

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Housing Scrutiny
Cabinet
Housing Management Board

19th August 2004
6th September 2004
7th October 2004

**BEST VALUE REVIEW – HOUSING MANAGEMENT SERVICE:
AUDIT COMMISSION INSPECTION REPORT**

Report of the Corporate Director of Housing

1. Purpose of Report

- 1.1 To present the Audit Commission's final report following its inspection of the Housing Management Service.
- 1.2 Recommend additional actions to be included in the Improvement Plan to address the issues raised within this report.

2. Executive Summary

- 2.1 The Audit Commission report assessed the council as providing a 'good', two star Housing Management service that has promising prospects for improvement.
- 2.2 From the inspection, the Housing Management service was assessed as being 'good' because:
 - It has a highly customer focused ethos which makes tenants and residents concerns a priority.
 - Tenancy management services are provided from accessible and local offices and are responsive to the current and future perceived needs of tenants.
 - It makes serious efforts to ensure that services remain sensitive to the needs of all members of a diverse community.
 - A high priority is placed upon sustainability of tenancies with an emphasis on early engagement with new tenants and housing related support for the most vulnerable.
 - The council demonstrates good tenant involvement and participation in specific initiatives and within the boundaries of the existing tenant participation structure.
 - Trained tenant inspectors perform quality checks on estates and office environments.

- The quality of service in dealing with anti-social behaviour, racial harassment and nuisance is high and complaints are dealt with quickly. The partnership approach to community safety is a particularly positive feature of the service.
- Value for money is demonstrable in most aspects of the service.

2.3 The inspection report also identified key areas of the service that required improvement. The main areas highlighted were:

1. The tenants compact is only available in English.
2. Systematic customer satisfaction monitoring is very limited and there is no strategy to involve leaseholders.
3. The need to provide more opportunity for tenants to be involved in managing the service performance.
4. Former tenant arrears are collected by a separate department and in the opinion of the Audit Commission do not form part of an overall strategic approach to arrears management.
5. There is a lack of robust contract monitoring for estates services. Some communal cleaning contracts are in place but standards are not currently monitored.
6. There is a lack of clear strategic approach and direction in respect of voids management.
7. Performance against audited indicators is weak in the key areas of arrears and voids.

2.4 Many of the areas recommended for improvement have already been identified by the council's own Best Value review of the service, and form part the Housing Management Improvement Plan approved by Cabinet on 15th December 2003. The Audit Commission inspection took place before many of these identified improvements could be implemented and for results to be shown. Indeed the Audit Commission inspection report acknowledges that the 'Best Value Improvement Plan reflects the majority of the issues identified during the review process and links to the strategic aims of the service'.

2.5 However, the inspection report has highlighted further areas that need to be incorporated into the improvement plan. The process for including actions to address these areas for improvement is highlighted in paragraph 2.23 in the supporting information. Attached at appendix A is a list of proposed new, existing or amended improvements to address the key areas of concern raised by the Audit Commission.

2.6 The Audit Commission judged the council's Housing Management service to have 'promising' prospects for delivering improvement for the following reasons:

- Housing Management staff are clearly motivated and committed to providing a good and improving service.
- There is strong political and managerial support for improvement plans. The required financial resources have been allocated to deliver the improvement plan.
- A number of the improvements in the agreed improvement plan have been completed ahead of schedule to provide some "quick wins".

- The new housing IT system has significant potential to enhance customer service and business intelligence. The implementation has been robustly project managed and appropriate training rolled out.
- Previous failings in the housing benefit service are now being addressed with very positive effects on rent arrears figures.
- The council has responded effectively to recommendations and weaknesses highlighted in previous inspection reports.

To ensure that improvement is achieved, the audit commission recommend the council:

- Ensures there is a properly embedded performance management culture that uses business information to manage performance effectively.
- Submits an action plan on how a more detailed examination of the challenge and compete elements of the best value review will be completed.
- Ensures the full utilisation of the new integrated housing IT system to realise its potential in improving service provision and value for money.
- Continue to deliver improvements in the housing benefit service.

2.7 A full copy of the audit commission final report has been placed in the members area and is also available from the audit commission website www.auditcommission.gov.uk

3. Recommendations

3.1 Members are recommended to:

- i. Receive the Audit Commission report in relation to its inspection of the council's Housing Management service.
- ii. Note the action being taken to address areas for improvement and support the new and revised actions at appendix A to be added to the Housing Management Improvement Plan.
- iii. Note the areas of good and positive practice within the Housing Management service.

3.2 Further reports are brought to the Housing Scrutiny Committee containing strategies to improve void management performance and improving satisfaction with opportunities for tenants to participate.

4. **Headline Financial and legal Implications**

- 4.1 There are no direct financial implications arising directly from this report. Resources for implementing the existing improvement plan items have already been identified and approved. The new improvement plan items highlighted in **appendix A** can be funded from existing budget resources. (Rod Pearson, Head of Finance, Housing)
- 4.2 The action plan proposes the deletion of some existing posts – this could possibly lead to a redundancy situation in which case a redundancy payment may be payable.

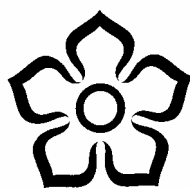
Otherwise, there are no direct legal implications arising out of the proposed recommendations although legal advice and assistance should be sought as to the policies and processes in connection with the collection of rent arrears.(Joanna Bunting, Assistant Head of Legal Services)

5. **Report Author/Officer to contact:**

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Landlord Services Manger, Housing Management and Hostels

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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**Best Value Review – Housing Management Service:
Audit Commission Inspection Report**

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SUPPORTING INFORMATION

1. Background

- 1.1 The Housing Management Service undertook a Best Value Review in 2003. Cabinet agreed the scope of the review on 10th March 2003. The objectives of the review were to:
- Challenge current Housing Management arrangements and seek ambitious improvements in order to tailor the best service to meet client needs.
 - Consider available alternative services for the Management of stock and assess their contribution to improved management/tenant experience.
 - Set out plans for delivering short and long-term improvements.
- 1.3 The outcome of the Housing Management Best Value Review was reported to Cabinet on the 15th December 2003 highlighting the review findings, and a plan containing 94 improvements was approved. The overall aims of the Improvement plan are:
- To reach a 79% customer satisfaction rating, a 10% increase, by 2006 (Measured by the ODPM status survey).
 - To reach a 63% satisfaction rating with tenant opportunities to participate, an increase of 5%, by 2006 (Measured by the ODPM status survey).
 - A reduction in rent arrears to £1.5m by April 2005.
 - At least a 10% reduction in average re-let times by April 2005.

- 1.4 The Audit Commission carried out an inspection of the Housing Management Service between the 23rd and 27th February 2004. The purpose of the inspection was to assess the Housing Management service to ensure that the Best Value principles - the 4 C's - are being applied when providing services. The inspection also examined the council's plans that are in place to deliver continuous improvements to the services it provides – in this case specifically housing management services. This inspection consisted of a series of interviews with the Cabinet Link Member for Housing, Chair of the Housing Scrutiny Committee, Tenant Representatives, the Director of Housing and other members of staff. A series of visits to Neighbourhood Housing Offices and 'reality' checks were also completed to verify that the service delivers what it says it does.
- 1.5 The Audit Commission issued its assessment and recommendations in a report released in June 2004.

2. The Audit Commission Report.

- 2.1 The Audit Commission report assessed the council as providing a 'good', two star Housing Management service that has promising prospects for improvement.
- 2.2 From the inspection the Housing Management service was assessed as being 'good' because:
- It has a highly customer focused ethos which makes tenants and residents concerns a priority.
 - Tenancy management services are provided from accessible and local offices and are responsive to the current and future perceived needs of tenants.
 - It makes serious efforts to ensure that services remain sensitive to the needs of all members of a diverse community.
 - A high priority is placed upon sustainability of tenancies with an emphasis on early engagement with new tenants and housing related support for the most vulnerable.
 - The council demonstrates good tenant involvement and participation in specific initiatives and within the boundaries of the existing tenant participation structure.
 - Trained tenant inspectors perform quality checks on estates and office environments.
 - The quality of service in dealing with anti-social behaviour, racial harassment and nuisance is high and complaints are dealt with quickly. The partnership approach to community safety is a particularly positive feature of the service.
 - Value for money is demonstrable in most aspects of the service.
- 2.3 The inspection report also identified key areas of the service that required improvement. The main areas highlighted were:
1. The tenants compact is only available in English.
 2. Systematic customer satisfaction monitoring is very limited and there is no strategy to involve leaseholders.
 3. The need to provide more opportunity for tenants to be involved in managing the service performance.

4. Former tenant arrears are collected by a separate department and in the opinion of the Audit Commission do not form part of an overall strategic approach to arrears management.
5. There is a lack of robust contract monitoring for estates services. Some communal cleaning contracts are in place but standards are not currently monitored.
6. There is a lack of clear strategic approach and direction in respect of voids management.
7. Performance against audited indicators is weak in the key areas of arrears and voids.

2.4 Many of the areas recommended for improvement have already been identified by the council's own Best Value review of the service and form part the Housing Management Improvement Plan approved by Cabinet on 15th December 2003. The Audit Commission inspection took place before many of these identified improvements could be implemented and for results to be shown. Indeed the Audit Commission inspection report acknowledges that ' the best value improvement plan reflects the majority of the issues identified during the review process and links to the strategic aims of the service'.

2.5 The inspection report has highlighted further areas that need to be incorporated into the improvement plan. The process for including actions to address these areas for improvement is highlighted in paragraph 2.23 below. Attached at appendix A is a list of proposed new, existing or amended improvements to address the key areas of concern raised by the Audit Commission.

2.6 The Audit Commission highlighted rent collection and Void Management as particular areas of concern.

2.7 **Rent Collection**

Since the inspection significant progress has been made in improving rent collection and performance. Rent arrears are now at the lowest levels since the beginning of the problems with housing benefit payments. Good progress is being made towards achieving the 2004/05 target. Meeting the 2004/05 target will put Leicester in the top 25% performing authorities in collecting rent. The details of the measures taken to improve rent collection are highlighted in appendix A and will be subject to a report to the Housing Scrutiny Committee in August 2004.

2.8 **Void Management**

Work has commenced on addressing poor performance in the management and turnaround of void properties. A full list of improvements is listed in appendix A. Key improvements include the preparation of a detailed 'void management strategy' that will provide a clear direction and framework for delivering improved performance. The strategy will include:

- High level statistical analysis that identifies and substantiates reasons for poor performance
- Measurements of the extent of identified poor performance.
- Prioritisation of improvement actions to address identified weaknesses in the void management process.
- A range of improvement options targeted at particular areas of poor performance.

- A clear view of what the strategy will achieve.
- A clear framework highlighting how progress will be monitored and managed and who will be responsible. Clear targets will be set.

The review of the Housing Management structure will see the introduction of five voids officers and one senior voids officer. The purpose of these posts will be to drive forward void management improvements and improve the efficiency and quality of the voids element of the service.

Due to the importance of improving performance in this area it is proposed to bring a detailed report to the Housing Scrutiny Committee in January. The report will highlight remedial action taken and provide an update on current performance against the 2005 target.

2.9 **Performance Management**

A review of the Housing Management performance management framework is currently being undertaken. The objective of this review is to ensure the successful delivery of continuous improvement within the service using performance data to drive up standards and deliver an excellent service. The review is specifically focusing on:

- Developing a Performance Management Unit.
- A branch Training and Development Plan.
- Improved local service planning.
- Developing Housing Management branch values.
- Improved target setting processes.
- Improving business intelligence and data collection to be used to manage the service performance and progress towards targets.

The performance framework will improve service standards, customer satisfaction and staff motivation.

2.10 **Anti-social Behaviour, Harassment and Crime and Disorder**

The inspection report states that the council's partnership approach to community safety is a positive feature of the service. The inspectors reported that the Housing Management service provides a high quality service when dealing with anti-social behaviour and harassment with complaints being dealt with quickly.

2.11 The council deals with racial harassment robustly and with a pro-active approach. The housing management resource packs are felt to be 'very helpful' and the multi agency approach taken towards racial harassment is particularly praised. The audit commission notes that the council's approach has helped to ensure that in 2002/03 100 per cent of racial incidents led to further action. This is compared to 83 per cent in the East Midlands and an average of 87 per cent for all unitary authorities.

2.12 Target setting and performance management of the anti-social behaviour service were considered areas that could be improved. This will be addressed when finalising the new performance management framework.

2.13 **Tenant Participation**

The audit commission recognises that the council is committed to tenant participation and has well developed tenant participation structures. However the inspectors were concerned by the preliminary status survey results that suggest tenant satisfaction with the opportunity to participate has fallen to 49% from 51% three years ago. It is important to note that the same survey highlights only 14.6% actually said they were dissatisfied.

2.14 Market Research UK (MRUK) as part of the Stock Option Appraisal process has carried out a survey. This survey sought to identify tenant aspirations and priorities. The draft results suggests that 82% of tenants are not interested in participating in housing and of the 18% who wished to participate only 3% wished to join tenant and resident groups.

2.15 This highlights the need to develop the tenant participation service further to enable tenants who do not wish to join formal structures to participate. This was highlighted by the audit commission who recommend the council investigates reasons for falling satisfaction rates with the opportunity to participate and increase the range of less formal ways for tenants to get involved.

2.16 The Community Development manager is to undertake research into this area and prepare a strategy for developing tenant participation in Leicester. Tenants will be involved in this process and a report brought to the Housing Scrutiny Committee in due course.

2.17 **Customer Care**

The audit commission acknowledge that the customer care skills and behaviour of housing management staff has 'noticeably improved' since the recruitment of the customer care training officers and the adoption of a customer care strategy. The audit commission also recognise that the council has a 'highly customer focused ethos' and that 'availability and access to services is of good quality'.

2.18 The audit commission notes that customer satisfaction levels are improving with the latest status survey results showing satisfaction levels rising to 69% - a 10% increase. A survey of new tenants conducted by the council also shows that satisfaction levels have risen to 84% with the service. The MRUK survey conducted this year indicates (draft) that 90% of tenants feel the housing management service meets their expectations.

2.19 It is recommended by the audit commission that the council carries out more systematic customer satisfaction monitoring and that the quality of telephone contacts could be improved. To address this:

- A review of the way in which the housing management service handles telephone contacts is to be conducted, making recommendations on how to improve.
- Frequent customer satisfaction monitoring will become an integral part of the performance management unit's duties. The results will be used to drive up standards

2.20 Prospect for Improvement

The Audit Commission judged the council's Housing Management service to have 'promising' prospects for delivering improvement for the following reasons:

- Housing Management staff are clearly motivated and committed to providing a good and improving service.
- There is strong political and managerial support for improvement plans. The required financial resources have been allocated to deliver the improvement plan.
- A number of the improvements in the agreed improvement plan have been completed ahead of schedule to provide some "quick wins".
- The new housing IT system has significant potential to enhance customer service and business intelligence. The implementation has been robustly project managed and appropriate training rolled out.
- Previous failings in the housing benefit service are now being addressed with very positive effects on rent arrears figures.
- The council has responded effectively to recommendations and weaknesses highlighted in previous inspection reports.

To ensure that improvement is achieved the audit commission recommend the council:

- Ensures that there is a properly embedded performance management culture that uses business information to manage performance effectively.
- Submits an action plan on how a more detailed examination of the challenge and compete elements of the best value review will be completed.
- Ensures the full utilisation of the new integrated housing IT system to realise its potential in improving service provision and value for money.
- Continue to deliver improvements in the housing benefit service.

2.20 Other areas of Good Practice

As part of the inspection process the Audit Commission highlights examples of good practice. The final report includes the following areas of good practice that were identified within Housing Management service:

- The council demonstrates active awareness of the requirement to continuously improve activities which address equality and diversity. The efforts the council have made in meeting the needs of the newly emerged Somali community were particularly noted. This includes the recruitment of two Somali development workers who have worked to build the independence and capacity of the group.

The sensitive approach the council is taking in encouraging better community cohesion and the integration of ethnic groups into out of centre areas of the city was commended. Particularly the Northfields project where properties have been let to BME families, in consultation with the local community. The audit commission feel this has 'addressed a voids problem and enabled a new community to develop with the benefits of proximity and mutual support'.

- The level of advice and support given to the alleged victims of anti-social behavior and harassment is judged to be a particular positive aspect of the housing management service. The issuing of a comprehensive resource pack that includes a 'very helpful advice sheet' is considered to be pro-active. The fact that the council supports the Leicester "Witness Cocoon" which has a free advice and information helpline and exists both to provide support for witnesses and to help them develop coping strategies is seen as particularly positive.
- There is a high priority placed upon sustaining tenancies with an emphasis on early engagement with new tenants and housing related support for the most vulnerable. The STAR team supports 500 client households at any one time with support lasting for between three to six months. The audit commission judged that the tenancy support service is having a positive effect on the sustainability of tenancies, by providing appropriate support services targeted at the need of the individual.

2.22 A full copy of the audit commission final report has been placed in the members area and is also available from the audit commission website www.auditcommission.gov.uk

2.23 A detailed analysis has been made of the final audit commission report. The purpose of this exercise was to identify areas of the housing management service in need of improvement in order to contribute to improving customer satisfaction and addressing tenant needs. Many of the necessary improvements have already been identified as part of the Best Value review process. Further improvement plan actions have been developed to address any gaps highlighted by the Audit Commission inspection. The key additional improvements are attached at appendix A for members to consider and to agree to add them to the existing improvement plan.

3. Financial Implications

3.1 There are no financial implications arising directly from this report. Resources for implementing the existing improvement plan items have already been identified and approved. The new improvement plan items highlighted in **appendix A** can be funded from existing resources.

3.2 Delivering improvements in performance can lead to increased Central Government funding. Reducing void re-let times and improving rent collection leads to more income into the Housing Revenue Account (HRA).

4. Legal Implications

4.1 There are no direct legal implications associated with this report.

5. Policy Implications

5.1 Improvements resulting from the Audit Commission inspection in some instances may lead to changes in policy and procedures. Any changes will be implemented using normal council processes and will include full consultation with tenant representatives.

6. Equal Opportunities

- 6.1 The Audit Commission recognises the council's commitment to equal opportunities. It praises the efforts and achievements of the Housing Management service in ensuring services are accessible and that they remain sensitive to the needs of all members of Leicester's diverse communities.
- 6.2 The Audit Commission recommends that additional customer advice documents are translated into key community languages. It has been arranged for a number of key documents to be translated. Where possible computer generated letters and bulk mailings will have advice on translation services in a tenants preferred language.
- 6.3 The Audit Commission acknowledges the good progress the Council has made in making the Housing Management customer service points DDA compliant.

7. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	Yes	6	
Policy	Yes	Throughout but specifically 5	
Sustainable and Environmental	Yes	2.21 & 10	
Crime and Disorder	Yes	2.10, 2.11 & 2.12	
Human Rights Act	No		
Elderly/People on Low Income	Yes	2.2 & 2.21	

8. Background Papers – Local Government Act 1972

- 8.1 Housing Management Best Value Scoping Report 10.3.03
Housing Management Best Value Improvement Plan 15.12.03
Audit Commission Inspection Report – Housing Management Services June 2004
CPA Assessment Report for Leicester – Audit Commission

9. Consultations

- 9.1 Throughout the Best Value process extensive consultation has taken place with our service users and key stakeholders to gain their views and opinions on the level and quality of service provided by the housing management service.
- 9.2 The LFTA were also consulted about the findings of the review and the adopted improvement plan.

9.3 Tenants receive regular updates on progress with the improvement plan and the outcome of the inspection will be presented to the next Housing Management Board for discussion.

9.4 Staff and Trades Unions have been fully involved in the Best Value review process and the subsequent review of staffing structures.

10. Aims and Objectives

10.1 The corporate aim of the council is to *'Make Leicester more attractive for our diverse communities to live, work and invest in'* with a strategic objective to *'Improve our environment to make local neighbourhoods and the city centre places for people to be proud of'*

10.2 The aim of the Housing Service is *'a decent home within the reach of every citizen in Leicester'*

10.3 The aim of the Housing Management Service is to *'provide decent homes to council tenants, and to contribute towards the creation and support of neighbourhoods where people choose to live'*. The Housing Management service objectives are:

a) Developing and supporting customer involvement by listening to our tenants and the wider community.

b) Working towards Community Cohesion by empowering and investing in communities through community partnerships and regeneration activities.

c) For the housing we directly manage, our objectives are:

- To ensure equality in accessing Housing Management Services that acknowledges the diversity and expectations of local communities across the City.
- To provide customer focused services that meet needs and expectations.
- To create safe and pleasant environments on our estates, making them places where people want to live.
- To ensure homes meet a decent standard and are maintained properly.
- To promote community cohesion by tackling unacceptable behaviour and all forms of harassment.
- To ensure tenants and residents have an opportunity to participate in the decision making processes that affect their homes and environment.
- To increase the % of rent collected through the effective implementation of rent arrears policies, and become a top quartile performing unitary authority.
- To increase occupancy levels within the housing stock by reducing the time taken to re-let void properties and making best use of the stock.
- To let individual tenancies and offer advice and options to tenants and customers to increase housing choices.

d) Investing in our staff to ensure that they provide a comprehensive, customer focused Housing Management Service.

e) Exploring a number of alternative service options, in order to ensure value for money.

- 10.4 This report contributes to all of the above aims and objectives by continually improving the Housing Management service provided to tenants to meet both current and future need, ensuring that the service provided is customer focused.
- 10.5 Improving the environments of, and services to, local neighbourhoods will contribute towards the council's strategic aim.
- 10.6 Increasing income to the Housing Revenue Account by improving rent collection and void management performance will assist in resourcing continual improvement and will facilitate the delivery of the council's aims and objectives.

11. Report Author / Officers to contact:

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