
HOUSING MANAGEMENT – BEST VALUE REVIEW

1 SUMMARY

- 1.1. The purpose of this report is to give an overview of the above review and seek approval to the proposed action plan. Full documentation of the review has been placed in the Members Rooms at Rochford and Rayleigh. The content of this document is shown at [Appendix 1](#) of this report. (This appendix will follow as it is still under formulation).

2 INTRODUCTION

- 2.1. The responsibility for housing management lies with the Head of Revenues and Housing Management. There is a “soft” client and contractor split in that housing strategy is dealt with by the Head of Housing Health and Community Care.
- 2.2. The Housing Management Division is responsible for the management of the housing stock, housing register and allocations, rent collection, estate management and Warden services. Property maintenance is carried out by the Contract Services Division. The granting of rent rebates is carried out by Housing Benefits.
- 2.3. The parameters of the review were:-
- Housing repairs and maintenance
 - Setting and collecting rents
 - Management of tenancies
 - Consultation and involvement of tenants
 - Allocation and reletting of houses

3 METHODOLOGY

- 3.1. The review followed the generic methodology agreed in October 1999 (subsequently amended in September 2001).
- 3.2. The work undertaken comprised of:-
- A review of current service provision
 - Identifying strengths and weaknesses of current service provision
 - Utilising the results of tenants consultation exercises
 - Benchmarking exercise
 - Challenging existing service provision
 - Drawing up an action plan for service improvements over the next five years.

4 PRESENT ARRANGEMENTS

- 4.1. The responsibility for the various functions of housing management are set out in paragraphs 2.1. and 2.2. above. The staffing resources involved are:-

Housing management Division	10 staff
Wardens for sheltered Accommodation	21 staff

Housing Benefits has generic working across all benefits. It is not, therefore, possible to allocate specific staff to rent rebate provision. Similarly, Contract Services are responsible for all Rochford District Council property and, again, specific individuals are not allocated to housing property.

- 4.2. All of the costs of housing management are contained within the Housing Revenue Account apart from the administration costs of rent rebate. It is a Government requirement that these costs are charged to the General Fund as rent rebate is not seen as being part of the landlord function. The Housing Revenue Account is ring fenced. All of the costs are recouped from rent, service charges and Government subsidy.
- 4.3. The costs incorporated within the Housing Revenue Account are:-

Expenditure	£
General management	610,800
Special services	20,500
Wardened services	677,200
Repairs (including administration)	1,474,400
Debt charges	1,680,000
Depreciation	1,032,300
Government subsidy – payment to Government	<u>450,000</u>
	5,945,200

Income	
Rents	5,520,000
Other charges	55,100
Interest	<u>45,000</u>
	5,620,100

Withdraw from balances	<u>325,100</u>

- 4.4. Capital investment in housing for 2001/02 is estimated at £1,278,700.

4.5. Revenue costs are overseen on a day to day basis through established budgetary control procedures. Capital costs are overseen in a similar manner and progress on capital schemes is monitored by the Officer Financial Programme Monitoring Group.

4.6. The current level of service provision has been examined and, where possible, performance indicators have been compared to determine whether we are within the top 25% of authorities. Where performance is within the top quartile, no significant amount of work has been undertaken. Efforts have been concentrated on those areas where we do not perform so well.

5. TENANTS CONSULTATION

5.1. A postal survey was carried out during 2000 in which a comprehensive list of questions, as recommended by the Audit Commission, was asked of our tenants.

5.2. We received 1,539 responses, which represents a 79.69% return. On the key question "Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by your landlord?" 82.8% were either very satisfied or fairly satisfied. 4.6% were either fairly dissatisfied or very dissatisfied. The full analysis of the survey is contained within the review documentation.

5.3. The results of the survey were utilised in determining where efforts should be concentrated in order to improve the service.

5.4. During 2001 a consultation was undertaken seeking tenants' views on the types of improvements they would like to see carried out to their homes. The results of this survey have been taken into account in determining the proposed capital programme for 2002/3.

6. BENCHMARKING

6.1. A postal benchmarking exercise was undertaken with a small number of authorities which had similar characteristics to Rochford, but based predominantly on the size of stock held. The authorities which participated were:-

Castle Point
Torridge
South Norfolk

6.2. The benchmarking exercise concentrated primarily on procedures used to provide an element of service where it appeared that the authority performed better than ourselves. The exercise also compared best value performance indicators.

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- 6.3. Whilst no major differences in procedure were identified, useful information was received which has enabled the authority to improve the information communicated to potential tenants.

7. CHALLENGING SERVICE PROVISION

- 7.1. The major challenge as to whether or not there should be a large scale voluntary transfer was carried out under the housing strategy review.
- 7.2. The major issue therefore centred around whether or not the stock should continue to be managed in-house or contracted out.
- 7.3. Whilst the overall performance against Best Value Performance Indicators is generally good, there is no comparison of cost against private sector providers. In order to address the competition element of Best Value, it was necessary to examine this aspect in more detail.
- 7.4. Meetings were held with representatives of a commercial provider of housing management services and a Housing Association.
- 7.5. The private sector provider identified specific areas where they may be able to assist in order to improve performance.
- 7.6. The Housing Association put forward a case whereby it was argued that there could be economies of scale by combining the management of the stock. The proposal, however, did not take into account all of the requirements of TUPE whereby staff could be given full assurances as to employment, pension rights, etc.
- 7.7. In view of the above, the Best Value team, in consultation with the Member Housing Best Value Working Group decided that more research was needed and provision is made for this in the action plan.

8. ACTION PLAN

- 8.1. An action plan has been drawn up, taking into account the findings of the review, and is attached at [Appendix 2](#) of this report.

9. RESOURCE IMPLICATIONS

- 9.1. The action plan contains estimates of officer time required to implement the plan. Whilst the resource is significant, efforts will be made to achieve the plan within the existing staffing structure.
- 9.2. There are a number of actions which require additional budget provision which are set out in the following paragraphs.
- 9.3. In considering whether there is value in going out to tender for the service, it is necessary to compare ourselves against private sector performance. There are consultancy firms which specialise in this type

of work. It is therefore suggested that £10,000 be made available to carry out this task.

- 9.4. Following on from 9.3 above, if it is evident that contracting out may achieve cost savings or enhanced performance, it will be necessary to prepare a specification and carry out a tendering exercise. There is a need for specialist help in this and a provision for consultancy of £60,000 needs to be considered. This would possibly be spread over a period of 18 months.
- 9.5. In the event of it being decided that the service should remain in house, there will be a need to replace the IT system. This cost is estimated at £20,000 and provision would be needed in 2003/4.
- 9.6. Finally, there is a need to engage external assistance with regard to rent fixing and this is estimated at £10,000.
- 9.7. All of the above would be financed from the Housing Revenue Account and will be considered as an officer bid within the budget process.

10 RECOMMENDATION

It is proposed that the Committee **RESOLVES**

To agree the action plan attached as Appendix 2 of this report.

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