



Transforming Together

Adur & Worthing Councils

Adur Homes Management Review

Final Report: January 2014



Executive Summary

Adur Homes does need to embark on a journey of improvement and modernization. The ambition of the Chief Executive to reshape the wider Council rapidly under Catching the Wave, suggests that real change in Adur Homes needs to be delivered at pace, within the next 18 months, to persuade all stakeholders that it is a business-like service for the Council, providing real social value to the Adur community. There are enough opportunities to sense that the Council does have a real asset in the service which could be greater than the sum of its parts, if a concerted focus is applied to its continuous improvement.

Wholesale reorganization or transfer of stock would risk 'throwing the baby out with the bathwater' in terms of some good essential services that are currently being delivered. But much more is needed in terms of strategic leadership and direction, and in the delivery of stock improvement. The key question is whether Adur Homes can deliver this alone. One view is that Adur Homes staff have not been 'tested' in terms of whether they can deliver this scale of change, and could step up to the challenge, and this is persuasive. Another is that it is unfair to set the service this challenge without necessary skills and support – this would be 'setting them up to fail', and would be doing a disservice to customers.

For that reason, the overarching recommendation is not to pursue the option of a wholesale transfer of management but to pursue a number of the in-house options suggested, to give Adur Homes the best chance of delivering the overall step-change that will be sought in the next 18 months. In summary, these in house options are as follows:

- **Establish a Governance Board, to oversee setting, and delivery of, the strategic objectives for Adur Homes.**
- **Consider a joint strategy post between the central Council and Adur Homes, or undertake better information exchange between the functions to address concerns around different priorities and procedures.**
- **Integrate reactive repairs and planned maintenance teams to enable a holistic approach to property management.**
- **Take a lead on the Council's Community Wellbeing work in neighbourhoods where Adur Homes has a particularly strong presence.**
- **Explore the business case for establishing a community partnership social enterprise involving the Community Alarms and Home Improvement**

Assistance services, to expand and bring even greater community benefit to these services.

- Reconsider integration of Technical Services and Adur Homes surveyors and examine the need to establish partnership arrangements to bring in external professional expertise for new build and development.
- Develop a clear statement of strategic intent – a strategy for the new context Adur Homes finds itself in - in partnership with various stakeholders (through the new Governance Board).
- Develop a more comprehensive framework of performance outcomes, reported to the Governance Board and monitored robustly, and covering all services provided by Adur Homes.
- Maintain a focus on the work started on developing more systemic end-to-end customer processes, ensuring the 'lean' Council contact operations works with Adur Homes repairs services.

Scope of the Review

iESE was commissioned by Adur & Worthing Councils ('the Council') to undertake an independent consideration of the future management options facing the Adur Homes Service, in order to provide the highest quality service to tenants and leaseholders while providing a cost-effective arrangement to maximize the value of the Housing Revenue Account. To do this, the Review involved:

- a. An examination of the current position of the service in terms of its costs and performance;
- b. An exploration of the future opportunities, and how different management arrangements and structural options can support achievement of the ambitions of the service;
- c. Consideration of the impact of the options on the delivery of wider corporate objectives and on the General Fund.

To inform the Review, discussions were held with:

- a. The Cabinet Member with portfolio responsibility for Customer Service (Housing), the Deputy Leader and Leader of Adur Council;
- b. Tenant and Leaseholder representatives of the Adur Consultative Forum;
- c. The Executive Heads of Financial Services, Customer Services and Housing, Health and Community Safety, the Chief Executive and the Strategic Directors;
- d. Adur Homes' managers and staff representing all parts of the service. Managers were engaged jointly and individually, while 13 staff were consulted through a workshop session;
- e. Key managers leading priority corporate initiatives, namely the Community Wellbeing Manager, Customer Services Manager and Corporate Strategy Manager.

In addition, in the course of the Review, a range of Cabinet, budgetary and performance reports were assessed. A discussion was also held with Worthing Homes senior management.

The Review has been undertaken as a new interim Head of Adur Homes has started in post. At a time when they were keen to make improvements in management processes and operations, a risk of duplication of effort was possible. Therefore this Review was carried out in tandem with them, with the Review's focus being on the wider strategic choices and opportunities that faced Adur Homes, and the overall operating model(s) it might adopt to take greatest advantage.

More generally the Review has been undertaken at a time of change across Adur & Worthing Councils. The new Chief Executive's vision for the future (Catching the Wave) has been a valuable context for the framing of Adur Homes' own possible future.

Findings from the Review emerged in four areas:

1. Future Opportunities
2. Options for Delivering the Future Opportunities
3. The Current Position: Strengths of the Service
4. The Current Position: Areas for Improvement

1. Future Opportunities

This Review has been commissioned at this point as the Council recognises the service stands at an important juncture. The context of recent achievement and problems is informative but not conclusive of a future direction of travel, as even the weaknesses suggest opportunities to be seized. The list below illustrates the potential 'size of the prize' which an Adur housing service may look to achieve in the short and medium term.

Strategic Direction

The Housing Revenue Account surplus and borrowing headroom allows more far-reaching thinking around development of new homes and additional support for investment in existing stock or tenant services.

The Chief Executive's Catching the Wave vision for an 'adaptive Council' and community social enterprises supports a fundamental realignment of the relationships between service provision and community empowerment. This can also involve a reconsideration of the engagement between Council, tenants (and leaseholders) and wider communities.

A new strategy based around outcomes for tenants, leaseholders, stock and communities can be developed. Services can be commissioned based on achieving these outcomes and priorities, which again chimes with the Catching the Wave focus on smart commissioning. Targets and aims can be 'holistic', identifying contributions from across services, and robustly monitored internally and externally.

Community Services

Housing services can take the lead on delivery of sustainable, long-term community wellbeing and safety initiatives on behalf of the wider Council, working with 'Insight' to identify community strengths and assets.

Partnerships can be developed with statutory agencies such as the County Council on action areas and the building of community hubs, and with third sector providers, such as CAB, on provision of financial inclusion support.

The Community Alarms service can be expanded to support residents of all tenures, local businesses and statutory agencies. There is potential for exploring integration of the Home Improvement Assistance service into a wider community partnership also including the Community Alarm service.

Investment in Stock

Adur Homes is in a position to take forward development of new build properties, either within partnerships with Registered Providers or independently.

A new stock condition survey, undertaken early in 2014, can inform and shape new capital investment priorities.

The HRA surplus might be utilised better to benefit the wider community. HRA resources could allow new approaches to be considered for communal and external improvements to address difficulties with individual leaseholders,

A 'hub and spoke' model can be considered for older people's housing, clarifying support provision from the County Council, with core sheltered housing improvements and development of dispersed community facilities for all older people.

Customer Services

Systemic reviews of customer contact can build on the 'lean' approach of the Council's contact centre, to develop an end-to-end approach. The customer journey can be reshaped, with 'touchpoints' such as billing used for multiple purposes.

The advances in information technology initiated in housing can be used as a lead for the wider 'digital by default' initiatives for the Council. Self-service reporting, already in train, can be adopted and digital inclusion of tenants increased.

Tenant participation can be increased by digital means widening the day-to-day representation and engagement of tenants and leaseholders. The existing consultative forum can be brought more into the overall governance of the service.

2. Options for Delivering the Future Opportunities

In recent years the issue of how to fund stock improvement has been the central criteria for a Housing Service's 'options'. With self-financing in Adur this is no longer the case, and a strict financial options appraisal is not necessarily informative at this stage. Rather, the criteria for deciding on any particular option for the service should be based around **what will deliver the greatest 'outcome' or impact on the community while making the best use of the resources available**. Thus what is considered in this section is essentially a wider 'cost / benefit' assessment, which considers more the social value of the main options which appear to exist to best take advantage of the opportunities.

The first option concerns the central issue of stock transfer. The other options are a 'menu' of choices that could be adopted by Adur Homes, should the first choice be to retain the housing service. These options are not mutually exclusive; a number of them might be adopted together. An indicative 'ranking' of the options against key criteria is shown at Appendix A.

Option 1: Wholesale Transfer

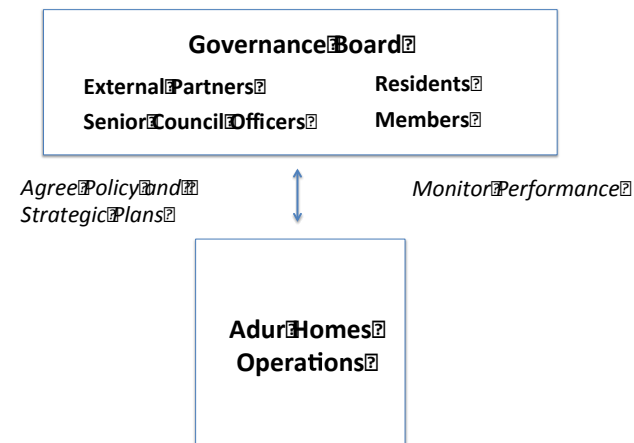
Transfer of stock to a new or existing Registered Provider could, on face value, allow the service to reshape and modernise free of local authority strictures and allow further freedoms to borrow on capital markets. There could be improved resilience, improved clarity of purpose, reduced overheads (which have been very high according to benchmark figures) and the assumption of developing more multi-skilled staff and modern practices.

However, the Adur context is critical. Tenants are clearly not convinced of the community benefit of such a transfer, and the likelihood is that a ballot would not be supportive of a transfer. With the 'carrot' of increased funding for stock improvement not applicable, the substantial investment of time and resource in preparation for a vote and financial modeling could be detrimental to real improvements over the short-term. The 'answer' of a fundamental reshaping of ownership before the 'question' of the outcomes the Council wishes for its housing service in Adur is addressed, may be premature.

An alternative approach of seeking an strategic partner, namely a Registered Provider, to operate Adur Homes under a form of management agreement would not be a stock transfer as such, but would still be likely to be opposed by tenants wary of losing their 'Adur' landlord. The bringing in of management expertise itself is worth pursuing over the short-term – on a consultancy basis – to support Adur Homes' own improvement journey, and it seems that the "door is open" in regard to utilising the advice and experience of local Registered Providers, without any suggestion of stock transfer. Attempting a more formal management contract

may well detract attention from the more necessary improvements needed within the business. At the present time it is suggested that Adur Homes management themselves are given the opportunity to implement necessary changes – based on the ‘in house’ options outlined below.

Option 2: Strengthened Governance



The consideration of strategic planning and performance management in Adur Homes has pointed to a need to implement far more robust governance of the service. The leadership and control of the service has been lacking – a result of a number of factors within the service and the wider Council. An option would be to establish a Governance structure along the lines of Council-owned Arms Length Management Organisation Boards, to ensure that stakeholders (tenants, leaseholders, Members, managers and critical friends) collaborate on setting the direction of the organisation and regular scrutiny and monitoring of performance and delivery.

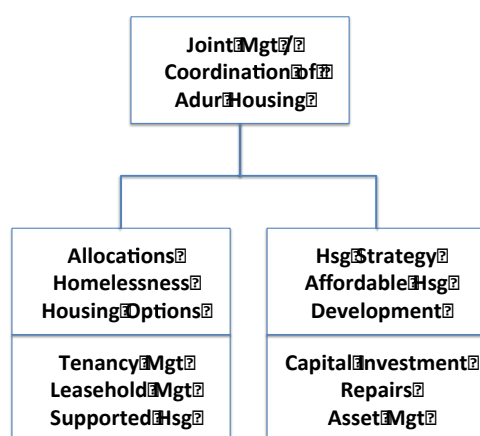
The risk is that this option would set up a layer of bureaucracy at a time when greater flexibility and empowerment of staff might be sought to truly modernise Adur Homes. The existing delegated powers of the Cabinet Member and senior officers, and responsibilities of and Adur Consultative Forum would remain, with the focus of the ‘Board’ being on the agreeing of strategic priorities of the service particularly around investment and development, and the ongoing oversight and scrutiny of key areas of performance. To that end, involvement of the strategic and housing need functions, and external expert opinion from local business and community sectors will be important,

A valuable role could also be in the oversight of devolved budgets – setting the framework for local resourcing of estate improvement, cleaning and ground maintenance to enable communities to take control of priority actions in estates. This could also be used to reinvigorate tenant engagement, with both ACF, other local resident associations and

individuals being able to contribute, or participate, in overall decision-making. However this does assume a will for greater involvement from residents which cannot be taken for granted.

The ongoing improvement of service performance to residents and building of strategic leadership are central to the future of Adur Homes. **The Governing Board can be seen as pivotal to this, and as such should be established early in 2014, with a view of the setting of the strategic objectives for the service.** A suggested terms of reference for the Board is at Appendix B. Good examples of such a board for stock-retaining authorities are found in Bournemouth and Wiltshire – and their terms of reference are at Appendix C. It is worth noting that these Boards ‘fit’ with existing governance arrangements by having regard and maintaining existing delegated authorities. The Boards are therefore an advisory and scrutiny body to assist exist decision-makers, and bring wider knowledge and expertise to decisions.

Option 3: Closer Alignment with Housing Strategy



There are suggestions that the client / contractor split between the Council’s Housing Strategy and Enabling function and Adur Homes’ Housing Management and landlord function has thrown up some difficulties in both strategy and operational areas.

Some view the split detrimental to effective joined-up solutions for both clients and staff. Integration of services under one service lead, with the possibility of shared posts and integrated processes could be beneficial to allow more holistic focus on residents needs. However it is possible that a concerted effort to ensure better liaison between lettings and housing management staff (already underway) could address the issue without a wholesale change in working practices. This could also allow a more joined up process for the management of void properties, to enable the right quality standards to be pursued, rather than having separate targets for turnaround in the repairs teams, which do not necessarily align with Choice Based Letting timescales.

The nature of Adur & Worthing (joint) councils, with other Registered Providers being present in the areas might raise some issues about a potential imbalance between clienting of Registered Providers and direct provision, so the impartiality of any housing strategy client role would need to be kept separate from any integrated working between housing enabling and Adur Homes. This overall client function in relation to Adur Homes would be fulfilled by involved in a governance board. The involvement of other local Registered providers on the board would need to stipulate their role and function as a critical 'strategic' friend, separating this role from that of being an independent Registered Provider.

Option 4: Integrated Property Management Services

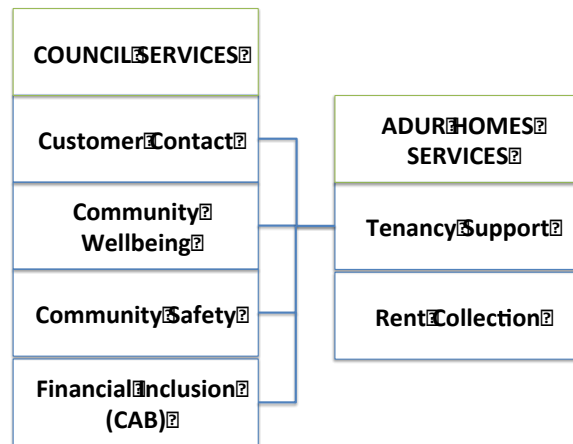


The division between planned and reactive maintenance is understandable in terms of operational management, but it risks perpetuating a confused view of stock management which does not fully utilise interventions around buildings or take a lifecycle approach to costing, i.e. planned interventions reducing ongoing reactive work. The efficiency from taking a holistic view of stock management – integrating reactive repairs and planned maintenance plans and systems and building a more multi-skilled workforce – could be significant.

Better integration could also bring about greater consistency and coherence in contracting. Contract management and procurement processes have caused difficulties in planned maintenance, and generally invoicing and use of preferred suppliers is in need of redesign (as a separate iESE review is assessing). Reconsidering work packages and frameworks across stock repair and maintenance could be valuable in this wider context.

There are undoubtedly distinctions between the skill sets of surveyors and repairs operatives, and the difference in management challenges in dealing with emergency repairs as opposed to major works is clear. **However the desire for an integrated view of property maintenance and stock condition would suggest that closer and joint management of reactive and planned teams would be beneficial.**

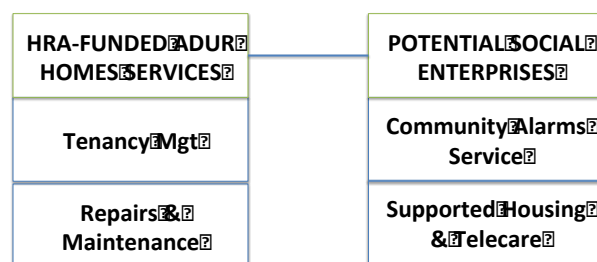
Option 5: Neighbourhood Tenancy and Wellbeing Services



Tenant based services appear to be a quiet success of Adur Homes, delivering ongoing tenancy support, tenant engagement, and partnership working around community wellbeing and anti-social behaviour. The Council has its own initiatives around Wellbeing and Support. All those involved recognise the natural alignment of this work and the potential from greater joining-up. There is however some question about the tension between Adur Homes' long-term 'on the ground' delivery and the more strategic 'project' focus of the Council's work. A true integration of the work, with Adur Homes taking the lead on behalf of the Council on Think Family work in certain neighborhoods where they have a significant presence would give greater focus and reduce duplication of activity, and is worth working through with the Council's teams.

There is an understandable fear in Tenancy Management of overburdening staff and losing the individual 'wrap around' work on rent collection and support for tenants. **The possibilities of building on traditional housing management to support the reshaped "enterprising" communities sought under Catching the Wave might make this option worth serious consideration.**

Option 6: Social Enterprises and Mutuals

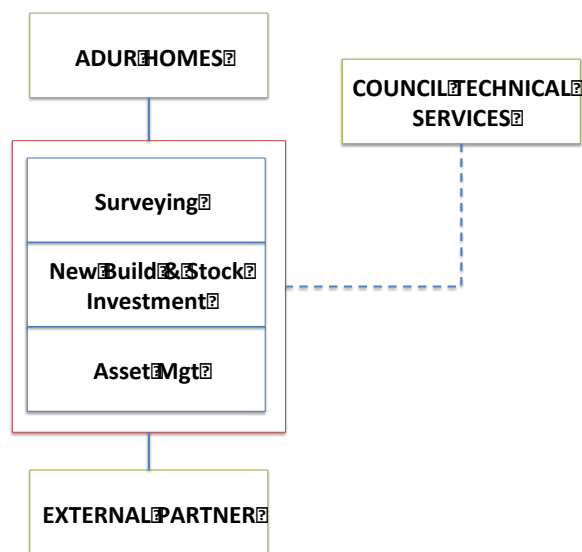


Unlike the social care sector there are currently few examples of 'spin-outs' of services in housing. However recent reports have challenged policy makers and commissioners, including local authorities, to promote and support co-operative and mutual housing developments for older people and invest in innovative and progressive developments of this type. The remodeling of Sheltered Housing post-Supporting People has proved difficult for both Adur Homes and the County Council. The move away from support, to a better and more community focused use of stock could include consideration of the benefit of a cooperative approach.

The Catching the Wave agenda makes clear that social enterprise and commissioning a mixed economy of supply will be at the centre of the Councils' ambitions in coming years. The report suggests that *"We need to support fledglings until they are ready to fly. We must not forget the importance of aligning small funding pots as well as maximising the larger opportunities for Social Investment"*. Therefore, particularly in non-core HRA landlord services, there should be real consideration of the appetites and skills that already exist in Adur Homes which could be 'let free to fly' under a new community based social enterprise arrangement.

The Community Alarms services can evidence success, and is seen favourably as a Council asset. It is apparent there is opportunity for expansion of services (outside the client base and the district), and the potential of 'telecare' for older people is great. **The enthusiasm for growing this community service is apparent, and it would especially seem to lend itself to serious consideration of the costs and benefits and greater freedom through being a Community Interest Company or 'mutual'.** The realization of staff's ambitions – for income generation, expansion in other districts, or in working alongside the community more free of local government standing orders – would be likely to outweigh any financial or service risks from a new form of social delivery. With the Chief Executive clearly wanting the Council to support such 'fledgling' enterprises, an appraisal of the possibilities should be considered.

Option 7: Partnerships for Investment and Development



Adur Homes has faced challenges in its Decent Homes programme and various contract managements. In addition there is a recognition that it does not possess the specialist resources needed to embark upon new build and wider regeneration initiatives, which is not surprising in view of the lack of such development in recent years.

There have been moves to merge the surveying service with the Council's Technical Services, and this is currently in abeyance whilst consideration of that service is undertaken. **This integration of Technical Services and Adur Homes surveyors should be considered again**, albeit recognizing that such a partnership needs to work on the basis that the requirements of working in people's homes and dealing with leasehold issues is an essential skills set which will need to be fully embraced by Technical Services, where a more property-based approach may be more prevalent.

Therefore a more comprehensive reshaping of surveying and design services may be required for Adur Homes. **Establishing partnership arrangements to bring in external expertise – from a local Registered Provider – would be one avenue to pursue.** A more formal market testing of local contractors could also meet the commissioning approach that the Council will be adopting. This Review stops short of appraising the sub-options that are possible, but an exercise to identify which specific activities could benefit from external partnership, and to commission them, might be desirable prior to the deliver of investment and development which will emerge from the stock condition survey in early 2014.

3. The Current Position: Strengths of the Service

(a) Finances

The financial context of Adur Homes in 2013-14 is pivotal to decisions about its future. Previous constraints caused by the regime of an annual £2.9m negative subsidy were ended by the self-financing settlement in 2012. With HRA general reserve balances in April 2013 being £2m, Adur Homes has effectively found itself in a new era, as an organisation in an advantageous financial position. At a time of public sector funding reductions, this is an unusual situation, and one that allows consideration of growth, development and investment.

As stated in the 2013 Budget Report the financial plan assumes that the Council will be able to increase incrementally the amount allocated to the improvement and investment of existing stock. Headroom for additional borrowing was assumed to be £4.1m in 2014-15 rising to £6.5m in 2016-17, which allows further choices to address some of the issues of supply of affordable homes in the district. The Council has now a valuable asset in the shape of Adur Homes and its financial position. The choices are around how the community can best benefit from this asset, and how the service can best be used by the Council.

(b) Service Performance

Interpreting performance in Housing Services often involves art rather than science: Tenant views of quality are often at odds with the pursuit and achievement of operational targets. However as a baseline gauge of service 'health', performance indicators are a necessary first port of call. Against the basket of sector indicators, Adur Homes' recent performance might be seen as being variable – though good in some key areas. An extract of all recent performance measures is shown at Appendix D, but the following table shows the 2012/13 national position of Adur Homes for some principal benchmarking measures.

Top Quartile	Emergency Repairs done within time Urgent Repairs done within time Rent Collection (general needs) Rent lost through dwelling being vacant
2nd Quartile	Routine Repairs done within time Former tenant arrears
3rd Quartile	Average re-let time
Bottom Quartile	Rent Collection (general needs <u>plus</u> older peoples) Time taken to answer telephone calls Average end-to-end time for all reactive repairs

Therefore in both rent collection and more urgent responsive repairs, Adur Homes might be seen to be delivering a good basic landlord service. (Issues around less good performance are considered later in this report).

Beyond the quantifiable measure of success, a number of activities are cited as being illustrative of good services provided by Adur Homes. These include:

- Tenant liaison and engagement. Residents are supportive of the level of support provided by those involved in tenant participation.
- Family support. Involvement in the Think Family initiative around early intervention has seen officers work collaboratively with other agencies across 15 families, and has resulted in success in preventing evictions and subsequent homelessness.
- Community payback. A successful and sustainable initiative to have young offenders work with the repairs service to undertake light maintenance work has brought dividends in improving community environments.
- Community alarms. This service is valued by tenants, and is an income generator, but also has expanded in pilots to local business to support and protect lone workers.
- Information systems. Work has progressed on a number of technology initiatives, including SMS texting to residents, which is seen as being a valuable element of the Councils' digital inclusion agenda.
- Sustainability. Work on bringing in funding for 'Eco' projects (insulation and photo voltaics) has been taken forward in tandem with the wider Council.

(c) Service Ethos

Equally hard to quantify, but equally noteworthy, is the underlying ethos of the service. Adur Homes is recognised to be a 'social' housing service, having an empathetic view of tenant issues. The work with Housing Strategy on the joint tenancy strategy is cited as an example of this, with tenants involved in a review which ultimately agreed to maintain the 'status quo' of tenancy arrangements. The rationale for this, and the previous consideration of stock transfer, placed a priority on the social provision of a housing service in Adur.

This ethos has not meant the service has avoided some difficult decisions. There have been shifts to modernise the service, running counter to prevailing tenant views, including the closure of Local Housing Offices, and the cash office.

4. The Current Position: Areas for Improvement

(a) Strategy

A concern prevalent across stakeholders is that Adur Homes has lacked the necessary direction and leadership to enable it to have a coherent and consistent view of its future and to enable it to adjust to the self-financing regime. It is difficult to gainsay this view. However, it might be contended that wider strategy of housing in Adur district needs to be reconsidered. There are two elements to this:

- i. The overall Adur and Worthing Housing Strategy sets out the Councils' housing priorities for the period 2012-17. Its six priorities are broadly comparable with other such local authority housing strategies. However only 1 of 21 action areas refer specifically to the accountability for delivery by Adur Homes. This action is *"Invest in Adur Homes stock and explore opportunities presented by HRA reform."* The Councils' Housing Strategy was produced at a time when the appetite and capacity for taking forward the opportunities presented by HRA reform was not clear. The true strategic aims of Adur Homes as of 2014 therefore need to be reframed and inform the overall Housing Strategy.
- ii. The expectation therefore might be that the Adur Homes Business Plan is the vehicle by which the strategic direction of the service is set. However the plan, and the subsequent updates are limited in their strategic approach. In truth the plan is primarily focused on the delivery of landlord functions and inward looking processes and activities. The four priorities are not clear enough to set the drumbeat for the service (i.e. *"provide an efficient, high quality housing service that delivers value for money"* or *"promote safe, sustainable communities and provide services that take account of diversity and respect individual needs"*), and unsurprisingly the interim Head of Service has begun to reconsider priorities in alignment with overall Council priorities.

An example of the strategic 'direction' needed is around Right to Buy (RTB). New regulations under self-financing and market circumstances have changed over the course of 2012-13 to the extent that RTB and the subsequent loss of stock now poses a significant issue for Adur Homes. This was recognised in the 2013 HRA Budget Report, which concluded by stating that *"officers will be modeling scenarios to evaluate the impact"* of the new context. Looking at the choices (limited through they may be) affecting stock numbers, such as RTB and 'buy back', over the medium term, needs to be done at this more 'strategic' level. **A clear statement of strategic intent – a strategy for the new context Adur Homes finds itself in**

- needs to be developed, and in partnership with various stakeholders (through the new Governance Board).

(b) Performance Management

Allied to a need for improved strategic planning is the issue of a more robust approach to performance management. It is axiomatic that if a service is unsure about its direction, then it will have difficulties in articulating what success looks like for it. This is the case in Adur Homes, where in the absence of clear evidence, perceptions abound – views within the Council range from beliefs that Adur Homes is a good and valuable service to those that associate it more with being a backward-looking, coasting organisation.

This problem of perception stems from a lack of visibility of performance and external monitoring. Basic performance measures such as those at Appendix D are not seen outside the service. The Cabinet Member with responsibility for Housing receives a fortnightly report, but this is not always completed by all services, and mixes major strategic issues with local incidents and detailed operational information.

There are few channels for disseminating information of ‘people based’ services such as Tenancy Management, to inform external parties of some of the positive achievements referred to in the previous section – performance indicators are limited to process, not outcomes. This is not just a matter of producing management reports for their own sake. The lack of performance management and ‘governance’ may have been a major contributor in requiring Councillors to become overly involved in the operational management of recent issues – especially around contract management – as confidence was lacking in the service itself resolving issues.

Additionally there needs to more consideration of end-to-end ‘joint’ performance targets (which are wider than just one activity). For example in handling void properties for example, different targets are at work – repairs operatives aim for a 2 day turnaround, allocations staff seek to ensure Choice Based Lettings are made available promptly, tenancy support targets focus on minimizing rent loss. Thus rather than seeing work on a void property as a holistic endeavor where various staff have a contribution to make to the overall aim, objectives are ‘silo based’ and run the risk of working against each other (i.e. quick turnaround versus high internal standards).

There is a clear need for a more comprehensive framework of performance outcomes, reported to a Governance Board and monitored robustly, and this needs to be established to ensure it properly covers all services provided by Adur Homes.

(c) Customer Service

The performance measure showing incoming calls taking a minute or more to be handled is concerning. It is apparent that making the contact process work following the shift from a Adur Homes Repairs service to the Council's Corporate Contact Centre has been a "battle" for all involved. Blame is attributed between the two parties, and tenants are unimpressed and frustrated. Perceptions are that joint working is improving, but this has yet to be borne out in results. **Maintaining a focus on the work started on developing more systemic end-to-end contact processes, ensuring the 'lean' Council centre can work properly with repairs operatives, will bring benefits.**

More generally, the customer strategy for tenants in Adur has not been clarified following the move of the majority of the service to Worthing, within the overall corporate centralisation. There is an element of fragmentation around the district, and currently the interim position prior to any new office presence in Adur is unclear to tenants. 'Agile' and neighbourhood working does bring possibilities, but the overriding impression is one of 'drift'.

There is an implicit recognition that role of the Tenancy Management service may have been under-emphasised in recent years. Benchmarking shows that a housing management staffing of 4 per 1000 properties in 2010-11 is low and this has reduced further. The appointment of two further Tenancy Support Officers has been suggested by the new Head of Service as a valuable investment of resources in this area of customer services.

Clarity over the customer service presence – or what the ultimate ambition is (particularly in terms of self-service, where targets should be set) within Adur would be beneficial.

(d) Alignment with Council Housing Strategy functions

The strategy / provider split is a common feature of housing services, but with the changes to self-financing regulations, it is not set in stone. There are suggestions that the split contributes to a convoluted lettings process, with allocation with the Council, and tenant visits and introductions with Adur Homes. More critically, there is a perceived lack of control in Adur Homes in terms of the lettings policy towards adapted properties and sheltered housing, where a more informed process of client needs and risk assessment would bring benefit for sustainable and appropriate matching of client and property, before the Choice Based Lettings process is undertaken. Similarly there are concerns that the wider support issues around welfare reform 'strategy' is unclear, i.e. in where the 'buck stops' for working with clients on financial inclusion. **Possible solutions lies in the establishment of a joint**

strategy post between the central Council and Adur Homes, or simply in better information exchange between the functions.

(e) Major Works / Planned Maintenance

The recent challenges of major investment activity in Adur Homes stock, has, to a large degree, coloured many stakeholders' perceptions of the whole service. The problems with contract tenders, and the ongoing slippage in works (reported to Joint Strategic Committee in February 2013 as being £1.1m of kitchen and bathroom works, and £0.5m of external work in Fishersgate in 2012-13) has raised questions about the capability of the Surveying Service, and the management of Adur Homes. Councillors and senior Council staff raise this issue immediately, as if it is symbolic of all Adur Homes performance.

The issues surrounding capital investment are numerous and well-known, but for this Review, it may be sufficient to raise the following points:

- There is a lack of specialist resource to support development work, e.g. in new build and architecture, sustainable development and structural engineering).
- There is concern that contract management is not consistently robust in terms of audit trails, sign-offs, variations and record keeping (a separate IESE review of procurement across the Council provides some indication that this is an endemic issue). The recruitment of a Clerk of Works in Adur Homes will be key to addressing this issue.
- Major works on external decoration are now done on a 7 year cycle which leaves some blocks looking particularly under-maintained.
- There is a conflict of priorities in major works on communal infrastructure where leaseholders are involved, resulting in abortive or stalled work, and the leaseholder effectively holding the influence over the whole works.
- The process for leaseholder consultation is convoluted, overlong, and results in some cases going missing between leaseholder management and surveying services – with the result that the leasehold administrator is often chasing up months after the consultation.
- There is – as shown at Appendix C – a lack of information on overall performance in this area (although the fortnightly updates are given to the Lead Member).

Potential for improvement in Major Works and Capital Investment form the basis of most strategic transfers of housing stock. This features strongly in the latter sections on opportunities and options.

(f) The Professional Culture

Perceptions around Adur Homes are strongly held, and extend into the 'culture' of the services. While the socially minded ethos of staff is acknowledged, it is fair to report – although not judge – on some of the views of the service's professionalism in recent years. These include:

- A lack of 'modern thinking' in some areas – using tried and tested manual methods rather than wholeheartedly embracing the benefits of a joined up collaborative information system (Orchard)
- A culture of being 'right', with blame pushed to other Council staff
- A culture of over-management and over-processing, rather than empowering staff to take informed risks
- A good but perhaps overly 'cosy' relationship with tenants at the expense of a business-like approach

This – like much of the diagnosis of past weakness – may be open to debate. It cannot be ignored though as context for the consideration of Adur Homes' future.

Appendix A: Indicative Option Assessment

Criteria	Maximise use of HRA / GF	Improved service to tenants	Improved cross-cutting delivery	Improved leadership	Greater enterprise	Total
Weighting	2	3	2	3	2	

OPTIONS						
1. Wholesale Transfer	3 (6)	3 (9)	2 (4)	4 (12)	2 (4)	35
2. Strengthened Governance	3 (6)	4 (12)	3 (6)	5 (15)	1 (2)	41
3. Closer Alignment with Housing Strategy	3 (6)	4 (12)	4 (8)	3 (9)	1 (2)	37
4. Integrated Stock Management	4 (8)	4 (12)	2 (4)	3 (9)	2 (4)	37
5. Neighbourhood Services	3 (6)	3 (9)	5 (10)	3 (9)	2 (4)	38
6. Social Enterprises and Mutuals	4 (8)	3 (9)	3 (6)	3 (9)	3 (6)	38
7. Partnerships for Investment	3 (6)	4 (12)	3 (6)	4 (12)	2 (4)	40

Appendix B: Suggested Adur Homes Governance Board ‘Terms of Reference’

Purpose

- To develop and agree the overall strategy and priorities for Adur Homes
- To consider key annual policy decisions, notably in rent-setting and Capital Investment
- To monitor (high level) service performance and standards, recognise and celebrate achievements, and monitor actions to address shortfalls
- To act as a conduit for tenant and leaseholder expectations and views to influence strategic planning
- To oversee the Annual Report of Adur Homes and the ongoing communication of matters with tenants and leaseholders
- To oversee the framework for delegated powers and budgets to resident bodies, notably in Environmental Improvement

Composition

- Cabinet Member for Customer Services (chair)
- Representative of Adur & Worthing Council Senior Management Team
- Head of Adur Homes
- Head of Housing Strategy and Enabling service
- Member of a local RSL Senior Management Team (invited as a critical friend)
- Representative of Adur Consultative Forum
- Community sector representation
- Business sector representation

Operation

- To be established early in 2014
- To meet monthly for the first three months of its operation, to meet bi-monthly thereafter.
- To consider issues of a strategic nature, agendas should be short and time-limited, involving the following:
 1. Actions arising
 2. Overall position against strategy
 3. Individual performance ‘clinics’ involving two services per meeting on a rolling basis (service managers being invited to attend)
 4. Tenant and leaseholder issues and communication

Appendix C : Bournemouth Council : Housing Governance Board Terms of Reference

1. Definition

1.1 The Housing Governance Board – HGB - is a decision making body set up to consider key issues affecting the Council's self-financing Housing Revenue Account – HRA - and landlord services namely the management, maintenance, improvement and development of council tenancies and homes.

1.2 The HGB will have regard for the Council's powers, responsibilities and constitution, including the system of delegated authority.

1.3 The HGB will not be involved in day-to-day operational matters or matters of detailed service delivery or performance.

2. Purpose

2.1 The aim of the HGB is to contribute to the delivery of efficient and effective landlord services. It will aim to contribute to the Housing Landlord Services mission: *'To provide good quality well managed and maintained homes for rent in a place where people want to live'*.

3. Key Aims

- Advise on the HRA Business Plan, the detailed plan setting out the objectives of the Council's HRA and the strategy and plans to achieve them, and monitor service delivery against it.
- Review and approve HRA performance indicators.
- Monitor the performance of HRA services through performance indicator reports and financial management statements.
- Monitor delivery of the HRA Asset Management Plan, the detailed plan for the maintenance, improvement and development of the housing stock and other HRA assets, and the annual programme of works.
- Review reports on HRA budgets and capital & revenue expenditure and income.
- Review reports on the HRA risk management and business continuity arrangements.
- Be consulted on the content of draft HRA reports on key decisions prior to submission to Cabinet.
- Be consulted on the proposed annual HRA rent increase, garage rents and tenant service charges prior to submission to Cabinet.
- Review and approve policies and procedures used to deliver HRA services.
- Receive reports and reviews from tenant Standard Groups and Panels.
- Receive reports on new and existing HRA service initiatives.
- Review, approve and monitor HRA service standards.
- Be consulted on key changes to HRA strategy, key policies, significant service changes and development proposals.

4. Membership of the HGB

4.1 Membership is to reflect, where possible, the disposition of the Council's housing stock across the Borough and will comprise:

- Five Councillors

▪ Five Tenants / One Leaseholder

4.2 The Chair and Vice-Chair will be elected from, and by, the HGB members. Where the Chair is a Councillor then the Vice-Chair will be a tenant or leaseholder; and vice versa.

4.3 Tenants and leaseholders will be selected through a combination of recruitment, application and interview undertaken by Housing Landlord Services. The selection will be in accordance with good practice.

4.4 Tenant and leaseholder members will be appointed for a term of three years. When the HGB is first set up half the tenant and leaseholder members will be appointed for a two year period to ensure continuity.

4.5 At the end of their initial two/three year term tenant and leaseholder members may stand again for selection for a further three year term. Tenants and leaseholders may not be members of the Board for more than five/six years in total.

4.6 The Service Director of Housing Landlord & Parks, and other staff as appropriate, will attend and advise the HGB.

4.7 The Service Director of Housing Landlord & Parks will retain delegated decision-making authority in accordance with the Council's constitution.

5. Organisation of the HGB

5.1 Housing Landlord Services staff will facilitate the functions of the HGB.

5.2 The HGB will meet quarterly. The dates, times and venues will be set on a rolling twelve month cycle.

5.3 The Service Director of Housing Landlord & Parks may call an emergency meeting with a minimum of seven days' notice to all members of the HGB. The notice shall set out the reasons for calling a meeting.

5.4 Three members of the HGB may call a special meeting. A written notice setting out the reasons for the meeting must be sent to the Service Director of Housing Landlord & Parks and signed by each of the members. The Service Director will then give seven days' notice to the HGB.

5.5 Meetings of the HGB will be quorate provided there are at least six members in attendance of which three must be tenant and leaseholder members.

5.6 Minutes of previous meetings will be circulated within ten days after the meeting.

5.7 Agendas and supporting papers will be sent to members at least one week prior to meetings of the HGB. Late reports will be circulated as soon as possible and the HGB will determine whether to consider them.

5.8 Members of the public may attend any HGB meeting. However, where confidential or exempt information is likely to be disclosed, the meeting, or a part of it, will be held in private.

5.9 Members of the public may submit questions or make statements to the HGB, provided they concern matters within the remit of the HGB and are received ten days in advance of the meeting.

5.10 Members of the HGB must disclose the existence and nature of any personal interest which they have in any item of business to be considered at a HGB meeting, ahead of its discussion.

Appendix C : Wiltshire Council Housing Board overall aim

Wiltshire Council's Housing Board considers, reviews, scrutinises and offers advice on issues relating to Wiltshire Council's business and tenancy services, and asset management, related to housing services activities. This may include allocation, development, improvement, maintenance and management of Wiltshire Council tenancies and homes.

Appendix D: Adur Homes Performance Indicators

Service Area	Performance Indicator	2012/13	2013/14 Q1	2013/14 Q2
Tenancy Management	Number of anti-social reports (no target to monitor only)	20	18	7
	Percentage of anti-social behaviour reports responded to within 7 days	98%	100%	98%
	Percentage of post-tenancy sign-up meetings held within 3 weeks	88%	90%	98%
	Percentage of closed ASB cases that were resolved			
Community Alarms	Installation of units within 5 working days	100%	100%	100%
	Contact each client at least once a year @ another visit/telephone check	99.50%	97%	99.50%
	Respond to fault calls within 1 working day	100%	100%	100%
	Number of Community Alarm users at end of period (no target to monitor only)	1,045	1,049	1,053
Planned Maintenance	Percentage of dwellings with a valid gas safety certificate	99.86%	99.91%	
	Customer satisfaction survey for capital improvement works			
	Quality of work (contractor)			
	Keep appointments (contractor)			
	Pleasant/helpful (contractor)			
	Tidy up (contractor)			
	Council staff polite and helpful			
	Overall satisfaction level			
	Percentage of capital budget spent (4th quarter)			
	Percentage of homes that fail to meet the Decent Homes standard			
	Average energy efficiency rating of dwellings (based on SAP 2005)			
Repairs	Customer satisfaction of Council's response	95.6%	96.04%	
	Customer satisfaction of quality of repair	96.3%	95.06%	
	Percentage of orders that are prioritised emergency	17.6%	19.50%	
	Annual average response maintenance costs per property/per year (HRA dwellings)			
	Percentage of jobs having value increased without being pre-inspected	29.6%	29.8%	
	Percentage value increase from the original orders for unauthorised variations	32.1%	29.2%	
	Ratio of capital improvement programme, planned maintenance, response repairs, voids (at end of year)			
	Ratio of planned to responsive repairs (at end of year)			
	Responsive repairs budget (including voids) under/overspend (at end of year)	£260,130		
	Percentage of emergency repairs completed within target time	100.00%	100.00%	
	Percentage of urgent repairs completed within target time	99.97%	100.00%	
	Percentage of routine repairs completed within target time	99.27%	97.86%	
	Percentage of reactive repairs completed within target time	99.30%	98.49%	
	Average end-to-end time for reactive repairs	13.29	16.92	
Leasehold Management	The percentage of response to RTB1 applications served within timescale	83.33%	83.33%	91.67%
	The percentage of offer of sale (£.125) served within timescale	77.78%	0%	75.00%
	Number of properties sold during quarter (not cumulative, no target to monitor only)	12	13	13
	Average sale price of properties sold (no target to monitor only)	£79.63	£0	£84.33
Tenant Liaison	Training hours for tenants	148	18	174
	Number of resident associations (at end of period)	11	10	11
Rent	Rent collected as a percentage of rent owed (excluding arrears b/f) (GN&H FOP)	100.74%	103.31%	100.17%
	Current tenant arrears as a percentage of the annual rent roll (excluding H&B adjustments) (GN&H FOP)	2.03%	0.84%	2.36%
	Former tenant arrears as a percentage of the annual rent roll (GN&H FOP)	1.27%	0.40%	1.30%
	Rent written off as a percentage of the annual rent roll (GN&H FOP)	0.16%		
	Percentage of all tenants who have been evicted for rent arrears (GN&H FOP)	0.09%		
	Percentage of rent lost through dwellings being vacant (GN&H FOP)	0.42%	0.48%	0.37%
	Rent collected as a percentage of rent owed (excluding arrears b/f) (GN&H FOP)	100.07%	89.31%	94.57%
	Current tenant arrears as a percentage of the annual rent roll (excluding H&B adjustments) (GN&H FOP)	1.80%	1.99%	2.06%
	Former tenant arrears as a percentage of the annual rent roll (GN&H FOP)	1.18%	1.01%	1.20%
	Rent written off as a percentage of the annual rent roll (GN&H FOP)	0.21%		
Voids	Percentage of tenants who have been evicted (GN&H FOP)	0.08%		
	Percentage of rent lost through dwellings being vacant (GN&H FOP)	0.49%	0.45%	0.42%
	Percentage of dwellings that are vacant and available to let (GN&H FOP)	0.30%	0.26%	0.39%
	Percentage of dwellings that are vacant but unavailable to let (GN&H FOP)	0.00%	0.00%	0.00%
	Average re-let time (calendar days) (GN&H FOP)	25	31	27
	Percentage of dwellings that are vacant and available to let (GN&H FOP)	0.30%	0.26%	0.45%
	Percentage of dwellings that are vacant but unavailable to let (GN&H FOP)	0.00%	0.00%	0.00%
	Average re-let time (calendar days) (GN&H FOP)	25	31	28
	Average time taken to answer inbound telephone calls (in seconds)	59	54	89
Staffing	Voluntary staff turnover	1.35	2.56	
	Involuntary staff turnover	2.7	0	
	Total staff turnover	4.05	2.56	
	Average working days lost due to sickness/absence	7.39	1.88	