

TITLE: Adur Homes Management Review
REPORT BY: Head of Adur Homes

1.0 Summary

- 1.1 Adur Homes stands at an important juncture with the recent introduction of self-financing for the Housing Revenue Account, the retirement of the Executive Head of Adur Homes and a new corporate strategic direction set out in Catching the Wave.
- 1.2 These events have triggered the need for an independent review to consider the strategic choices facing Adur Homes on its future management arrangement. These range from full stock transfer, to partnership with another body, restructuring involving the wider Council, to an internal remodelling of resources in the service, to “no change” in the way the service is organised and delivered. It is generally recognised that “no change” is not an option for the service.

2.0 Background

- 2.1 Following discussion with the Cabinet, iESE was commissioned by Adur 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. 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.

2.2 Findings from the Review emerged in four areas:

- Future Opportunities
- Options for Delivering the Future Opportunities
- The Current Position: Strengths of the Service
- The Current Position: Areas for Improvement

A copy of the Adur Homes Housing Management Review is attached as Appendix 1 to this report.

3.0 Proposals

3.1 The iESE report summary states the following as a way forward:-

‘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’

The review recognises that there are some good essential services that are currently being delivered within Adur Homes.

3.2 The options recommended in the iESE Report are set out in bold below in section 3.0. Your officers have added commentary against each recommendation, indicating how each recommendation might be further developed into an Implementation Action Plan for Adur Homes. The commentary is intended to give a flavour of the types of actions that are planned to take forward the recommendations. However it does not represent the full content of the proposed Action Plan. It is envisaged that work on the Action Plan will be led by the Head of Adur Homes and commence forthwith.

3.3 **Establish a Governance Board, to oversee setting, and delivery of, the strategic objectives for Adur Homes.**

The Report provides examples of how such governance has been used in other Councils and sets out proposed Terms of Reference for the Board.

If approved, it is envisaged that the Board would convene for the first time by 31st March 2014.

3.4 Develop a more comprehensive framework of performance outcomes, reported to the Governance Board and monitored robustly, and covering all services provided by Adur Homes.

The Report provides a set of Performance Indicators that can be used to create a robust performance management framework for the service. Adur Homes is a member of the Housemark Benchmarking service which provides a further opportunity to identify useful and practical performance measures. The Head of Adur Homes and the Director for Communities have also been researching the performance management arrangements for other social landlords and will feed this into the framework. One aim will be to ensure that what is being measured lines up with what Adur Homes wants to achieve going forward; include outcomes as well as outputs; be more holistic in approach including qualitative measures; and capture the ethos of 'Catching the Wave'. In undertaking this work your officers will also ensure it is coordinated with and complements the corporate review of performance management that is currently underway. A more robust system for reporting the progress of the Adur Homes Capital Programme will also be introduced as part of a review of the Surveying service.

3.5 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).

As a priority, the Head of Adur Homes will develop a new Business Plan focussing on outcomes with supporting policies to meet the strategic priorities. The Business Plan is to be rewritten rather than refreshed. A review of policies will include: Leasehold; Buy Back of leasehold flats; Rent Setting; Lettings and Nominations. The Business Plan will also set out the way forward for Adur Homes as a social landlord undertaking social housing development for the first time in many years.

3.6 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.

As part of the creation of the Communities Directorate, the Director for Communities will undertake a review of the relationship between Adur Homes and Housing Services / Strategy in consultation with the Head of Adur Homes, the Housing Services Manager and the Housing Strategy and Enabling Officer.

3.7 Integrate reactive repairs and planned maintenance teams to enable a holistic approach to property management.

The Head of Adur Homes will consider the extent to which certain planned maintenance tasks or projects could be incorporated into the reactive repairs service.

3.8 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.

It is proposed that this recommendation is taken as two separate actions. Firstly to consider the future management options for Surveying services in Adur Homes. This could include external partnering arrangements. As part of this review, Adur and Worthing Councils will also need to consider whether the review should include the Technical Services Surveying section.

Secondly, following the changes to Housing Finance, Adur Homes finds itself in the exciting position of being able to develop its own social housing. The expertise to undertake this work no longer exists in the service, therefore there will be a need to work with external partners to develop Adur Homes social housing.

3.9 Take a lead on the Council's Community Wellbeing work in neighbourhoods where Adur Homes has a particularly strong presence.

Stronger links will be established with Community Wellbeing, Community Safety and the Think Family initiative. In particular, Adur Homes will play a lead role in the emerging Think Family Neighbourhood initiative in Eastbrook, where Adur Homes is the main provider of social housing.

3.10 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.

This has a strong potential fit with the enterprising communities aspect of Catching the Wave. Liaison with the County Council is currently taking place on the commissioning of Telecare services in West Sussex.

3.11 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.

Adur Homes has recently pioneered the use of SMS texting in the repairs service and as such is a proponent of "digital by default". A review of customer contacts is currently underway to ensure we minimise unnecessary contacts with the Council by "getting things right first time". It is envisaged that "lean" process review and re-engineering will be applied throughout the Adur Homes service in due course. This work will form part of a wider lean review and re-engineering programme taking place in the Councils as part of the "Catching the Wave" agenda.

3.12 The Future Opportunities and The Current Position: Areas for Improvement sections that are detailed in the iESE report have some recurring themes around strategy, performance management and customer services. A high level service review undertaken by the Head of Adur Homes in tandem with the consultants review supports these findings: there has also been a recurring theme around communication and relationships.

3.13 Adur Homes intends to carry out an improvement programme that includes the reshaping of the image of Adur Homes through:

- Revamp website, Adur Homes logo, etc
- Promoting the successes of the service
- Re-framing relationships with tenants and leaseholders
- Improving communication internally and externally, and develop the use of social media.

These improvements will be incorporated into the proposed Adur Homes Action Plan.

4.0 Legal

4.1 The Housing Act 1985 provides the Council with the power to provide housing for rent and obligations for repair and maintenance of such housing.

4.2 Section 112 Local Government Act 1972 provides the Council with the power to appoint staff on such terms and conditions as appropriate.

4.3 Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything which is calculated to facilitate, or is conducive or incidental, to the discharge of any of their functions.

5.0 Financial implications

5.1 The Housing Revenue Account Report included as a later Agenda item at this meeting incorporates growth items that have been highlighted in the iESE report as areas for improvement:-

- Increase housing management staff 2fte £70,000
- Improvements to void properties £100,000

This expenditure has been agreed with Adur Consultative Forum. They have recognised the need for investment in services and agreed this expenditure as part of the rent setting process.

Additional expenditure may be required to take the three detailed in section 3.0 forward but this should be accommodated within the 2014/15 budget.

6.0 Consultation

6.1 Details of the consultations undertaken by iESE are set out on page 2 of the Adur Homes Management Review. In addition, the Strategic Director (JM) met with Adur Consultative Forum (ACF) in October 2013 to discuss the scope of the review.

6.2 The Adur Homes Management Review Report was discussed at the ACF meeting on January 23rd. The ACF were in unanimous agreement that Adur Homes needed a Head of Service. They were concerned that the report did not make it clear whether this post would be a permanent role in the new organisational structure.

7.0 Recommendations

7.1 The Cabinet is recommended to:-

- (i) Consider and note the findings of the iESE Report “Adur Homes Management Review”**

- (ii) Approve the recommendations of the of the IESE Report “Adur Homes Management Review” as detailed in Section 3.0**

- (iii) Request that the Head of Adur Homes in consultation with the Cabinet Member for Customer Services produce an Adur Homes Action Plan based on the recommendations of the IESE Report “Adur Homes Management Review” as detailed in Section 3.0**

**Local Government Act 1972
Background Papers:**

Housing Revenue Account Budget report February 2013 and February 2014
Housing Strategy
HRA Business Plan

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Schedule of Other Matters

1.0 Council Priority

1.1 The draft Adur Homes strategic priorities are aligned with all the Council's priorities.

Adur Homes will meet the Council's priorities by:-

- Enabling new homes to be built to help meet the housing needs of our communities.
- Continuing to maintain current housing stock to the 'decency standard'
- Generating financial capital, increasing income and seeking external funding sources.

Providing services that:-

- are customer driven cost effective services. We will endeavour to adopt innovative and sustainable ways of delivering services.
- Drive continual improvement and efficiencies in services particularly in procurement and contract management.
- Reduce costs through 'Digital by Default' - getting more business online to ensure access to services is straightforward and convenient to the customer

Develop positive community partnership working:-

- By adopting a joined up working partner approach with a particular focus on meeting the well-being and social needs of our tenants.
- By encouraging positive neighbourhood communities.
- By applying the 'Catching the Wave' ethos. 'Cultivating enterprising communities by recognising opportunities, sharing knowledge and skills and 'getting out the way.'

The recommendations including in this report cover all aspects of the council priorities.

2.0 Specific Action Plans

Matter considered and no issues identified

3.0 Sustainability Issues

3.1 Matter considered and no issues identified

4.0 Equality Issues

4.1 Matter considered and no issues identified

5.0 Community Safety Issues (Section 17)

5.1 Matter considered and no issues identified

6.0 Human Rights Issues

6.1 Matter considered and no issues identified

7.0 Reputation

7.1 Matter considered and no issues identified

8.0 Consultations

8.1 Refer to Section 6.0 in the Report

9.0 Risk Assessment

9.1 Matter considered and no issues identified

10.0 Health & Safety Issues

10.1 Matter considered and no issues identified

11.0 Procurement Strategy

11.1 Matter considered and no issues identified

12.0 Partnership Working

12.1 The recommendations will promote various partnerships within the community.

