



## Service Design Proposal

### My Place

## **1. What is the recommendation?**

To create a vehicle that has at its heart the desire to make the place in which we live as good as it can be. Central to this is a tenancy neutral locality based Managing Agent model which supports a broader approach to place management that will cater to all parts of the community.

The proposal is that through the creation of a Managing Agent, the current Council housing management service will manage property on behalf of any landlord across a number of tenures. The service will charge a management fee to these landlords to manage their property. This would be an attractive proposition for the landlord as it would provide a convenient and locally based service to manage their property portfolio. It would also allow the Council's new Development Company ('Be First') to package up a number of services to potential developers.

Through a number of commissioned services e.g repairs and maintenance, grounds maintenance, refuse collection, My Place will coordinate the delivery of these services to ensure that agreed standards of performance are maintained. This approach will integrate delivery across a location by delivering a range of core estate/area services managed through My Place.

Such an approach will improve service quality, increase accountability, enhance resident involvement and engagement, secure efficiencies and reduce costs. The recommendation will also support the 'Be First' service proposal.

## **2. Why is this proposal recommended?**

Over the last decade there has been a significant growth in the private rented sector. Owner occupation in B&D has fallen in the last fifteen years and at 44% is the lowest level of owner occupation in London. Over the same period there has been substantial growth in the private rented sector to around 16,500 tenancies. The current housing stock is predominantly buy to let but increasingly institutional managed new rented apartments – proportionally the fastest growth in the PRS sector in London over this period.

Increasingly, the estates and streets of this borough are becoming more diverse in terms of tenure with a varied mix of Council Tenants, Private Sector Rental (PRS), RTB, Owner Occupiers, and Shared Ownership, which all could be found on one road. It is expected that this tenure mix will continue to change with large amounts of private investment coming into the borough bringing opportunities to provide management services.

The Council gets drawn into a number of property related enquiries even when the property is not owned/managed by the Council. The creation of My Place will allow the council to provide a service for landlords and developers that operate in the borough and charge for this service.

The other side of My Place is a lettings agency. We expect to capture 3% of the market share by placing 3% of tenants in new properties and this will derive £110k lettings income per annum by 2020/21. Alongside this the Council will target 5-13% of corporate landlord portfolios to provide a Managing Agent Service yielding an expected £521k by 2020/21.

Currently the way that certain environmental and public realm issues are dealt with varies across tenure e.g bulky waste collection on Council housing estates. This difference is sometimes hard for the residents to understand and creates a two tier service. This new

tenancy neutral approach should remove this distinction and enable the Council to organise these services in the most efficient way.

### **3. What does the future service look like?**

My Place will play an important role in supporting the growth and wellbeing of the borough.

The service will be an area and property/asset focused Managing Agent function with the ability to provide services at a competitive charge to developers and landlords operating in the borough.

The service will not be directly responsible for providing services such as grounds maintenance or repairs but rather it will commission these services along with those services that support the public realm.

### **4. What will the service deliver?**

My Place will provide and/or commission the following services:

#### **Residents**

- Grounds maintenance and cleaning (through a commissioned provider)
- Waste collection
- Street services
- Look and feel of place

#### **Tenants/prospective tenants/leaseholders**

- Collecting rent
- Health and safety checks
- Calculation of appropriate service charges
- Repairs and maintenance
- Assisted viewings / induction service
- Providing tenants with notice at the end of the tenancy
- Rent management and evictions
- Identification of suitable properties (Lettings Agency)

**Landlords:**

- Sourcing suitable and reliable tenants for the property
- Collecting monies from tenants and leaseholders including service charges and rents
- Ensure statutory requirements are met (health and safety checks)
- General maintenance (through a commissioned provider)
- Accompanying potential tenants to view the property
- Preparing the tenancy agreement
- Inspecting the property periodically
- Re-letting the property as quickly as possible and minimising any 'down-time'
- Dealing with legal aspects of the tenancy and property, including evictions

To support the above there will need to be draft service specifications, SLAs and costings.

My Place will provide a commissioning function for places/public realm around the borough.

**5. What are the constituent parts?**

- Letting agency
- Landlord Managing Agent
- Commissioning function (incl. grounds maintenance, waste, etc)
- Rent collection
- Service charge calculation
- Tenancy management – (incl. RTB/ Shared Ownership / Affordable Home Ownership/ Tenancy Review)

**6. What will be different for the customer?**

As can be seen above we have 3 customer types, residents, tenants and landlords. Each will see a seamless service that will provide improvements in service delivery.

**7. What will need to change in the service(s)?**

This is a fundamental transformation and creation of a new service. So it will need changes in people, process and systems. Perhaps most importantly it will require a level of commercial acumen that is not currently there. Initially, we can build on some elements of the current services e.g. the emerging lettings service, service charges team etc., but transformation will be significant.

A strong focus on customer service, service performance and delivery based on 'location' will require a change in culture/attitude. One of our initial challenges will be to determine the "Localities/Neighbourhoods".

The commissioning capacity in the service will also need to be invested in and developed in order to performance manage and hold to account those other local place making services.

This cannot be underestimated. Establishing SLAs and KPIs will be crucial to the commissioning relationship to result in high quality and efficient outcomes.

## **8. What will be the impact on the workforce?**

It will require a fundamental culture change as described above alongside significant reorganisation to integrate different teams to provide the new service. New roles and ways of working will emerge.

## **9. When will the changes take effect?**

The impact will grow over 5 years and will depend on the amount of corporate investment that takes place in the borough. All projections of market share have been aligned with other Ambition 2020 projects and Local Development Plan. The project will go through the following phases:

- 2016/17: Establishment
- 2017/18: Breakeven and profit
- 2018/19: Growth
- 2019/20: Growth
- 2020/21: Full potential

## **10. When will customer outcomes be seen?**

From April 2017.

## **11. What savings will be made from the changes?**

The benefits will stem from two main sources of new income streams:

- a. Managing Agent Service: 83% of the gross benefits will be derived from tenancy management services for corporate/institutional landlords in the residential segment.
- b. Lettings Service: 17% of the gross benefit will come from letting agency services provided to the market. The income captured here is limited to the letting service fee and excludes other indirect benefits such as reduction of TA costs. Total gross benefits are £631k and net benefits are £568k.

## 12. When will the savings be realised?

