd for the provision of housing management services using properties from the private rented sector for the use of Adults and Communities service users

**Signed**            **Adults and Communities Director**

**Date**             **17 February 2015**

---