

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhood & Community Services Scrutiny Panel **DATE:** 15 November 2012

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PART I

CONSIDERATION & COMMENT

HOUSING SERVICE – PERFORMANCE UPDATE

1 Purpose of Report

This report provides members with an update into the restructuring and reorganisation following the return to in-house service provision in 2010, and the ongoing changes prompted by the national reduction in public sector expenditure, together with the recent and proposed changes in legislation governing the provision of social housing.

2 Recommendation(s)/Proposed Action

2.1 The Panel is requested to:

- a) consider the information in the report regarding the restructuring of the Service and current performance trends; and
- b) determine whether any further reports should be presented on any specific areas of concern or interest together with an indicative timescale.

3 Sustainable Community Strategy Priorities

3.1 Priorities:

- Economy and Skills
- Health and Wellbeing
- Regeneration and Environment
- Housing
- Safer Communities

The provision of good quality, inclusive and efficient housing services are fundamental to delivering the Council's Wellbeing and Sustainable Community Strategies' priorities and, as such, the accurate allocation of scarce resources and the monitoring of ongoing performance will ensure that the service and the council as a whole is best placed to meet the needs of the local community.

4 **Other Implications**

(a) Financial

There are no financial consequences inherent within this report, and in accordance with the Council's Medium Term Financial Strategy all budgets and expenditure are kept under review to ensure services are efficiently delivered, and that resources, both financial and operational, are deployed where they are needed. The current financial climate means that there are increasing pressures on homelessness services, and imminent changes to welfare benefit entitlement may affect rental income and cash flow forecasting, the sooner the proposals are confirmed, then the sooner the Council can rise to this challenge.

(b) Risk Management

A marked and sustained downturn in performance would result in a reputational risk to the Council and conceivably tenants could, under the Localism Act provisions challenge the Service, and require the Council to retender the Service and expose it to the market. Clearly, there is no indication of this being a realistic threat at the present time. Other than that, the greatest risks are those identified in the financial comments above.

(c) Human Rights Act and Other Legal Implications

There are no human rights or other legal implications arising from this update report.

5 **Supporting Information**

Background

- 5.1 It is now two years since the Council's ALMO, People 1st (Slough) Ltd. was closed down and in-house service re-commenced. But, given the Government's imposed changes on the Service, we are only now approaching a window where it is possible to take stock of the achievements to date or the challenges that remain.
- 5.2 People 1st closed for business on the 30 June 2010 but the new Housing Management Service did not emerge until the restructure was completed and new posts appointed to it in April 2011. By this time the new national government had embarked upon a programme of austerity measures and it was clear that further financial savings would be required from the 'non tenancy management' areas of the Service funded through the General Fund. After the necessary staff and trade union consultation exercises a proposal was agreed which would see the strategic housing element of the Service restructured to mirror the hierarchy employed by the Housing Management Service.
- 5.3 This new structure went live in April 2012 at a time which coincided with the Chief Executive launching a consultation exercise to reduce the Corporate Management Team from five to three Strategic Directors. One of the proposals agreed was to see the merger of the Housing and Environment Services and, as a result, a further restructure was proposed to broaden the senior management breadth of responsibility, while uniting allied services to contribute financial and efficiency savings to the corporate target. With rounds of reorganisation now

complete, we have reached what approximates to a steady state and a department of around 125 staff covering the following areas:

- Housing Advice
- Temporary Accommodation
- Housing Allocation
- Housing Development
- Housing Management
- Anti Social Behaviour
- Leasehold Services
- HMO's
- Shared Ownership
- Community Participation
- Refuse Collection
- Recycling
- Grounds Maintenance
- Parks & Open Spaces
- Front of house customer services
- Complaints monitoring
- Business Continuity
- Homelessness
- Housing Needs
- Social Lettings Agency
- Home Improvement Agency
- Caretaking Services
- Rent Arrears recovery
- Right to Buy
- Private Sector regulation
- Tenancy Sustainment
- Contract Management
- Street Cleansing
- Waste Disposal
- Arboriculture
- Fly tipping removal
- Business Support
- Emergency planning

5.4 To date over £400,000 of savings have been delivered to the Housing Revenue Account and a further £325,000 to the General Fund, representing 25% of the net annual expenditure based upon 2010 figures. However, the restructures have not only been about cost saving, as much reinvestment has taken place to improve or broaden services to the community, and by joining up the previously disparate services there have been marked improvements in performance simply through sharing a management hierarchy. For reference the latest combined structure chart is attached at Appendix A.

6 Performance Monitoring vs Performance Management

6.1 Over the last two years the Service has begun developing a comprehensive suite of performance indicators which can, at a glance, provide a reasonable health check on the Service. We are shortly to extend this to the Environment aspect of the Service, which is expected to be monitored in a similar way in time for Quarter 4 of 2012-13.

6.2 Clearly, though, checking performance indicators is only one of the elements of performance management which ensures the overall quality of services for residents, and alongside the performance report staff are actively engaged through the 1-2-1 and appraisal process to set and attain meaningful targets for both themselves as individuals but also as a team and service.

6.3 To illustrate this, the service has just embarked upon the annual service planning process through which individual teams have been tasked with presenting their own perspective on the next year, offering challenging targets of their own together with responses to perceived external threats and opportunities.

6.4 A further strand of performance management is provided by the triennial status report and questionnaire sent to all tenants and leaseholders. While our own targets and indicators may present a glowing picture, this is only of value if

customer perception mirrors this data. The status report is expected to be carried out by independent consultants in January 2013 and will be available for evaluation early in the new financial year. The basic findings will be reported to this Panel with a more comprehensive report being presented to the Customer Senate.

- 6.5 Formal complaints to the Council also give a useful insight into service perceptions and the reality for customers. The Service retains its own Complaint Co-ordinator who ensures that all logged complaints are responded to within the 10 day corporate policy deadline. Since June 2010 the quarterly figures for complaints received at Stages One, Two and Three show a continued reduction, and throughout that period no cases referred to the Local Government Ombudsman resulted in findings against the Council.
- 6.6 One difference between the Corporate Complaints Procedure and that of Housing Management is the introduction of an independent Stage Three Complaints Panel made up of tenants and leaseholder representatives. Originally a requirement of the Tenant Services Authority, this subgroup of the Customer Senate provides further independent scrutiny of the Service and impartially determines the highest level of complaints. To date the Panel has heard four cases but has chosen not to uphold any complaint against the Service.

Table 1: formal complaints logged against Housing Services by quarter

	2010-11			2011-2012				2012-13	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Stage 1	67	66	50	50	61	40	42	35	41
Stage 2	7	4	2	3	6	6	7	1	5
Stage 3	0	0	0	0	1	4	0	0	1
Total	74	70	52	53	68	50	49	36	47

7 **Current Performance**

- 7.1 The current monthly performance report is attached at Appendix B and is a combination of service demands and performance indicators, both being equally relevant in managing the allocation of resources across the Service. Members are free to peruse the report and to question or seek clarification over any of the indicators, but in terms of highlighting or exception reporting, the following are brought to members' attention.

Housing Advice approaches

- 7.2 At the 'front end' of the Service, we measure the numbers of individuals who approach the Council for basic housing advice.

Table 2 Number of approaches for Housing Advice by quarter

	2011-2012				2012-13	
	Q1	Q2	Q3	Q4	Q1	Q2
Number of Housing Advice approaches	228	280	296	261	223	239

7.3 While this does not directly translate into a measure of homelessness or housing demand, it is a general barometer on the strength of the economy and confidence in the housing market. There are increasing numbers of home owners with concerns over ongoing mortgage payments and rising levels of arrears, but where this recession has differed from previous ones, is that mortgagees are generally not repossessing properties and creating additional homelessness as they realise that there is no market for the repossessed properties, only the potential for greater adverse publicity. Whether this approach continues when house prices start to rise remains to be seen, but generally repossessions and homelessness in the owner occupation sector tend to peak between 12 and 18 months after the economy begins to grow.

7.4 One of the other effects seen locally is the habit of private sector landlords evicting tenants automatically at the end of tenancies simply to increase rental levels. This causes a constant but un-necessary churn in the local housing market with the Council's front line advisors acting as pseudo letting agents, taking in evicted clients and placing them back into freshly vacated dwellings elsewhere with reassessed valuations of the Local Housing Allowance (LHA). With the Government announcing that the LHA would be frozen for three years, it will be interesting to see if the artificial churn in the market is abated, leading to greater stability across the sector, or whether landlords begin to turn their backs on benefit claimants as has been the case in previous years when the Government has tried to control the market.

Prevention of Homelessness

7.5 The primary aim of housing advice and early intervention is to establish recovery strategies to enable individuals and households to stay in their current homes. Apart from the obvious benefits to the clients themselves, there is a very real financial benefit to the Council as it has been calculated that every household accepted as homeless costs the Borough £18,000 in terms of officer time and the provision of temporary accommodation. The table below shows that over a sustained period, out of 425 cases of potential homelessness around 90% were prevented through mediation, debt and benefit advice, legal advice or the provision of alternative accommodation.

Table 3 Proportion of homelessness presentations where homelessness was avoided or prevented by quarter

	2011-2012				2012-13	
	Q1	Q2	Q3	Q4	Q1	Q2
Cases where homelessness was prevented	24 out of 30	60 out of 65	66 out of 74	71 out of 79	91 out of 98	80 out of 81

The cost of homelessness

- 7.6 While this is an outstanding performance, the real impact can only be appreciated when considering the expenditure on temporary accommodation for homeless households. Last year the Council spent approximately £31,000 in this area of work, but this year, despite over 90% of cases being resolved, expenditure to the end of Quarter 2 had already reached £130,000 with a projection of around £300,000 by year end.
- 7.7 A number of initiatives are now being introduced to lessen the impact on the Council's budgets of this increase in temporary accommodation demands. An analysis shows that the increase is not down to a simple increase in numbers with the number of households in temporary accommodation only increasing by approximately 10% from the average of 80–90 households over this current year. The increase in costs can be attributed to the increasing demand for accommodation in the Slough area by London Boroughs, who still see rent levels as comparatively low compared to their own and hence drive up local demand with landlords responding, predictably, by raising their prices to those of their London counterparts. By way of example London Borough of Hounslow alone recently admitted to placing in excess of 20 households within Slough. Multiply this by a dozen or so West London and South-Eastern Authorities and it is easy to see why local Bed and Breakfast charges have risen from £30 to nearer £50 per night.
- 7.8 Another reason for increased costs outside the control of the council is the number of clients who are challenging negative decisions on their eligibility through the local courts. When a client undertakes this course, the Council invariably has to continue to provide interim accommodation for even clear cut cases on ineligibility, which are often pursued simply to enable the client to delay the time when they will have to make their own arrangements to secure accommodation and not have it provided at the Council's expense. A typical appeal could extend temporary accommodation provision by two months for the internal process and a further three to four months if the matter proceeds to County Court. This leads to increased costs to the Council, until eligibility is finally determined.
- 7.9 The Housing Needs and Allocation Teams are entirely engaged in reducing this expenditure, however statutory requirements severely limit the flexibility that we have. Recently, officers have resorted to using existing council housing stock, such as Wentworth Avenue flats and other 'short life' properties for temporary accommodation while households have cases reviewed. All available properties are considered and with a large homeless family potentially costing anywhere up to £1,500 per week to accommodate the savings are extremely worthwhile.
- 7.10 One new initiative that the Service has been able to launch is the block booking on an annual lease basis of a local guest house. By doing so, we have managed to reduce nightly room rates from £50+ to £30 per night. On this one establishment, the 14 rooms available will result in a reduced expenditure of over £150,000 per year and we are now looking at other proprietors and properties to strike the same kinds of deal.
- 7.11 One further potential light at the end of the tunnel is the implementation of the new Localism Act powers that allow the Council to discharge its duty to homeless persons by placing them back into the private rented sector. Until now this has

only been possible by agreement with the client, but in future, by working with suitable private sector landlords, we will be able to very quickly find suitable accommodation for households and limit our obligation to provide temporary lodgings, whereas at the moment households can wait in temporary accommodation until we can find a suitable council house to allocate. This change in legislation will also disincentivise clients from claiming homelessness as there will be no short cut to a council house or any other benefit to be gained. This in itself should significantly reduce our expenditure on temporary accommodation.

Rent arrears and Rent Collection

7.12 The Council's housing stock generates an annual rent roll of around £29million, and since the introduction of self financing earlier this year, the collection of this money is crucial to the ongoing delivery of services to tenants and the ability to reinvest in the existing housing stock, and even build new council homes.

Table 4: proportion of council house rent collected by quarter.

	2011-2012				2012-13	
	Q1	Q2	Q3	Q4	Q1	Q2
Proportion of rent collected	100.38	98.96	99.05	98.73	101.05	98.49

7.13 Current performance in rent collection is extremely good and this reflects the change in emphasis of the Neighbourhood Housing Officers being key to early intervention in low level arrears cases which shaped the current structure. Top quartile performance is anywhere above 97.5%, and these results show that, despite the recession our tenants have continued to pay their rent with overall debt levels barely increasing. Only 5.56% (401) tenants have arrears of over 7 weeks and average debt/rent arrears per household are only £158 per household, though this often still equates to significant sums over our entire stock.

7.14 The future for rent collection is of course much less certain, with benefit reforms meaning that rent will no longer be paid direct to the Council from the Benefit Service, and a weekly benefit cap of £500 will mean that particularly larger families will have choices of paying rent or perhaps clothing or feeding children.

7.15 Under-occupation will also see benefit reduced by £14 per week for each 'spare bedroom'. On the positive side this may mean more tenants will opt to downsize to smaller accommodation but equally many may just accumulate rent arrears at a slow rate.

7.16 A sustained information campaign is already underway to advise tenants of the changes, and additional staffing resources are being dedicated into the field of arrears prevention, benefit advice and tenancy sustainment, and officers will continue to work closely with colleagues in Arvato to ensure the Council's interests and those of our tenants are protected.

8 **Conclusion**

This report gives an insight into performance monitoring and management within the housing service and highlights a number of exception reports. The role of Scrutiny Panel should always be to delve further into specific issues of concern and it is hoped that this report might generate discussion with members as to what aspects of the Service may be the subject of closer scrutiny.

9 **Appendices**

A – Structure chart

B – Performance Table for September 2012