

Final

Report of the Future Management of the Council's Housing Stock and ALMO Task & Finish Group

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Report of the Future Management of the Council's Housing Stock & ALMO Task & Finish Group

1. Background

South Essex Homes Ltd (SEH) is an Arms Length Management Organisation (ALMO), owned by the Council, providing housing management services for 6,050 Council homes. SEH is a company limited by guarantee.

SEH was set up in 2005, primarily with the aim of improving service performance for tenants and leaseholders and to access Government funding to achieve the Decent Homes Standard for the housing stock. It operates under a management agreement with the Council and has a board of directors which includes residents, local authority nominees, and independent members.

As a result of the ending of Decent Homes funding and key national policy changes (notably the self-financing of the Housing Revenue Account) and in light of the management agreement finishing in March 2016, a review of the future management of the Council's housing stock was undertaken in 2012.

The review findings were considered by the former Community Services & Culture Scrutiny Committee on 17 October 2012. The Committee resolved that the Council should establish a Member task group to consider a new report setting out relevant options, with a view to ensuring future service provision will offer value for money services, provide the best outcome for tenants and leaseholders, and look at areas where efficiencies could be made.

2. Objectives of the Task and Finish Group

The Group first met in February 2013 and was tasked with providing evidence based options in relation to:

- Options on the future management of the Council's housing stock;
- How joint working/combined services with SEH could be progressed;
- How greater efficiencies and external income can be generated;
- The future board composition and structure;
- Future monitoring of the ALMO and
- Appropriate consultation of tenants.

(The full terms of reference, including membership, are attached at **Appendix 1**).

The Group met on eight occasions to consider evidence from a range of sources and its key findings are summarised below.

3. The key findings of the review were that:

- While performance in relation to the management of the Council's housing stock has improved significantly since the ALMO's inception there is room for further improvement;
- There are potential efficiencies to be realised, particularly where shared service provision is possible/desirable;
- SEH should be supported in moves to become more entrepreneurial and generating income, while minimising risks to service provision;
- Moves to streamline governance arrangements of the ALMO should be supported;
- Moves to strengthen client arrangements, including greater member oversight are supported;
- There will be a need to undertake extensive consultation on any future changes to management of housing stock and
- That having reviewed the options in relation to future housing management arrangements and given the potential for SEH to secure further savings, efficiencies and generate income, the review has, on balance, concluded that Council should continue with the ALMO model at least until March 2016.

4. Recommendations:

- 1. That the Council allows the management agreement with SEH to run until March 2016, subject to SEH meeting requirements in relation to performance savings, efficiencies and income generation.**

The review identified and considered three models in relation to the future management of the Council's housing stock: bringing the ALMO back in-house; placing management with another organisation and continuing with SEH.

While the evidence presented suggested that significant further savings and efficiencies could be obtained from the first two options, the Group felt these could also be achieved by SEH. In particular, this can be done by SEH working closely with the Council to share service provision, by generating income and by continuing to drive efficiencies. In doing so, residents and the Council retain the advantages related to continuity of service provided for tenants and leaseholders.

- 2. In considering the options for the future management, post 2016, of its housing stock, the Council should not exclude consideration of other forms of housing management. This should be done in the light of the Council's requirements at the time and the performance of SEH.**

Other models of housing management may have advantages that may be more applicable in 18 months-two years when the management agreement is due for renewal. Bringing the ALMO in-house might reduce management and overhead costs, enable closer working between Council services and provide greater flexibility in the deployment of resources. Moving to a housing management

company in the private sector enables a testing of the market, places the onus on the company to make required savings, enables the company to spread overhead costs across a wider organisation and enables a fresh look at service delivery. These and other models, should not, therefore, be ruled out as potential options that may benefit all stakeholders.

However, on the basis that SEH is able to achieve the savings, efficiencies and level of income identified, Members may be minded to extend the management agreement in 2016.

- 3. That SEH is supported and encouraged in their moves to pursue a more commercial approach, with an expectation that their business plans are reviewed regularly, with a view to significantly increasing levels of income earned.**

SEH presented a business plan which outlined the potential for the organisation to develop its commercial activities. This plan outlined that SEH could earn income of £1m by 2016. The Council has already sanctioned the establishment by SEH of a commercial subsidiary and the group felt SEH should be given the opportunity to develop this area of work to generate income and help secure its future. It was recognised, however, that it would be necessary to develop the capacity of SEH in this area and that such activity would need to take account of the requirements of the Council's own trading businesses. It was also recognised that the current business model would need to be reviewed to test levels of projected savings.

- 4. That the Council and SEH continue to work actively to progress further moves to share services, and reduce areas of duplication. This should include co-location of SEH staff at the Civic Centre, while maintaining suitable access for SEH tenants and tenant representatives. Moves to share services should take into account moves by SEH and the Council to develop their commercial capacity and generate income from external sources.**

Progress has already been made in reducing duplication of services, notably in relation to the contact centre, with good progress being made in relation to Human Resources, Legal Services and co-location of SEH and Council staff in the civic centre. The Group supported moves to explore further shared service provision in relation to housing services, service improvement and property services, while not wishing to put the level of service, or efforts to generate income, at risk.

- 5. That the assumptions built into the medium term financial strategy to reduce the management fee by £500,000 by 2016/17 are endorsed. However, further work should be undertaken to identify savings beyond this level and that this work should be built into the rent setting process.**

Assumptions built into the Council's financial plans identify levels of savings and efficiencies in the region of £500,000 to the management fee by 2016/17. Evidence provided from other service models and from projected income of SEH indicates that further savings could be achieved. These would, however, need to be

considered as part of the Council's budget making process.

- 6. That the work of the Task and Finish Group is consolidated into the Housing Working Party with a remit to meet regularly to review progress on the review's recommendations. This will include reviewing progress on the levels of savings/efficiencies to be achieved and performance of SEH. The terms of reference of the Housing Working Party should, therefore, be amended accordingly (Part 3, Schedule 2 of the Constitution).**

Using the existing Housing Working Party to review progress on the review's recommendations will help build on the levels of understanding developed during the course of the review and provide continuity of focus from a Member perspective that would also help strengthen the client arrangements. Members may, therefore, wish to ensure, where possible, that the membership of the Housing Working Party reflects the current membership of the ALMO Task & Finish Group.

- 7. That the SEH Board looks to further streamline its governance arrangements and related costs.**
- 8. That the SEH Board is streamlined to comprise: four councillor nominees, three independent members and three resident representatives**
- 9. That the designated Chair of the Board is chosen from the independent representatives.**

The Group felt that there was scope to streamline the governance arrangements, and do so in a way that would provide greater focus, a strategic outlook, help SEH with moves to become more commercial and save resources. This is in line with moves by a number of other ALMOs, and also reflects the challenges in recruiting and retaining independent and resident representatives and obtaining the right level and mix of skills, knowledge and qualities. The Group felt that further work to incentivise independent and tenant representation is required but that Councillors should not receive an allowance for being board members.

- 10. That recent moves to strengthen client monitoring arrangements of SEH are supported with an expectation that client officers attend SEH Board meetings and its sub-committees.**

Strong client arrangements are critical to ensuring strong service and financial performance by SEH and recent moves to clarify these arrangements will help to do this. Further Member oversight of SEH, by the Housing working Party, along with an expectation that client officers attend all board meetings and, where appropriate, its sub-committees will further strengthen these arrangements. An update on the effectiveness of the client arrangements should be provided to future meetings of the Housing Working Party.

11. That any significant change in the management arrangements for the Council's housing stock is subject to extensive consultation with tenants, leaseholders and other appropriate stakeholders. Any consultation should ensure that all tenants and leaseholders are informed about proposals and that they will have the ability to comment on them. A range of methods should be used including a combination of paper, telephone and on-line feedback, alongside a high profile communications campaign to ensure tenants and leaseholders are aware of proposals.

Experience from other areas shows that effective engagement with residents requires using a range of approaches and communication channels. This is particularly the case in reaching those less likely to engage or those who may be resistant to particular methods. The Group, therefore, recognises that further consultation will be required in the run up to the end of the management agreement in March 2016, and in particular if there is consideration of a significant change in the management arrangements of the housing stock. Other appropriate stakeholders, including parties trading with any SEH commercial subsidiary, may also need to be consulted.

5. Process and Methodology

The Group used a combination of methods to address the issues contained in the terms of reference. These included:

- **Consideration of reports** outlining:
 - The service performance of SEH;
 - The financial position of SEH;
 - Options relating to driving efficiencies, including sharing services;
 - Findings of the consultation and engagement exercise.
- **Witness sessions** from practitioners and appropriate witnesses to provide evidence from different perspectives in relation to housing management options. These were:
 - i) Consideration of **SEH's Business Plan** – witness session with Chief Executive of SEH.
 - ii) Views from the **Southend Tenants & Residents Federation** on satisfaction with current levels of service and future management of housing stock.
 - iii) The future of ALMOs and experience of areas that have retained an ALMO – witness session from the **former Chair of National Federation of ALMOs**.
 - iv) Experience of a local authority that has taken their ALMO back in house – witness session from **Slough Borough Council**.
 - v) Other models of housing management – witness session with **Pinnacle psg**.

The full schedule of meetings and issues considered is attached at **Appendix 2**

6. Findings of the review:

6.1 ALMOs operating in a new environment:

In hearing evidence from the former Chair of the Federation of ALMOs, the Group noted:

- There are currently 700,000 Council properties managed nationally by ALMOs.
- A number of local authorities have decided to bring their ALMO back in house, while others have retained their ALMO, looked for an enhanced role for the ALMO or moved to a different model.
- ALMOs were established because of previous under-investment in Council housing and the poor management of housing stock in some local authorities.
- Successful ALMOs enable councils to deliver their strategic objectives and provide focus to improving service.
- The Audit Commission had created an inflexible environment encouraging a separation between ALMOs and councils that led to unnecessary duplication and higher overheads.
- Many ALMOs have demonstrated an ability to deliver savings required by local authorities and deliver efficiencies in a variety of ways, including sharing services between the Council and ALMOs and streamlining governance arrangements. Examples cited included ALMOs which had relocated to council buildings, including Colchester Homes.
- The potential for ALMOs to develop a commercial approach to generate income, spread overheads and for delivering other services on behalf of the Council. Areas highlighted in this respect include: grounds maintenance, new build, empty homes, lettings agencies, providing services for private landlords, and delivering other Council services. Examples of ambitious ALMOs cited were Barnet Homes which provides adult social care services, CityWest Homes (Westminster) residential lettings agency and Newcastle's ALMO which runs a furniture/bed making factory.
- Reform to the Housing Revenue Account has provided some continuity around financing which helps planning for the medium/longer term. However, ALMOs needed some security in terms of their future to be able to effectively generate income.
- The greater flexibility in running ALMOs provides an opportunity to review and streamline governance processes and make them more suitable for commercial ends, for example, engaging greater independent, specialist expertise.

The Group noted the opportunities presented by the new environment for ALMOs and felt that many of these, particularly in relation to driving efficiencies and generating income could be applicable to and applied by SEH.

6.2 Experience of taking an ALMO back in-house

The experience of local authorities that have taken their ALMOs back in house was explored by hearing from Slough Borough Council, the first council to do so, in 2010. Their experience highlighted:

- That as a result of bringing the ALMO back in-house significant savings and efficiencies were generated – in the region of £600,000pa – shared across the HRA and General Fund. These were achieved through a reduction in senior managers, removal of the ALMO Board, merger of services, rationalisation of accommodation needs and service restructure.
- The savings were re-invested in the service, for example, increasing the numbers of housing officers to provide an enhanced service.
- The major factor in bringing the service back in house was the poor performance of the ALMO, which had failed to improve performance in key areas or deliver Council objectives effectively. Tenant dissatisfaction remained high and an impending inspection from the Audit Commission would have proved hugely challenging – prompting the need for radical action.
- Taking the ALMO back in house had enabled the introduction of neighbourhood/ community based services, bringing a range of functions together across the authority. The revised service has provided more effective working relationships with partner organisations such as the Police.
- Taking the service in house had also enabled the remit of housing officers to be widened, so they could deal with a broader range of issues such as fraud investigation, maintenance of parks and open spaces and anti-social behaviour – enabling better delivery of the Council’s wider aims.
- An extensive consultation exercise with residents had been undertaken, as a ‘test of opinion’ using a combination of telephone, paper and on-line methods for a simple survey, along with a dedicated advice line. This proved very successful in obtaining a very high, (30%), return from residents (with 90% in favour to bring the ALMO back in-house).

It was noted that while Slough is similar in terms of size of housing stock, and significant savings had been realised, the key factor had been the ALMOs failure to improve performance. However, the move to a neighbourhood approach to service delivery was felt by the Group to be a concept that helped to provide a more holistic approach to residents, avoiding the distinction between tenants and residents and was, therefore, worth further consideration.

6.3 Other models of housing management:

Other forms of management of the housing stock were considered by the Group. In particular the Group received evidence from Pinnacle psg, a private company that directly manages over 27,000 social homes and provides associated services to over 400,000 homes across the country. The company has significant contracts with London Boroughs of Newham, Hammersmith & Fulham, Lewisham, along with Woking and Kirklees councils.

The Group received evidence that outlined the company’s track record of securing significant savings and service improvements on taking over the management of housing stock. While initial fixed savings had been built into the procurement, the company had been able to generate additional savings. This had been achieved by spreading overhead costs and using transferred staff across the company. Levels of savings cited ranged from 20%-30%. Such an approach means:

- The council is able to test the market and seek best value from available providers, which could include in-house, ALMO, third sector, private company or hybrid model.
- Clients awarding contracts can agree a set price for a reasonable length of time. Typically contracts last five or ten years, usually with a possibility of extensions (generally the longer a contract the greater the ability to generate savings and efficiencies).
- Undertaking a full review of the management and ethos of a service on the basis of job to cost, including undertaking (re) training for staff, removing layers of management, giving staff more autonomy in their role and keeping overheads below that of competitors.
- The company is driven by the risk that a contract may not be renewed and has the incentive of taking on further outsourced services if the client sees good performance.
- The company is target driven, by the requirements of the specification.
- The company can apply its understanding of the wider objectives of their clients, particularly local authorities and social housing generally.

It was noted that savings generated could be re-invested, for example building new homes and/or community/economic regeneration projects or in paying off debt.

The Group felt that while it was useful to look at other options of housing management, the efficiencies highlighted could be made between the Council and SEH without the need, at this stage to look further at moving to an alternative management company in the private sector.

6.4 South Essex Homes – business development

The Group considered SEH plans for developing its business and adopting a more commercial approach to generate income. The Group noted:

- The SEH Board is very keen to pursue opportunities presented by the development of a more commercial approach to contribute to the delivery of efficiencies and improved services, provide a regular income stream and ideally contribute back to the Council.
- A more commercial approach would help bring business focus, operational clarity, financial transparency along with a clear recognition of the risks and rewards involved.
- The SEH currently receives income for services from sources other than the Council, including: Castle Point Technical Services; consultancy; bulk refuse; caretaking and other ad-hoc technical services.
- Based on commissioned market research, the current understanding of the market and existing work being carried out, SEH at present could potentially offer services competitively to other organisations which include:

- Technical and Property Services: Professional services including surveying, engineering and contract management.
- Health and Safety advice, fire risk assessments and related consultancy services
- Estate Services: contract management, caretaking services, bulk refuse and graffiti removal
- Housing Management Services - fully managed social housing service to other registered providers

Further potential exists which could lead to consideration of joint venture partnerships, in relation to:

- Management and maintenance services with private sector providers. Discussions have been held with two major contractors.
- Fire Safety and Green Energy consultancy and project management support, where discussions are underway with a specialist contractor

There is a recognition that SEH has lacked the necessary commercial skills and capacity at board and senior management level to expand the commercial activities to desired levels, and, therefore, there is a requirement for further investment in this area.

It was also acknowledged that it is important to ensure that the commercial activities of SEH do not conflict with the commercial activities of the Council's trading business units.

Following consideration by the Group and to enable SEH to develop a more commercial approach to its activities quickly, Cabinet considered a report on the commercial activity of SEH on 18 June 2013 and resolved that:

- i) The establishment by South Essex Homes of a commercial, for profit, subsidiary of the organisation, subject to agreement of the final structure and governance arrangements and costs and risks to be met entirely by South Essex Homes from their non-HRA related resources, be approved.
- ii) The Corporate Director for People, in consultation with the relevant Executive Councillor, be given delegated authority to agree to the final structure, governance, costs and risk arrangements with South Essex Homes.
- iii) The a protocol be developed, setting out clearly how any profits derived from South Essex Homes' commercial activities should be shared with the Council.

The Group strongly supported these developments and recognises SEH needs to move quickly to take the opportunities to develop greater commercial capacity and generate income. However, the Group also felt that SEHs initial business plan needs further evaluation to assess projected levels of income and regular reviews to assess progress.

6.5 South Essex Homes - Performance and cost

The Group reviewed the recent performance and cost of SEH. This included a review against a comparator group of 18 suitable peer group organisations, which have similar characteristics to Southend (using criteria set by CIPFA). The comparator group is provided by the HouseMark benchmarking organisation and has been agreed by senior officers of SEH and the Council's Department for People.

Appendix 3 outlines performance and cost measures that fall into each performance quartile against the agreed SEH comparator group.

Of the 16 performance areas and 65 performance indicators reviewed:

- 30% were upper quartile
- 15% were upper middle quartile
- 34% were lower middle quartile
- 18% were lower quartile.

The Group acknowledged that service performance has improved significantly since SEH took on the management of the housing stock - particularly in areas relating to repairs and improvements as well as overall satisfaction levels. Other areas of relative high performance include overhead costs as a percentage of turnover, anti-social behaviour and resident involvement.

However, services across the Council have improved significantly since 2005 and the Group noted areas of, and sought further information on, lower quartile performance by SEH, in relation to:

- Higher costs in relation major works and cyclical maintenance (No. 5 - 5 indicators: 3 lower middle and 2 lower quartile);
- Major works and cyclical maintenance (No. 6 - 3 indicators: 1 upper middle, 1 median, 1 lower quartile);
- Housing Management cost summary (No. 9 - 9 indicators: 3 upper quartile, 1 upper middle, 4 lower middle, 1 lower quartile);
- Tenancy management (No.14 - 3 indicators: 1 lower middle, 2 lower quartile);
- Lettings Performance Measures (No.15 - 4 indicators: 1upper, 3 lower quartile) and
- Estate Services (No.16 - 2 indicators: 1lower middle, 1 lower quartile).

SEH provided further contextual information on issues which affect performance in these areas, including the relatively high proportion of flats and high rise properties as well as the relatively later start on the Decent Homes programme compared to comparators. However, the Group felt that there is a need for enhanced performance in key areas, particularly those areas that are currently in the lower quartile in the comparator group.

In addition, the Group reviewed the schedule of agreed targets for SEH for 2013/14 and recommended a higher target be set for satisfaction of leaseholders with SEH (see **Appendix 3, table 3**).

6.6. South Essex Homes - Finance

The Group also considered a range of financial information, including:

- i) The SEH Statements for year ending March 2012.
- ii) The SEH Management fee since 2005/6.
- iii) A breakdown of the Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS) 2013/14 to 2016/17.
- iv) A breakdown of the HRA capital programme 2010/11 to 2016/17.
- v) The HRA budget for 2013/14, re-analysed for the breakdown of the SEH Management Fee and by company function.

In the last published accounts considered, (2011/12), the turnover of SEH was £10,364,000 of which £9,587,000 was derived from the HRA management fee. Its net profit that year was £163,000. The equivalent figures for 2012/13 are a turnover of £10,710,000 with £9,778,000 derived from the management fee and a net profit of £1,051,000 (including a pension curtailment of £699,000).

The HRA is the statutory 'landlord' account for the Council and expresses in financial terms the level of housing service provided within agreed policy guidelines. The management fee paid to SEH does not fund the totality of the SEH operation and SEH provides other services to the Council outside of the HRA, and to other public sector bodies.

Key points of note included:

- The annual Management Fee to SEH has reduced from £10.402m in 2006/07 to £9.455m budgeted for 2013/14 (£9.380m after the 2013/14 efficiency target).
- The ending of Decent Homes funding will have a significant impact on the size of the HRA capital schemes - reducing significantly from £17.305m in 2010/11 to a budgeted £8.131m in 2013/14, and remaining at that level for 2014/15 (£8.241m), 2015/16 (£7.261m) and 2016/17 (£8m).

In addition to efficiencies built into the HRA budget for 2013/14, the HRA medium term financial strategy has, for the purpose of forward planning, assumed the delivery of further savings over the period 2014/15 to 2016/17, through unilateral action by SEH and through sharing services.

The 2013/14 HRA budget is premised on a reduction of the management fee of £273,000 and a shared services saving of £75,000. Action is already underway to secure these savings. Going forward SEH have committed to a reduction in the management fee for 2014/15 of £250,000 through their own actions. Further shared services savings for the HRA of £250,000 over the years 2014/15 to 2016/17 are also assumed. Therefore, from a starting point of a management fee of £9,380,000 in 2013/14, the HRA MTFS assumes the fee will drop by a total of £500,000 to £8,880,000 (before inflation) by 2016/17.

The Council's General Fund also benefits from efficiencies delivered through shared service provision, with an expectation of a broadly similar level of financial savings

(£250,000) over the same period. The General Fund will also benefit from the rental derived from SEH relocating into the Civic Centre.

As indicated, evidence from external providers shows that savings in the order of 20-30% have been achieved on a private sector housing management company taking over the management of local authority housing stock. A 20% reduction in the current management fee of £9.380m would equate to saving of £1,876,000 and, therefore, significantly more than the current savings assumptions included in the HRA MTFS. The Group, believes more work should be undertaken to seek to achieve further savings beyond those included in the MTFS and that this work should be built into the rent setting process and reviewed by the Member Housing Working Party.

6.7 Efficiencies, including shared services

A key consideration of the Group has been to assess the progress made, and the potential for, further progress in driving savings and efficiencies through the sharing of SEH services with the Council (and possibly other organisations), including the relocation of SEH staff to the Civic Centre.

It was acknowledged that the pressure from, among others, the Audit Commission for ALMOs to develop a separate identity from local authorities had led to the development by ALMOs of their own services, for example, in relation to, customer service call centres, communications, support services (legal, HR, payroll) and adopting separate offices.

The onset of the austerity programme, the decline of Decent Homes funding, and self-financing of the HRA has accelerated moves to share service provision with partner organisations and neighbouring authorities, including other ALMOs. Examples highlighted included Colchester Homes, who now share office accommodation and East Kent Homes (which has combined stock management from 4 Districts) and shares most back office functions.

The Group reviewed information relating to a number of areas, in terms of current Council and SEH staffing structure, potential timescales to progress, estimated savings and the relative risk of moving to a shared service and achieving savings. The following areas were considered:

- **The SEH contact centre:** This was successfully transferred to the Civic Centre, in September 2013, with no adverse impact on service.
- **Finance Services:** Discussions have started but are at an early stage.
- **Human Resources:** Discussions are on-going in terms of the Council providing HR services to SEH before the end of 2013/14 financial year.
- **Legal Services:** Discussions are on-going to enable the Council to provide SEH with legal services by the end of the current financial year.

- **Housing Services:** (Council's Community Housing Option and Housing Needs and SEH Tenancy services and Supported Housing Services). Following the introduction of a revised Allocations and Homelessness Policy, a fully integrated process, including online applications, integration of the Housing Register, Choice Based Lettings and homelessness process is due to be rolled out by April 2014. It is felt that a further review of potential sharing of services in this area would best take place after this time.
- **Service Improvement:** (teams dealing with performance, service base ICT and financial administration, and service user consultation, and other support services). ICT is already provided to SEH by the Council, and it was felt that further exploration in this area could generate more efficiencies.
- **Property Services:** The potential for the Council's and SEH Property Services Teams to merge or provide a joint service has been considered, particularly in the light of the significant shrinking of the capital programmes for both organisations. This has highlighted a number of challenges, including:
 - That any move to provide a unified service would need to take account of the externally generated income currently made by the SEH Property Team, the potential income to be made in this area (given the move for SEH to become more commercial) and moves by the Council's Property Services Team to develop their capacity to generate their own external income.
 - Differing specialisms in dealing with commercial and residential properties requiring different skills and experience that, on a merger, could impact on quality of service provision.

It was recognised that further work should continue to explore the various options available, including undertaking a skills audit of both teams to assess future requirements and potential.

In addition, a potential saving has been identified in relation to the joint procurement of building related and gas servicing contracts.

- **Co-location at the Civic Centre:** Discussions have been continuing to progress a move of SEH staff (about 110) to the Civic Centre. A proposal is due to be considered by SEH Board in December, aiming for the move to take place in 2014. A headcount of visitors to the Civic Centre (about 125 a day) and SEH reception (about 28 a day) highlighted the potential need to maintain suitable access and suitable services for tenants (as well as tenants representatives). It was also felt that retaining some offsite provision at the West Office would help with developing SEH commercial activity.

The Group strongly supported moves to maximise savings and efficiencies to be obtained from joint working between the Council and SEH, while wanting to ensure this does not impact on the quality of service received by residents and that it is done in the context of moves by SEH and the Council to generate external income.

6.8 Consultation and engagement with tenants and leaseholders

The Group's terms of reference, included the need to 'detail options for the most appropriate method of consulting on the views of all Council tenants and how this will be undertaken including timescales'. The Group also agreed that tenant engagement would be undertaken to obtain feedback on issues identified by the Group in a number of ways including:

- A call for evidence from all residents, all tenants and residents associations and street and block voice groups.
- A survey of tenants and leaseholders to obtain feedback, particularly in relation to:
 - Satisfaction with current levels of service and perceived value for money;
 - Residents priorities in an environment of declining resources;
 - Whether residents feel they are receiving value for money for services provided;
 - Whether residents feel they have a say in their service delivery;
 - Ways to improve efficiency and
 - An indication of preferred form of tenure.
- A witness session with the Southend Federation of Tenants & Residents.
- Using other potential opportunities for engagement, such as: the Community Event in Southchurch Park on 7 August.

Survey of Tenants and Leaseholders

A market research company, QA Research, was commissioned to undertake an independent survey of tenants and leaseholders to test views in line with the areas outlined above. The company had a remit to ensure the sample was broadly representative of residents and that sufficient returns were received from residents in sheltered accommodation and tower blocks, whose views can be harder to obtain.

The company undertook a phone survey of 500 tenants and leaseholders and engaged residents in sheltered accommodation by visiting a selection of sheltered homes to ensure sufficient responses from residents in sheltered schemes. A phone survey enabled control of sampling, (for gender, age, location, property type and tenure) and guaranteed a sufficient response rate.

Following coverage in Insight magazine distributed to all tenants in early July and via rent statements sent to all tenants at the end of July/early August residents also had the opportunity to complete paper copies of the survey on request and on-line, as well as at the Community Event held on 7 August. A further 441 responses were obtained via these means, which while providing more returns, did not provide as representative a sample as the telephone survey.

Headline findings – (figures relate to the telephone survey):

- The highest rating from residents who were fairly or very satisfied with a particular service, related to:
 1. 'Value for money for your rent or service charge' (83%)
 2. 'Keeping you informed'. (82%)
 3. 'Repairs to your home' (75%)
 4. 'Improvements to your home (eg kitchens and roofs) (73%)

- The lowest rating from residents who were fairly or very satisfied with a particular service related to:
 1. 'Dealing with anti-social behaviour' (50%)
 2. 'Your views are taken into account by South Essex Homes (63%)
 3. 'Improving your neighbourhood as a place to live' (69%)
 4. 'Support and advice (eg on claiming welfare benefits and paying rent) (70%)
 - The proportion of residents who think that SEH provides good value for money, to some extent or a great deal, was 82%.
 - Taking everything into account the proportion of residents who are fairly or very satisfied with the overall service provided by SEH was 87%.
 - The service areas rated highest as very important or important were:
 1. 'Repairs to your home' (94%)
 2. 'Value for money for your rent or service charge' (93%)
 3. 'Keeping you informed' (92%)
 4. 'Improvements to your home (eg kitchens and roofs) (91%)
 5. Improving your neighbourhood as a place to live (87%)
 6. Dealing with anti-social behaviour (85%)
 7. Providing support and advice (eg claiming welfare benefits and paying rent) (84%)
 - Given the choice, 60% of residents said they would rather be in a home owned by the Council and managed by SEH. 26% said they would rather be in a home owned by the Council and managed by the Council.
 - The areas that tenants/leaseholders would prefer their money from their rent or maintenance fee to be spent on, in priority order were:*
 1. 'Repairs to your home'
 2. 'Improvements to your home'
 3. Dealing with anti-social behaviour
 4. Improving your neighbourhood as a place to live
 5. Keeping you informed
 6. Cost of running South Essex Homes
 7. Support and advice (eg on claiming welfare benefits and paying rent).
 8. Don't know
- * those completing the survey could choose up to 3 options.
- The services which tenants/residents felt could be shared between the Council and SEH, in order of priority are:
 1. Customer service (eg tenancy matters, dealing with anti-social behaviour) (51%)
 2. Support services (eg communications; resident involvement) (49%)
 3. Human resources (including training, payroll) (48%)
 4. Location of Council and South Essex Homes staff (43%)
 5. Finance services (42%)
 6. Asset management (including programme delivery, estate services) (38%)
 7. Providing a reception service (37%)

'Other Comments' made by residents and can be broken down as follows:

| Category | No. |
|---|------------|
| Dissatisfaction with service provided | 65 |
| Satisfaction with service provided | 85 |
| Service enhancement suggested/requested | 71 |
| Comment relating to anti-social behaviour | 19 |
| Support for housing management returning to Council | 15 |
| Support for housing management staying with South Essex Homes | 35 |
| Other (eg relating to National Policy, communications) | 26 |
| Comments on wasted resources/suggested efficiencies | 19 |
| Leaseholder | 3 |
| Comment regarding the survey | 4 |

The full comments were provided to Group and ranged from highly complementary feedback about the quality of service and members of staff to feedback about poor experiences, suggested improvements and comments on national policy. The full comments have been shared with SEH to address issues relating to service provision.

Comments on anti-social behaviour have been highlighted in a separate category given the relatively high number of comments made on the issue. Suggested efficiencies included: better co-operation between Council departments; better working between Council and SEH, using resources spent on management to improve properties; improving on-going maintenance and reducing level of communications and consultation.

Responses from the Call for Evidence:

Responses to the call for evidence were received from the following tenants and residents associations:

- Victory Tenants Association
- Mendip Wildlife Garden Community Group
- Trafford House Block Voice
- WASH (Avon Road/West Road Sheltered)
- Sherwood Way, Sheltered Unit
- 4 Eagles Residents Association
- Adams Elm House

In addition, a meeting was held between residents of Adams Elm House and the Chair of the Group, to hear their views.

The responses largely expressed a preference for management of the stock to remain with SEH, highlighting issues of concern with tenant engagement, the quality of future service provision (particularly, in relation to repairs and improvements) and concern that the stock could be sold. Support was expressed for the sharing of services, while highlighting concern at the loss of a dedicated reception service. Differing views were expressed on whether income should be used on new build properties or just focussed on maintenance and improvement of existing buildings.

Southend Tenants and Residents Federation (STRF) provided evidence at their witness session on 13 June and in a letter confirming the evidence submitted at the session. The Federation comprises seven tenants associations and approximately 80 'street' and 'block voice' groups. The Federation outlined their views that:

- Tenant engagement is a key factor in the success of SEH, in contrast to when the Council paid 'lip service' with;
 - 14 different focus groups covering every aspect of the housing service.
 - Residents interviewing staff for positions and recommending prospective tenant board members.
 - Residents sit in and have direct input on contractor meetings challenging the standards set and having have a say in the setting of KPI's and service standards.
 - Residents are heavily involved in the Mystery Shopping programme and through the Scrutiny Forum.
- Concern that, while moving SEH to the Civic Centre was sound on financial grounds, there was an expectation that there would be the same amount of contact with its officers that are currently afforded them and the Federation would result in the loss of free meeting facilities that would hinder the work of the Federation.
- The Federation is very supportive of moves by SEH to take a more commercial approach to help secure their future and help generate income.

In addition, two responses were received from individual residents and that were supportive of retaining SEH management, while making individual service requests.

The full responses were provided to the Group.

A summary of the combined results, of the telephone survey and individual returns, is provided at **Appendix 4**.

6.9 South Essex Homes - Governance Arrangements

The Group considered a series of options in relation to future governance arrangements of SEH, focussing on the appropriate size and composition of the SEH Board and the client monitoring arrangements.

The Group felt that this was an opportune time to review the governance arrangements of the Board, given current vacancies on the SEH Board, and so that the Board could:

- Be more focussed on achieving key objectives;
- Be more commercially orientated, for example, having greater expertise in the areas of housing development, commercial enterprise and financial management;
- Be more cost effective and contribute to overall efficiency savings and
- Develop an even more strategic role

The current composition of the Board is; 5 Councillors, 5 Independents, 5 Residents (4 tenants and 1 leaseholder) nominated by the STRF Federation. A number of other

ALMOs have recently reviewed and streamlined their Board composition (this includes Hounslow Homes, Eastbourne Homes, Enfield Homes and Stockport Homes).

The Group, therefore, recommends that in order to meet the above aims the Board should comprise: 4 Councillor nominees, 3 independents and 3 resident representatives, with the Chair of the Board chosen from the independent representatives. Given the challenges in recruiting and retaining independent and resident board members, the Group supported moves to incentivise independent and resident board members, recognising that further work was required in relation to remuneration. The Group felt that Councillors should not receive an allowance for being board members.

6.10 South Essex Homes - monitoring arrangements

The Group noted that client monitoring arrangements have recently been strengthened and reviewed in the light of the recent Council restructure. This currently takes the form of:

- Operational: Group Manager level meetings that take place every 6 weeks.
- Senior Management: Regular liaison meetings between the Council’s formal client officer (Head of Procurement, Commissioning and Housing) and Executive Director of SEH.
- Corporate Director: Strategic liaison meetings, now being held twice a year between the Corporate Director of People and Chief Executive of SEH.

The Group also felt that it would be helpful for it to continue to meet three or four times a year to provide greater member oversight of the performance of SEH and review progress on the review’s recommendations, including levels of savings to be achieved. This could be achieved by consolidating the work of the Group into the existing Housing Working Party with an expanded remit to monitor future performance, savings and efficiencies achieved by SEH. It was noted that the schedule of Working Party meetings would need to take account of the budget setting process.

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Appendix 1

Future Management of the Council's Housing Stock & ALMO Task & Finish Group Terms of Reference

1. Membership

9 Members of the Council.

The Chairman shall be the Leader or such other Executive Councillor as the Leader shall appoint.

Substitutes: Permitted in accordance with Standing Order 31.

Proportionality: By convention political proportionality shall apply.

2. Quorum - 3

3. Terms of Reference

Following Special Community Services & Culture Scrutiny Committee on the 17th October 2012 it was agreed to set up a Member Task & Finish Group.

There are a number of key drivers behind the purpose of the review which will need to be addressed as part of the Task & Finish Group focus before any further evaluation is undertaken as to the future management of the Council's housing stock.

The Task & Finish Group will look at existing management arrangements to ensure that they are up to date and also be required to have a fresh look at the delivery model and structures in place to ensure the most effective model is in place to deliver a high quality, efficient service.

The task & finish group will produce an evidence-based report of the agreed options in order to allow Cabinet to give its views and recommendations on the future management of the Council's housing stock detailing the following:

- How joint working/combined services with South Essex Homes could be progressed to achieve savings; including avoiding duplication of support functions and *possible relocation to the Council's offices at the Civic Centre or other locations.*
- How South Essex Homes will *deliver* efficiency savings from the organisation
- South Essex Homes Commercial Business Plan to generate external income streams
- Any proposed Board composition, membership and structure
- The future monitoring of the ALMO *by* the Council

- *Options* for the most appropriate method of consulting on the views of all *SBC* tenants and how this will be undertaken including timescales.
- Benchmarking of South Essex Homes against other housing organisations in respect of performance, finance as well as exploring best practice in other areas to ensure the best outcome for Southend tenants

Report and recommendations to be completed to meet the requirements of the 2014/15 budget process and setting of the relevant HRA budget and rent levels.

4. Status of Meetings

Private

5. Reports to

The Cabinet

Members of the ALMO Task & Finish Group:

Feb-16 May 13: Councillors Salter (Chairman), Lamb, Flewitt, D Garston, Betson, Russell, Terry, Woodley and D Norman.

16 May-18 July: Councillors Salter (Chairman), Lamb, Flewitt, D Garston, Kaye, Betson, Longley, Terry and D Norman

18 July-Oct 13: Councillors Salter (Chairman); Lamb, Walker, D Garston, Kaye, Betson, Longley, Terry, and D Norman.

Appendix 2

Future Management of the Council's Housing Stock & ALMO Task & Finish Group work programme

| | Meeting date | Area/s of consideration |
|---|--------------|---|
| 1 | 25 February | i) Agree Terms of Reference of working group. |
| 2 | 3rd April | i) Agree work programme and time-line. ii) Update on SEH Performance & Finance |
| 3 | 8 May | i) SEH Business Plan – presentation by Mike Gatrell, Chief Executive South Essex Homes, of SEH business plan for generating efficiencies, developing more commercial approach, additional income streams, including trading arms. ii) Further consideration of SEH current finances iii) Consideration of proposed tenant engagement. |
| 4 | 13 June | <u>Witness session</u> i) Alison Inman: Governing Board Member, Chartered Institute of Housing; Former Chair of the Federation of ALMOs and former Chair of Colchester Homes ALMO: The future of ALMOs and experience of areas that have retained ALMOs. ii) Southend Tenants & Residents Federation: Views from the Federation on the future management of housing stock. |
| 5 | 10 July | <u>Witness session</u> i) Slough BC: Neil Aves, Assistant Director of Housing and Environmental Services and John Griffiths, Head of Housing Management. Experience of a local authority has taken their ALMO back in-house. |
| 6 | 12 August | <u>Witness session</u> i) Other models of housing management – Witness session, Pinnacle PSG. ii) Examine potential efficiencies arising from: - shared services/assets - removal of duplication of services/reduced management costs. |
| 7 | 17 September | i) Consider revised governance arrangements for future: Board structure, composition and membership. ii) Consider revised client arrangements to monitor SEH. iii) Feedback on tenant engagement: Survey; consultation with resident groups; consideration of emerging results from tenant engagement exercises; iv) Consideration of emerging issues arising from the review. |
| 8 | 14 October | i) Consideration of final report and recommendations |

Appendix 3 – South Essex Homes: Cost and Performance

Table 1: Performance/cost measures against comparator group quartiles the performance/cost measures fall within.

| | Performance area (summary) | Number of Performance indicators |  |  |  |  |  |  |
|----|--|----------------------------------|---|---|---|---|---|---|
| | | | Upper Quartile | Upper Middle | Median | Lower Middle | Lower Quartile | No Data |
| 1 | Overhead costs as a % of adjusted turnover | 5 | 3 | 1 | | 1 | | |
| 2 | Overhead costs as a % of direct turnover | 5 | 3 | 1 | | 1 | | |
| 3 | Corporate Health Summary | 5 | | | 1 | 3 | | 1 |
| 4 | Customer service | 2 | | | | | | 2 |
| 5 | Major Works and Cyclical Maintenance - Cost summary | 5 | | | | 3 | 2 | |
| 6 | Major Works and Cyclical Maintenance - Performance Summary | 4 | | 1 | 1 | | 1 | 1 |
| 7 | Responsive Repairs & Void Works - Cost Summary | 5 | 2 | 2 | | 1 | | |
| 8 | Responsive Repairs - Performance Summary | 5 | 2 | 1 | | 1 | 1 | |
| 9 | Housing Management - Cost Summary | 9 | 3 | 1 | | 4 | 1 | |
| 10 | Void Cost Drivers | 2 | | | | 2 | | |
| 11 | Rent Arrears & Collection Performance Measures | 4 | 1 | 1 | | 2 | | |
| 12 | Resident Involvement Performance Measures | 2 | 1 | | | 1 | | |
| 13 | Anti-Social Behaviour Performance Measures | 3 | 2 | 1 | | | | |
| 14 | Tenancy Management Performance Measures | 3 | | | | 1 | 2 | |
| 15 | Lettings Performance Measures | 4 | 1 | | | | 3 | |
| 16 | Estate Services | 2 | | | | 1 | 1 | |
| | TOTAL | 65 | 18 | 9 | 2 | 21 | 11 | 4 |
| | % of measures with data | | 29.5% | 14.8% | 3.3% | 34.4% | 18% | n/a |

Source: Housemark Phase 1 cross-sector report 2011/12, Summary of benchmarking results for South Essex Homes (Aug 2012).

Note: Individual performance indicators that make up each Performance Area are set out in Table 2.

Appendix 3: Table 2: HouseMark 2011/12 Benchmarking Report Summary - Breakdown of performance areas from Table 1 showing the indicators that make up each performance area

| | Upper Quartile | Middle Upper | Median | Middle Lower | Lower Quartile | N/A | No Data |
|---------------|----------------|--------------|--------|--------------|----------------|-----|---------|
| Valid dataset | | | | | | | |
| Small dataset | | | | | | | |

1. Overhead costs as a % of adjusted turnover

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|---|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| IT & Communications as % adjusted turnover | 17 | 2.23 | 2.76 | 3.62 | 2.25 | 6 | | 2.72 | 9 | |
| Office Premises as % adjusted turnover | 17 | 1.23 | 1.63 | 1.97 | 1.23 | 5 | | 1.49 | 8 | |
| Finance as % adjusted turnover | 17 | 1.24 | 1.56 | 1.75 | 1.6 | 11 | | 1.59 | 11 | |
| Central & Other overhead as % adjusted turnover | 17 | 4.01 | 4.8 | 5.58 | 4.01 | 5 | | 4.24 | 7 | |
| Total Overhead as % adjusted turnover | 17 | 9.19 | 11.05 | 12.61 | 9.09 | 4 | | 10.05 | 7 | |

2. Overhead costs as a % of direct turnover

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|--|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| IT & Communications as % direct revenue costs | 19 | 4.93 | 5.54 | 6.78 | 4.47 | 4 | | 5.49 | 10 | |
| Office Premises as % direct revenue costs | 19 | 2.56 | 3.8 | 4.31 | 2.45 | 5 | | 3.01 | 8 | |
| Finance as % direct revenue costs | 19 | 2.53 | 2.92 | 3.86 | 3.18 | 11 | | 3.21 | 12 | |
| Central & Other overhead as % direct revenue costs | 19 | 8.08 | 10.11 | 10.95 | 7.97 | 4 | | 8.56 | 8 | |
| Total Overhead as % direct revenue costs | 19 | 18.05 | 22.82 | 26.31 | 18.08 | 6 | | 20.28 | 8 | |

| 3. Corporate Health Summary | | | | | | | | | | |
|---|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Voluntary staff turnover in the year | 15 | 6.6 | 7.6 | 9.5 | 7.9 | 9 | | NoData | N/A | |
| Involuntary staff turnover in the year | 15 | 1.2 | 2.9 | 5.1 | 3 | 9 | | NoData | N/A | |
| Percentage of staff turnover in the year | 19 | 8.2 | 10.9 | 14.1 | 10.9 | 10 | | 9.4 | 8 | |
| Average number of working days/shifts lost to sickness absence per employee | 19 | 6.9 | 8.3 | 9.7 | 8.6 | 11 | | 8.1 | 9 | |
| Percentage of staff satisfied with your organisation as an employer | 7 | N/A | N/A | N/A | NoData | N/A | | NoData | N/A | |

| 4. Customer service | | | | | | | | | | |
|--|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Percentage of complainants satisfied with the outcome of the complaint | 9 | 75 | 68.4 | 62.1 | NoData | N/A | | NoData | N/A | |
| Percentage of complainants satisfied with complaint handling | 10 | 79.1 | 74.3 | 64.7 | NoData | N/A | | NoData | N/A | |

5. Major Works and Cyclical Maintenance - Cost summary

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|---|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Total cost per property of Major Works & Cyclical Maintenance | 19 | 1,114 | 1,538 | 2,255 | 2,197 | 14 | | 3,286 | 18 | |
| Total cost per property of Major Works (Service Provision) | 19 | 843 | 1,199 | 1,874 | 1,704 | 14 | | 2,805 | 18 | |
| Total cost per property of Major Works (Management) | 19 | 74 | 103 | 128 | 147 | 18 | | 219 | 20 | |
| Total cost per property of Cyclical Maintenance (Service Provision) | 19 | 151 | 179 | 283 | 296 | 15 | | 227 | 13 | |
| Total cost per property of Cyclical Maintenance (Management) | 19 | 22 | 40 | 56 | 50 | 13 | | 35 | 9 | |

6. Major Works and Cyclical Maintenance - Performance Summary

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|--|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| % of respondents very or fairly satisfied with the overall quality of their home (GN & HfOP) | 17 | 89 | 87.4 | 86 | No Data | N/A | | 85 | 14 | |
| Percentage of dwellings failing to meet the Decent Homes Standard | 19 | 0 | 1 | 6.2 | 19.9 | 17 | | 24.8 | 18 | |
| Average SAP rating of self-contained dwellings (2005 methodology) | 19 | 70.1 | 68.9 | 68.2 | 70 | 7 | | 70 | 7 | |
| Percentage of properties with a valid landlord gas safety record | 19 | 100 | 100 | 99.93 | 100 | 1 | | 100 | 1 | |

7. Responsive Repairs & Void Works - Cost Summary

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|---|-------------|-------|--------|-------|-------------------------------|------|---|-------------------------------|------|---|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Total CPP of Responsive Repairs & Void Works | 19 | 651 | 710 | 736 | 560 | 2 |  | 616 | 5 |  |
| Total CPP of Responsive Repairs (Service Provision) | 19 | 301 | 374 | 432 | 256 | 2 |  | 273 | 3 |  |
| Total CPP of Responsive Repairs (Management) | 19 | 65 | 70 | 107 | 70 | 8 |  | 108 | 15 |  |
| Total CPP of Void Works (Service Provision) | 19 | 183 | 202 | 235 | 201 | 9 |  | 200 | 9 |  |
| Total CPP of Void Works (Management) | 19 | 25 | 31 | 40 | 34 | 12 |  | 35 | 13 |  |

8. Responsive Repairs - Performance Summary

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|---|-------------|-------|--------|-------|-------------------------------|------|---|-------------------------------|------|---|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| % or respondents satisfied with repairs and maintenance (GN & HfOP) | 18 | 86.73 | 84.05 | 81.25 | 81.68 | 13 |  | 82 | 13 |  |
| % of repairs completed on time | 18 | 99 | 98.1 | 96 | 99 | 5 |  | 98.9 | 7 |  |
| Average time to complete a repair (in days) | 17 | 5.24 | 7.08 | 9.04 | 5.78 | 6 |  | 6 | 7 |  |
| Average time in days to re-let empty properties | 19 | 23.64 | 28.52 | 35.25 | 19 | 2 |  | 26.21 | 9 |  |
| P1 & P2 as a % of total repairs | 19 | 35.9 | 48.3 | 58.5 | 59.6 | 15 |  | 58 | 15 |  |

9. Housing Management - Cost Summary

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|------------------------------------|-------------|--------|--------|--------|-------------------------------|------|---|-------------------------------|------|---|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Total cost per property of Housing | 19 | 333.74 | 365.62 | 466.07 | 334.32 | 6 |  | 358.69 | 8 |  |

| | | | | | | | | | | |
|--|----|---------|---------|---------|---------|----|--|---------|----|--|
| Management | | | | | | | | | | |
| Direct cost per property of Housing Management | 19 | 216.54 | 237.3 | 287.82 | 244.79 | 11 | | 253.34 | 12 | |
| Direct housing management employees per 1,000 properties | 19 | 6.1 | 6.81 | 7.85 | 5.97 | 3 | | 6.81 | 10 | |
| Average pay cost per Housing management employee | 19 | £28,282 | £29,515 | £30,894 | £30,381 | 14 | | £29,524 | 11 | |
| Direct cost per property of Rent Arrears & Collection | 19 | 55.04 | 62.86 | 69.65 | 65.99 | 13 | | 77.82 | 16 | |
| Direct cost per property of Resident Involvement | 19 | 31.14 | 35.53 | 43.21 | 42.58 | 14 | | 43.42 | 15 | |
| Direct cost per property of Anti-Social Behaviour | 19 | 40.22 | 47.18 | 50.18 | 37.99 | 3 | | 38.85 | 5 | |
| Direct cost per property of Lettings | 19 | 32.4 | 35.58 | 41.88 | 23.7 | 2 | | 21.6 | 2 | |
| Direct cost per property of Tenancy Management | 19 | 50.09 | 57.21 | 74.33 | 74.54 | 15 | | 71.64 | 14 | |

10.Void Cost Drivers

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|--------------------------------|-------------|-----------|-----------|-----------|-------------------------------|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Average cost of a void repair | 19 | £2,068.55 | £2,213.64 | £2,589.22 | £2,235.17 | 11 | | £2.952 | 19 | |
| % Units re-let during the year | 19 | 7.4 | 8 | 10 | 8.6 | 12 | | 7 | 4 | |

11. Rent Arrears & Collection Performance Measures

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|--|-------------|-------|--------|-------|-------------------------------|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Percentage of rent collected (excluding current arrears brought forward) | 19 | 100 | 99.6 | 99.1 | 99.4 | 12 | | 99.6 | 10 | |

| | | | | | | | | | | |
|--|----|------|------|------|------|----|---|------|----|---|
| Current tenant rent arrears net of unpaid HB as a percentage of rent due | 19 | 1.79 | 2.09 | 3.29 | 1.74 | 5 |  | 1.83 | 6 |  |
| Former tenant rent arrears as % of rent due (excluding voids) | 19 | 1.02 | 1.37 | 2.62 | 1.15 | 8 |  | 1.24 | 9 |  |
| Gross arrears written off as % of rent due | 19 | 0.18 | 0.66 | 0.82 | 0.78 | 14 |  | 0.78 | 15 |  |

12. Resident Involvement Performance Measures

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|---|-------------|-------|--------|-------|-------------------------------|------|---|-------------------------------|------|---|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Percentage of tenants who are satisfied that views are listened to and acted upon (GN & HfOP) | 16 | 78.51 | 74.25 | 70.86 | 72.03 | 11 |  | 68 | 15 |  |
| Percentage of tenants on whom the organisation has diversity information | 19 | 83.8 | 73.5 | 66.1 | 85 | 5 |  | 80.9 | 8 |  |

13. Anti-Social Behaviour Performance Measures

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|--|-------------|-------|--------|-------|-------------------------------|------|---|-------------------------------|------|---|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Percentage of anti-social behaviour cases resolved successfully | 17 | 95.56 | 93.92 | 90.88 | 94.5 | 8 |  | 84.4 | 14 |  |
| Percentage of respondents satisfied with anti-social behaviour case handling | 14 | 88.51 | 81.78 | 71.7 | 89 | 3 |  | 94 | 1 |  |
| Percentage of respondents satisfied with anti-social behaviour case outcomes | 17 | 83.6 | 75.38 | 65 | 88 | 1 |  | 93 | 1 |  |

14. Tenancy Management Performance Measures

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|--|-------------|-------|--------|-------|---|------|----------|-------------------------------|-------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| | | | | | The total number of tenancies ended each year as a percentage of all properties managed | 19 | 8.11 | 8.77 | 10.22 | 9.11 |
| Percentage of tenants evicted as a result of rent arrears during the year | 18 | 0.23 | 0.34 | 0.48 | 0.5 | 15 | | 0.48 | 14 | |
| Percentage of tenants very or fairly satisfied with the overall service provided | 18 | 90 | 89.43 | 86.06 | 84.63 | 15 | | 83.5 | 17 | |

15. Lettings Performance Measures

| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
|---|-------------|-------|--------|-------|---|------|----------|-------------------------------|------|----------|
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| | | | | | Percentage of units that were vacant and available for letting at the end of the year | 19 | 0.41 | 0.51 | 0.81 | 0.86 |
| Percentage of units that were vacant but unavailable for letting at the end of the year | 19 | 0.35 | 0.55 | 1.48 | 1.81 | 16 | | 2.92 | 18 | |
| Average time in days to re-let empty properties | 19 | 23.64 | 28.52 | 35.25 | 19 | 2 | | 26.21 | 9 | |
| Rent loss due to empty properties (voids) as a percentage of rent due | 19 | 0.96 | 1.42 | 2.38 | 3.51 | 18 | | 4.17 | 20 | |

| 16. Estate Services | | | | | | | | | | |
|--|-------------|--------|--------|-------|-------------------------------|------|---|-------------------------------|------|---|
| KPI | Sample Size | Upper | Median | Lower | South Essex Homes (2011/2012) | | | South Essex Homes (2010/2011) | | |
| | | | | | Result | Rank | Quartile | Result | Rank | Quartile |
| Total cost per property of estate Services | 19 | 100.53 | 157.55 | 218.8 | 210.41 | 14 |  | 246.37 | 19 |  |
| % of residents satisfied with their neighbourhood as a place to live (GN & HfOP) | 19 | 86.55 | 84.21 | 81.55 | 78.83 | 17 |  | 71.00 | 18 |  |

Appendix 3:Table 3: Schedule of Agreed Targets for South Essex Homes 2013/14

| | Ref. | Indicator | Top Quartile from Comparator benchmarking group (11/12) | Housemark England Median | 2011/12 | 2012/13 Apr-Dec | Target 2013/14 |
|----|-----------------|---|---|--------------------------|-----------|-----------------|----------------|
| 1 | KP1 | Satisfaction of general needs tenants with South Essex Homes as landlord | 90.00% | 86.35% | 82% | N/A | 88% |
| 2 | KP2 | Satisfaction of sheltered housing tenants with South Essex Homes as a landlord | | | 88% | N/A | 91% |
| 3 | KP10 | Satisfaction with estate services | N/A | 79% | 69% | N/A | 78% |
| 4 | KP11 | Satisfaction with outcome of ASB complaints | 83.60% | 75.0% | 88% | 95% | 92% |
| 5 | KP16 | Tenant satisfaction with completed jobs | N/A | N/A | 99.30% | 99.60% | 99.50% |
| 6 | KP6 | Satisfaction with property condition (new lettings) | N/A | 93.30% | 96% | 93% | 95% |
| 7 | KP21 | Tenant satisfaction with repairs and maintenance in general | 86.52% | 82.30% | 81.7% | N/A | 84% |
| 8 | KP22 | Satisfaction of tenants that views are taken into account (and acted upon, for 2013/14 onwards) | 78.51% | 70.90% | 72% | N/A | 71% |
| 9 | KP23 | Satisfaction of leaseholders with South Essex Homes | N/A | N/A | 77% | N/A | 78% |
| 10 | KP25 | Complaints replied to in 10 working days | N/A | N/A | 99% | 100% | 100% |
| 11 | Local N20 | Anti-social behaviour cases successfully resolved | 96.56% | 90.54% | 94.50% | 99.20% | 97% |
| 12 | KP4 | Rent collection rate | 100% | 99.50% | 99.38% | 99.16% | 99.6%* |
| 13 | KP5 | Current rent arrears as percentage of rent debit | 2.12% | 3.06% | 1.81% | 1.78% | 1.65% |
| 14 | Local R14 | FTAs as a percentage of debit | 1.02% | 1.29% | 1.15% | 1.02% | 1.06% |
| 15 | Local R13 | Current rent arrears (in cash) | N/A | N/A | £476,550 | £518,166 | £511,234 |
| 16 | Local R13a | Former tenant arrears | N/A | N/A | £391,382 | £396,207 | £365,000 |
| 17 | Local R66b (f1) | Tenants in arrears of more than 7 weeks (average year to date) | N/A | N/A | 246.08 | 209.33 | 225 |
| 18 | KP7 | Void turn round time | 23.64 days | 26.68 days | 19 days | 19.1 days | 18 days |
| 19 | KP12 | Repairs completed in contractual target time | 99% | 97.1% | 99.00% | 99.19% | 99% |
| 20 | KP13 | Jobs completed right first time | 95.00% | 89.60% | 86% | 95.60% | 93% |
| 21 | KP15 | Average time to complete all responsive repairs | 5.24 days | 7.94 days | 5.78 days | 6.29 days | 6 days |
| 22 | KP19 | Non-decent homes | 0% | 0.00% | 19.90% | 14.30% | 7.50% |

Appendix 4

Summary of combined results from telephone, paper and on-line surveys**Summary:**

- 951 surveys were returned in total (500 telephone surveys, 44 from the community event, 25 on-line, 382 papers).
- The highest rating from residents who were fairly or very satisfied with a particular service, related to:
 1. 'Keeping you informed'. (85%)
 2. 'Value for money for your rent or service charge' (84%)
 3. 'Repairs to your home' (81%)
 4. 'Improvements to your home (eg kitchens and roofs) (79%).
- The lowest rating from residents who were fairly or very satisfied with a particular service related to:
 1. 'Dealing with anti-social behaviour' (58.6%)
 2. 'Your views are taken into account by South Essex Homes (67%)
 3. 'Improving your neighbourhood as a place to live' (71%)
 4. 'Support and advice (eg on claiming welfare benefits and paying rent) (73%)
- The proportion of residents who think that South Essex Homes provides good value for money, to some extent or a great deal was 84%.
- Taking everything into account the proportion of residents who are fairly or very satisfied with the overall service provided by South Essex Homes was 86%.
- The services areas rated highest as very important or important were:
 1. 'Repairs to your home' (96%)
 2. 'Value for money for your rent or service charge' (94%)
 3. 'Keeping you informed' (94%)
 4. 'Improvements to your home (eg kitchens and roofs) (93%)
 5. Improving your neighbourhood as a place to live (90%)
 6. Dealing with anti-social behaviour (88%)
 7. Providing support and advice (eg claiming welfare benefits and paying rent) (85%)
- Given the choice 64.8% of residents said they would rather be in a home owned by the Council and managed by South Essex Homes. 20.7% said they would rather be in a home owned by the Council and managed by the Council.
- The areas that tenants/leaseholders would prefer their money from their rent or maintenance fee to be spent on, in priority order were:*
 1. 'Repairs to your home'
 2. 'Improvements to your home'
 3. Cost of running South Essex Homes.
 4. Keeping you informed
 5. Dealing with anti-social behaviour

6. Improving your neighbourhood as a place to live
7. Support and advice (eg on claiming)

* those completing the survey could choose up to 3 options:

- The services which tenants/residents felt could be shared between the Council and South Essex Homes, in order of priority are*:
 1. Location of Council and South Essex Homes staff (61%).
 2. Customer service (eg tenancy matters, dealing with anti-social behaviour) (51%).
 3. Support services (eg communications; resident involvement) (49.6%).
 4. Finance services (41%).
 5. Human resources (including training, payroll) (42%).
 6. Asset management (including programme delivery, estate services) (38%).
 7. Providing a reception service (37%).

* percentages relate to residents who gave a positive response against all respondents to the survey.