JOINT REPORT OF
LEADER OF THE COUNCIL AND PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE, PORTFOLIO HOLDER FOR HOUSING AND PLANNING

23 FEBUARY 2025

HOUSING SERVICES USE OF RESERVES TO ENGAGE SPECIALIST RESOURCES

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To seek agreement to use reserves from the Housing Revenue Account to engage specialist staffing resources from Local Government East to address an urgent employment situation within the Housing Repairs Service.

EXECUTIVE SUMMARY
Regulatory expectations for housing services have increased, at the same time as a well-documented national skills shortage in specialist local government roles, particularly building surveyors and social housing professionals. This has created a highly competitive recruitment market affecting councils nationally and making it increasingly difficult to recruit and retain skilled staff. Within this context, two members of the Housing Repairs Service management team have recently resigned and, together with an existing vacancy, all three management posts will be vacant by 5 March 2026. Previous recruitment exercises have failed to attract suitably qualified candidates, indicating that both the resignations and ongoing vacancies reflect wider national labour-market pressures. The absence of a management team places the Repairs Service at significant risk of being unable to meet its obligations under the Consumer Standards, with the potential for non-compliance with statutory requirements set by the Regulator of Social Housing. While further recruitment opportunities will be pursued, there is an urgent need to provide interim management capacity to ensure continuity of service delivery and regulatory compliance. Given the sustained challenges in recruiting to senior technical and professional roles of this nature, it is proposed that the Council engage specialist interim resource through Local Government East (LGE) for a period of up to six months. This will provide essential operational resilience while enabling the Council to undertake a comprehensive and meaningful recruitment exercise. It is also notable that, where candidates are sourced from within local government, a typical three-month notice period would apply before they could take up employment. To support this approach, it is proposed that up to £310,000 from Housing Revenue Account (HRA) reserves be utilised to fund the interim resource, with opportunities to offset this cost explored during the 2026/27 financial year. It was felt that any delay likely to be caused by the normal key decision process and/or the call-in process would have seriously prejudiced the Council's and the public's interest as it would

leave the Council with limited capacity to not only undertake the 'business as usual' work at the corresponding senior level required, but also the various on-going activities in terms of those associated with responding to new and emerging regulations.

Set against the above context it is proposed to take the decision to employ resource via Local Government East, as highlighted, under special urgency procedures which includes an exemption from its inclusion within the Forward Plan and call-in, following consent from the Chairman of the Resources and Overview and Scrutiny Committee.

It should be noted that a separate Officer Decision will be recorded to award and enter into the contract and published following agreement of the above approach. In terms of the procurement decision proposed to be taken, due to organisational structure of Local Government's East (which is member owned, governed and led), a 'Teckal' exemption applies to member Councils when they buy services from them. A 'Teckal' exemption (vertical arrangement) allows public authorities to directly award contracts to controlled 'in-house' entities without competitive tender. Tendring District Council is a member of LGE and so reliance can be placed on this underlying exemption.

RECOMMENDATION(S)

It is recommended that:

On behalf of the Cabinet and using the special urgency powers, in accordance with Parts 3 and 5.8, the Leader of the Council and Portfolio Holder for Finance and Governance, in consultation with the Portfolio Holder for Leisure and Public Realm, Section 151 and Monitoring Officers agree:

To authorise the use of up to £310,000 from the Housing Revenue Account Reserves to fund the engagement of resources form Local Government East, to address an urgent need to provide capacity within the Housing Repairs team to meet the Council's statutory obligation in relation to the maintenance of Council Housing Stock.

REASON(S) FOR THE RECOMMENDATION(S)

To ensure that sufficient management resource is available as timely as possible to ensure the delivery of the housing repairs service.

ALTERNATIVE OPTIONS CONSIDERED

To continue with the recruitment process, without having a suitable management structure within the housing repairs team. Effectively this would maintain the currently unacceptable risk of a suitable candidate being found within an unknown timescale, having had two failed recruitment exercises so far to date.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This project will impact on the following objective, as set out in the Council's corporate priorities:

- Pride in our area and services to residents – through ensuring our tenants have continuity of service in relation to the safe maintenance of their homes.
- Financial sustainability and openness –By ensuring a quality repairs service is delivered

and therefore preventing any potential disrepair claims or complaints for a poor-quality service.

OUTCOME OF CONSULTATION AND ENGAGEMENT

Consultation has been undertaken with the Chair of the Resources and Services Overview and Scrutiny Committee, in relation to the exemption from call in procedure set out in this report.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	**NO**	**If Yes, indicate which by which criteria it is a Key Decision**	
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	

<u>Urgency Arrangements</u>

Due to the urgent need for the Council to enable there to be a management structure within the housing repairs service by entering into an agreement with LGE, for a period of up to six months, via the use of reserves within the HRA, by the 5th March 2026, the decision to use HRA reserves is proposed using special urgency powers, as set out in Part 3, Schedule 3 of the Constitution. This sets out that the Leader of the Council may exercise any of the powers delegated to the Cabinet *‘in cases of urgency, in consultation with the Monitoring Officer and/or Section 151 Officer. In cases of urgency the decision of the Leader of the Council will be recorded and published in accordance with the Constitution. The Leader of the Council will also be required to make a public statement at the next formal meeting of the Cabinet which will explain why they had taken the decision as a matter of urgency.’*

In addition, in order to meet the deadline to sign up the specialist resource, by 5th March 2026, permission will need to be granted by the Chairman of the Resources and Services Overview and Scrutiny Committee to exempt this decision from both the Forward Plan and the 5 day call in period, through the special urgency provisions. This will be made through using Rule 15 of the Access to Information Procedure Rules, as set out in Part 5.8 of the Constitution.

As such, consultation has taken place with the Chairman of the Resources and Services Overview and Scrutiny Committee to agree that the Special Urgency Procedure as set out above.

In terms of the proposed procurement approach of securing capacity from Local Government East (LGE), this will be undertaken via a ‘Teckel’ Exemption. LGE are a member owned, member governed and member led organisation and therefore a ‘Teckal’ exemption can be applied to member Councils when they buy services from them. A ‘Teckal’ exemption (vertical arrangement) allows public authorities to directly award contracts to ‘controlled in-house’ entities without competitive tender. Carried over to the Procurement Act 2023, this exemption requires the entity to be under strict authority control with over 80% of its activities dedicated to the owner authority. Based on the above and that TDC is a member body, the proposed approach would be permissible under Schedule 2 of the Act.

Yes	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**
Consultation has been undertaken and no further comments are made in addition to the content of the report.	

FINANCE AND OTHER RESOURCE IMPLICATIONS
HRA balances are currently estimated to total **£2.774m** as at the end of 31 March 2026. Based on the proposal set out within this report to use **£310,000** from the General Reserve, this would leave an amended balance of **£2.464m** to support the HRA from 2026/27 onwards. There are no significant financial risks of doing so based on the estimated Business Plan from 2026/27onwards previously agreed via the budget setting process for 2026/27. However, through the outturn process for 2025/26 and further financial performance reports during 2026/27, it is planned to identify opportunities to offset this proposed use of reserves via corresponding contributions back to the same reserve over the next twelve months where possible. The Local Government East (LGE) Talent Bank provides clear Value for Money and supports the Council's Best Value duty by offering access to a pool of experienced, pre-vetted professionals selected specifically for their ability to support local authorities. All Talent Bank services are delivered through a pre-procured, public-to-public framework and are available under the Teckal procurement exemption. This enables the Council to secure specialist support without undertaking its own procurement exercise, offering an efficient and economical route to securing expertise. The Talent Bank is endorsed and operated by Local Government East, the regional body representing councils across the East of England. This provides assurance that all professionals engaged understand the local government context, standards, and expectations, helping ensure that resources deployed are both relevant and effective. The Talent Bank also offers greater flexibility than traditional agency arrangements. Councils can draw on specialist skills for specific projects, interim roles, or short-term capacity gaps, with the ability to scale support up or down as required. This flexibility, combined with transparent framework day rates, ensures that the Council only pays for the specific level of specialist input it needs.

Yes	**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**
There are no further comments over and above those set out elsewhere within this report.	

USE OF RESOURCES AND VALUE FOR MONEY	
The following are submitted in respect of the indicated use of resources and value for money indicators:	
A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	These are addressed elsewhere within this report.

B) Governance: how the body ensures that it makes informed decisions and properly manages its risks.	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	
MILESTONES AND DELIVERY	
This is addressed elsewhere within this report.	
ASSOCIATED RISKS AND MITIGATION	
This is addressed elsewhere within this report.	
EQUALITY IMPLICATIONS	
The issues covered in this report would ensure the repairs service is maintained for tenants and therefore reduce any potential negative impact form having a poorly delivered repairs service	
SOCIAL VALUE CONSIDERATIONS	
There are no direct implications associated with the proposed decision.	
IMPLICATIONS RELATED TO DEVOLUTION AND / OR LOCAL GOVERNMENT REORGANISATION	
The use of reserves to engage specialist resources to ensure the continued management of the repairs service, will prevent service failure and allow the service to continue to be in a positive position, moving into a new Unitary Authority.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050	
There are no direct implications associated with the proposed decision.	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	There are no specific implications at this stage
Health Inequalities	The decisions in this report would maintain current service levels, which would ensure tenants have access to services which impact positively on the quality of their homes.
Area or Ward affected	All
Local Government Reorganisation and Devolution	This project will support the delivery of the housing repairs service. Following LGR, this will leave the housing service in a good position for a new Unitary Authority.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Two recent resignations within the Housing Repairs Service, combined with an existing vacancy, mean that by 5 March 2026 all three management posts within the service, the Assistant Director, Development and Building Manager, and Principal Surveyor, will be vacant. Two of these posts have been advertised previously but failed to attract suitable candidates.

As a result, the Repairs Service is now at significant risk of being unable to meet its responsibilities under the Consumer Standards and may therefore be at risk of non-compliance with statutory requirements set by the Regulator of Social Housing.

Given the existing pressures within Housing Services and the requirement to maintain compliance with the Consumer Standards, there is an urgent need to secure appropriate management capacity.

Due to the difficulties in recruiting to senior positions of this nature, it is proposed that the Council engages specialist interim resource via Local Government East (LGE) for a period of up to six months. This will provide the necessary resilience and leadership while enabling the Council to undertake a meaningful and comprehensive recruitment exercise.

It is also noteworthy that, had the Council successfully appointed candidates currently employed within local government, a statutory or contractual notice period, typically three months, would likely have applied before any new appointee could commence employment with Tendring District Council.

This further supports the need for interim arrangements to ensure continuity of service delivery whilst a more long-term resourcing solution is explored.

PREVIOUS RELEVANT DECISIONS

N/A

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

N/A

APPENDICES

N/A