

BEST VALUE IN HOUSING MANAGEMENT

1 PURPOSE OF REPORT

- 1.1 To bring Members up to date with progress towards achieving Best Value in Housing Management.

2 INTRODUCTION

- 2.1 Since February 1999, this Sub-Committee has received a series of reports from the Head of Service on the important topic of Best Value in Housing Management. Overall, the Council has agreed a five year programme of fundamental process reviews and has placed Housing Management in the forefront with an anticipated completion date of March 2001. There is much to do in this timescale but some of the foundations have been laid. A tenant participation strategy has been agreed and work has already started on the review of the Tenancy Agreement and Allocations Policy. Members agreed in September 1999 (Min 73/99) that no action be taken to establish a Best Value Review Programme for Housing Management core services until receipt of the DETR guidance. At the time of drafting this report, it had still not been received but was expected to be released on 19 January 2000. However, DETR Circular 10/99 on Best Value has been released and is analysed below.

3 BACKGROUND

- 3.1 Circular 10/99 provides guidance to Local Authorities on:-
- Best Value Reviews
 - Best Value Performance Plans
 - Audit and Accounting under Best Value
 - Inspection
 - Tackling Failing Services
 - Fair Employment
- 3.2 The Circular was produced by DETR in the light of responses to the consultation paper on 'Implementing Best Value' issued in September last year.
- 3.3 The Best Value Guide for Housing will complement Circular 10/99 and all Local Authorities will need to adhere to the requirements of the Circular, which is statutory guidance.

4 WHAT HAS CHANGED?

- 4.1 In effect, the answer is “very little!” – all the key elements of ‘Implementing Best Value’ are retained. Local Government commentators and the press have predicted a “softening” on the competition elements, but this is not in evidence.
- 4.2 The Sub-Committee has examined, in detail, proposals for Best Value in Housing Management and it is not proposed to rehearse these in this report. The Head of Service is, therefore, reporting below the matters where Circular 10/99 takes a slightly different approach to ‘Implementing Best Value’.
- **Para 5** - ‘Implementing Best Value’ suggested that only three of the five main themes of the Modernising Government’ White Paper applied to Local Authorities. Circular 10/99 adds in the missing two themes which related to IT and minority groups. The Government expects Local Authorities to improve services whilst making efficiency savings and the more effective use of IT may be one way of achieving this.
 - **Para 16**: Local Authorities are told to “use fair and open competition wherever practicable.” The requirement to “consider fair competition” in Implementing Best Value was arguably less prescriptive.
 - **Para 17**: In this paragraph there are echoes from the days of CCT. Circular 10/99 suggests that where a contract is longer than three years in duration “sufficient flexibility should be built into the delivery arrangements to ensure that there are measures to ensure continuous improvement. This flexibility must be balanced against a reasonable degree of certainty over the length of any contract to allow start-up costs, risks and investment to be managed at sensible costs.” Under CCT the Government set maximum contract lengths to avoid in-house teams or outside contractors getting too cosy with the client. Members will be aware that private contractors are seeking longer-term contracts as part of partnership or PFI arrangements.
 - **Para 20**: Circular 10/99 recognises, as did “Implementing Best Value”, that Local Authorities cannot predict the future with certainty. A degree of flexibility is required in the Best Value Review programmes. However, auditors and inspectors will expect to see “firm proposals for the first two or three years”. The Audit Commission’s Director of Inspection wrote to every Local Authority on 30 November 1999 confirming the services she expected the Authority to review during 1999-2000 and 2000-2001.

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- **Para 21:** The role of support services is mentioned. There is growing evidence that some Authorities are proposing to externalise all support services as a means of hitting the efficiency targets required under Best Value.

Para 29: This confirms that Local Authorities will have to set targets to:-

- match the quality standards of the top 25% of Authorities,
- match the cost and efficiency targets of the top 25% of Authorities, and

Although Circular 10/99 is a little more forthcoming on the targets than 'Implementing Best Value', individual Local Authorities are no nearer to knowing what improvements they must deliver during 2000/2001. We do not yet know the typology of Local Authorities for league tables, or the PIs to be gathered, or the point at which the PI based targets will be calculated.

Para 31: This marks a further downgrading of benchmarking. In the early days of the New Labour Government a feeling grew amongst many housing professionals that benchmarking was the be all and end all of Best Value. According to 'Implementing Best Value' benchmarking was "very useful" but for Circular 10/99 benchmarking was robbed of its superlative and is now merely "useful". It seems that benchmarking and other quality initiatives are tactics that may help an Authority to deliver on the Government's targets for Best Value.

Para 39: This suggests that Authorities could "amalgamate" services with others to secure economies of scale.

5 WHAT NEXT?

- 5.1 If the long awaited Guidance is released in January then this Sub-Committee will need to analyse its content and set its own programme for a Review of Housing Management core services within the time scales fixed by Council.

6 FINANCIAL IMPLICATIONS

- 6.1 In November 1999 this Sub-Committee asked the Head of Service to present a report to an early meeting of the Corporate Resource Sub-Committee concerning the staffing implications of introducing Tenant Participation Compacts and the Government's anticipated two year development programme. This report has been delayed because of the late arrival of the Guidance. If this is received when predicted (19 January) then the two matters and their resourcing can be considered together.

7 LEGAL IMPLICATIONS

7.1 Circular 10/99 is binding on the Authority.

8 RECOMMENDATION

8.1 It is proposed that this Sub-Committee **RESOLVES**

1. That the content of Circular 10/99 as it affects Housing Management issues be noted.
2. That, after receipt of the DETR Best Value Guide, the Head of Service reports any resource implications to the Corporate Resource Sub-Committee.
3. That a full report on establishing a Best Value Review Programme for Housing Management core services be presented to a future Meeting. (HRHM)

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Background Papers:

DETR Circular 10/99
HQN Policy Briefing Paper

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