

HOUSING & SOCIAL INCLUSION SERVICE

Service transformation exercise

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Service	Net budget
<p>The majority of the Council's housing expenditure is within the ring fenced Housing Revenue Account (HRA), which is the landlord account where tenants rent and other income (£14.5 million) pays for tenant services, and the maintenance/modernisation of their homes.</p> <p>The Service and customers aims, aspirations and actions to be achieved are set out in the following documents:</p> <ul style="list-style-type: none"> ➤ Housing Strategy Statement 2008 – 2011 ➤ HRA Business Plan 2006 ➤ Tenant and Council Partnership Agreement ➤ Housing Improvement Plan ➤ Service Plan 2009 – 2012 ➤ Housing Customer Charter ➤ Equality & Diversity commitments <p>A description of the Service is contained in the Service Directory.</p>	<p>£14,564,240</p> <p>Housing Strategy 2008 – 2011 seeks to ensure that a good quality, affordable home is available to all households in the district and that each home is adequate in size and suitably located for the occupants.</p> <p>We work to the principle of a decent home for all.</p> <p>Our Systems Thinking purpose is to match the right people with the right home.</p>
<p>The 2009-10 budget excludes recharges to/from central support services, indirect office accommodation and capital charges. The analysis allows consideration of costs directly incurred in the provision of the service.</p>	

Assets associated with the delivery of the services referred to above.

Service	FTE - Staff	Buildings
<p>The Service has considerable assets in the form of council homes and associated buildings. We are responsible for their use, allocation, disposal and associated income and expenditure.</p>	<p>We have 73 HRA staff employed to provide services to tenants and leaseholders.</p> <p>We have a further 10 staff financed from the General Fund.</p>	<p>4,298 council homes; 14 community centres; 716 garages; 4 area offices; Lymbourne House community alarm centre; Gardens, 15 play areas and estate land.</p>

Delivering efficiencies and value for money through service transformation.

Briefly outline what could be achieved in 2009-10/2010-11, to contribute to a total overall reduction in revenue expenditure of 10%, under each of the five headings, as appropriate.

Services Designed Around Customer Needs

Elements of the Housing and Social Inclusion Service have been subject to a **Systems Thinking** review recently. This has introduced different ways of working following a re-evaluation of 'what matters' to our customers. We have adopted a series of operating principles and redesigned the service around the identified value steps in our system. Reducing preventable demand and waste in our system will increase our capacity to meet value demand. We have adopted a customer focused purpose – **to match the right people with the right home**. To manage the review we have divided landlord services into three phases of a tenant's experience – moving in – living in – moving out.

Through the Systems Thinking review we have redesigned the process of Notice to Quit; preparation of void properties; Choice Based Lettings and allocations; accompanied lettings; tenant choice; new tenancy 'sign up'. The review has considered the 'moving out' and 'moving in' aspects of the Service.

We plan to extend the Systems Thinking methodology into housing activities concerned with 'living in' such as the responsive repairs service and property modernisation and adaptation processes. As we identify and eliminate waste from the system we will reinvest the savings achieved back into the Service.

Our **Tenant and Council Partnership Agreement** usefully captures tenant aspirations and joint commitments for service improvements in an action plan. This is another good example of how we have designed the service around customer needs. We need to improve the monitoring arrangements and feedback to demonstrate that we are achieving the actions

The **Service Plan** has been developed with customer input and considered by the Housing Review Board prior to adoption. All recent strategy, plan and policy developments have been scrutinised by the **Housing Review Board** prior to adoption and this presents an opportunity for customer input.

Reappraising Service priorities

We have achieved a balance between expenditure on housing services (staffing costs) and repairs and improvements to tenants homes (building costs) with a bias towards spending on tenants homes and a modest staffing establishment (confirmed through benchmarking). The HRB may want to reconsider this approach as part of the Service Transformation exercise and review of the HRA Business Plan. We have achieved decent homes and have a budget in excess of £5 million being spent on repairs, improvements and adaptations to tenant's homes. We spend approximately £1.4 million on direct staffing costs. If tenants want more in the way of housing services the cost has to be found from elsewhere in the HRA or through efficiency savings.

We are aware of the requirement for additional expenditure which will need to be factored into the HRA Business Plan including:

- Carbon Management Plan
- Sheltered housing improvements
- Disabled adaptations
- Extensions and loft conversions
- Building new council homes
- Environmental improvements
- Communal cleaning & caretaking enhancements
- Community centre upgrades
- Changes to Supporting People contracts.

This is not an exhaustive list and there are other additional spending needs which will inevitably arise over coming years.

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We have reduced our HRA surplus to close to the minimum recommended level by spending on improvements to tenants homes. We are at a point where additional expenditure has to be compensated by savings or efficiencies elsewhere in the budget to maintain a balanced budget and the HRA surplus.

Collaboration

Senior Members and Officers have initiated a dialogue with **Mid Devon District Council** in respect of joint working and collaboration. Housing landlord services is one of a number of council services identified for collaboration. This collaboration might allow us to create a greater capacity for project based work, shared services, work on new initiatives, importing best practice, joint procurement and commissioning and achieving cost savings.

Mid Devon are particularly keen to share experience and ambition around procurement of planned maintenance/modernisation programmes. There will be opportunities for procurement efficiencies around joint needs. We have identified gas servicing and installations, stock condition survey, voids and kitchen upgrades as early areas for collaboration.

We have been actively learning from the Audit Commission inspection process, using published Key Lines of Enquiry to guide service improvements and continually researching good practice in the sector.

There are opportunities to develop our mentoring work and benchmarking with peers. We are an active member of HouseMark and use the service for benchmarking and sourcing best practice advice.

Smarter Procurement

We committed to an adopted approach to procurement following a report to the HRB in March 2008. Housing has been actively involved in the Procurement & Efficiency Group working with the Resources Portfolio Holder and Procurement Champion. We will be working with the recently appointed Procurement Manager to advance our adopted procurement policy and evidence improved value for money.

We have joined two procurement clubs – Procurement for Housing and PASA a health service club that enables us to purchase Home Safeguard equipment cheaper.

We have been in discussion with Advantage South West a procurement club established and used by local Registered Social Landlords. They have negotiated prices for the supply of building materials. We are recommending to the HRB that we join and ensure contractors use the club suppliers for building fixtures and fittings.

The Council has sourced Utility suppliers that provide significant discounts for bulk purchasing. We have joined the contract for community centres and communal areas.

We must be continuously alert to opportunities for procurement and contracting efficiencies. This will enable us to demonstrate best value and make our financial resources buy more for tenants.

Asset Management

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Our HRA 30 year Business Plan is concerned with asset management, most important of which is our tenant's homes. The Business Plan is being reviewed and updated in the light of new expenditure pressures, our ability to build new council homes, and changing government thinking on HRA accounting.

We have commissioned a recent HRA 'health check' which has identified a number of actions we can take to improve our subsidy position. This should be a periodic exercise.

We have considered **Carbon Management** issues which will improve the energy efficiency of our housing and affordable energy costs for tenants. The cost of this work will need to be factored into our HRA review.

We are experiencing increasing demand for **disabled adaptations** and have increased the budget annually. The results of the Tenant Profiling exercise will give us a better understanding of future demand for this service.

Decommissioning of **sheltered housing** is a current project with a TaFF overseeing the work. This will need to happen over the next few years in order to meet tenant's expectations for good quality housing and Supporting People requirements. Although this is a landlord (HRA) function the exercise could free up accommodation for use by smaller homeless households, and reduce pressures on our homeless budget.

There are pressures to spend on estate improvements and environmental works, including play areas.

There are opportunities to engineer the release of some **housing office space** and utilise decommissioned sheltered housing accommodation or other housing assets (community centres) for some Knowle based housing staff. We have created a number of district offices for support staff as we have moved from scheme based Resident Wardens/Scheme Managers with an office at home, to Mobile Support Officers who provide 'floating support' for older tenants.

The issue of **housing stock transfer** whilst outside the scope of this exercise is briefly considered at the end of this paper. This does present an opportunity to generate a sizable capital receipt from the sale of the council's housing assets.

We have commenced building two new council homes in Sidmouth the first in many years. We have also recently bid for Social Housing Grant (separate report). A **council house building programme** albeit small is a positive transformational activity that we wish to follow provided it is financially viable for us to do so. Competitive bids may require a subsidy from the HRA or a capital contribution to reduce the grant requirement to levels attractive to the Homes and Communities Agency.

Garage sites and open space are a valuable assets and present limited opportunities for land assembly and use as development sites. A fuller assessment of our land holdings and the potential for alternatives uses is being undertaken.

Better Use of ICT

We delayed identifying a new housing system because of the Local Government Review. We do need a modern and comprehensive housing system to hold our housing and customer data. The procurement team will be rejuvenated once we know our future with more certainty.

We need to procure a new **housing system** and restart the project that was suspended due to the Local Government Review process. This needs to replace our bespoke in-house system for housing repairs, stock condition, estate management, energy assessments, tenant profiling data etc.

We are exploring a software upgrade for **Home Safeguard**, which will allow us to provide improved customer service to our existing and new clients. We are attempting to achieve this with no significant additional costs. We are overdue an upgrade to improve the functionality of the system and our ability to rollout Telecare options/attract new business.

Mobile/Remote working with appropriate technology will help in improving efficiency. I have undertaken an initial assessment of the potential in housing and provided this to ICT.

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Registering for housing on-line will be introduced through Devon Home Choice (Devon wide Choice Based Lettings scheme December 2009). We have requested customer access to P.C's to register and bid for homes. Improvements to the telephone system have also been requested.

We have committed to purchase the **Abritas** Choice Based Lettings system for the Devon Home Choice scheme. This should be available from December 2009 and will be used to advertise properties available for letting, applicant bidding, selecting successful applicants and allocations.

Note: Budget reductions will be required in 2010-11 so please restrict comments to that which is achievable within this timeframe.

Further to savings that might be achieved through service transformation, are there parts of the budget that you consider could be cut. Please outline with a brief explanation of the potential impact on our customers.

Service area/budget	£
<p>Staffing The HRA costs for staffing the service amount to £1.4 million on housing staff in 2009/10. The current staff structure is shown in annex 1. When undertaking benchmarking comparisons we consistently are shown to have below average staff levels when compared to our peers.</p> <p>We are currently carrying some staff vacancies and there is a moratorium on recruitment with any exceptions justified through a robust business case for recruitment. The Chief Executive has assumed control of this process.</p> <p>We do use temporary, casual and agency staff to cover long term sickness and certain vacancies where we do not have authority to recruit permanently we use the Devon County Council approved recruitment agencies. We will continue to critically question the need for recruiting to vacancies on a temporary or permanent basis and how we can best deploy resources and increase output/outcomes.</p> <p>We have been moving towards recruiting generic housing officers wherever possible to increase our flexibility and adapt to changing priorities. Job satisfaction is often increased by increasing job content.</p> <p>There are some opportunities for restructuring staff groupings and a number of forthcoming retirements present the need to reconsider current arrangements, which are essentially four teams/units. These have served us well over the last three years and our teams responsibilities are set out in our Service Directory available from the website.</p> <p>We will carefully assess a business case before recruiting new or replacing posts on the establishment to determine the merits of the case against the Service priorities and Business Plan.</p> <p>The Tenant Improvement Voucher Scheme has been under spent each year and we can</p>	<p>Circa. 50,000</p> <p>20,000</p> <p>10,000</p>

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<p>afford to trim this budget and reallocate for other works.</p> <p>Community centre furniture has been purchased so we will not require the full amount of the provision made in this year's budget, although there are some other investment needs in respect of the centres.</p>	<p>10,000</p>
<p>Potential to increase income from both new and existing fees and charges</p>	
<p>Service area/income source</p>	<p>£</p>
<p>Rent and service charge income - We are striving to increase the amount of rent collected to 99% of rent due. Our success in this area enables us to finance other housing services. We have utilised debt recovery services to collect former tenant arrears which have proven hard to collect. We have implemented Direct Debt systems which is a cost effective and convenient form of rent collection.</p>	<p>50,000</p>
<p>Garage rents – We have increased garage rents above inflation for several years. There is still scope to increase rents in future years above inflation.</p>	<p>5,000</p>
<p>Service Charges – Many social landlords make a charge for grounds maintenance, community centres, door entry systems, digital TV aerials. We are exploring the options for service charges as a means of fairly charging tenants for housing services and de-pooling the costs currently distributed amongst all tenants.</p>	<p>Circa. 50,000</p>
<p>Supporting People grant – We have been attempting to optimise our claim for grant by maintaining accurate records and submitting timely claims. We are also looking to redirect funding to other Supporting People activities when the decommissioning of sheltered housing takes effect.</p>	<p>5,000</p>
<p>Garden maintenance – introducing a charge for tenants eligible for garden maintenance is a possibility that is being investigated.</p>	<p>7,000</p>
<p>Sewerage charges – We could charge the South West Water rates for customers connected to our sewerage treatments works rather than the current lower rates.</p>	<p>2,000</p>
<p>Leaseholder charges – We could review the administration charges to ensure that leaseholders pay the actual cost of services received.</p>	<p>4,000</p>
<p>Garden licences – we could increase our charges for issuing garden licences.</p>	<p>2,000</p>
<p>Communal cleaning and caretaking – introduce a service charge for tenants receiving enhanced communal cleaning and caretaking services.</p>	<p>Circa. 5,000</p>

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Community Centres – we can increase the charges made for the hire of community centres and attempt to generate more income from our facilities without losing the community value of the buildings.	2,000
Rechargeable repairs – we can adopt a more pro-active approach to recharging tenants for damage/neglect of their homes	5,000
Release of covenants on sold property produces an income. We could look to increase the consideration for the release of covenants.	3,000
N.B. These are rough estimates at this stage and will need to be worked up in more detail if any of the ideas are pursued.	

Any further comments

The Housing Review Board (HRB) has been invited to undertake a review of **Housing Revenue Account (HRA)** expenditure and the HRA Business Plan. This exercise will help ensure that we are providing good value for money in respect of landlord services and create financial capacity to implement service improvements such as the targets in the Carbon Management Plan, improvements to sheltered housing etc.

We have recently used Tribal to perform a 'health check' on the **HRA subsidy claim**, which has been a useful exercise in identifying opportunities for claiming more management and maintenance allowances.

The HRB were due to revisit the **housing stock options appraisal** work we undertook in 2006, but put this on hold some months ago pending the outcome of the Local Government Review exercise. We are also awaiting the Government's announcement on the reform of public sector housing finance, which will be an important influence on any decision on the future ownership and management of the council's housing stock. There is some concern about the availability of private finance to affect a stock transfer, and of course we will need a positive tenant vote for a mandate to transfer the housing stock. Failure to secure a 'yes' vote places a cost on the General Fund. We are providing tenants with decent, warm homes, at an affordable rent and seeing high levels of tenant satisfaction – what incentive is there for tenants to vote to leave a fair and accountable landlord?

The Government are currently consulting on the Reform of council housing finance and although the current proposals require taking on debt to achieve freedoms and flexibilities, we may find that the reforms eliminate/reduce our HRA subsidy payment and allow us to spend more of our tenant's rental income on housing services.

Notes:

- 1. The need to reduce net expenditure is such that no manager should view any of the services for which they are responsible to be outside the scope of this exercise. This comment applies as much to those services considered to be mandatory as those of a discretionary nature.**
- 2. Please attach your service plan to the completed template.**