

CABINET

15 September 2015

Title: Housing Transformation Programme	
Report of the Cabinet Member for Housing	
Open Report	For Information
Wards Affected: All	Key Decision: No
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Summary <p>This report advises Cabinet on the establishment of the Housing Transformation Programme which is designed to address some long standing and previously intractable customer service, performance and value for money issues in the Housing service.</p> <p>The first section of this report summarises those areas within Housing where service delivery, performance and effective use of resources needs improvement. These were all identified in an independent review conducted in the first quarter of 2014/15 by the Housing Quality Network.</p> <p>The second section of the report identifies the substantive improvements that have already been made in performance and delivery and provides a comparison of Quarter 1 results form 2014/15 at the time of the HQN Review with Quarter 1 results for 2015/16.</p> <p>The third section of the report sets out the further improvements required in order to meet the Council's ambitions and priorities for strengthening and extending the offer to tenants and residents. This is being addressed through the Transformation Programme as a structured and coordinated approach that concentrates on those areas of the Housing service which still require improvement in order to compare favourably with the majority of London Boroughs. The overall intention is to secure an enduring change in the capacity of the Housing Service to improve the lives of tenants and residents.</p>	
Recommendation(s) <p>The Cabinet is recommended to note the scope and timelines of the initial phase of the Housing Transformation Programme as outlined within the report.</p>	
Reason(s) <p>The report provides clear evidence of the need for service transformation, of the service improvements already being delivered and of the structured approach to securing the Housing service outcomes that the residents deserve.</p>	

1. Introduction and Background

1.1 The Housing Transformation Programme was formally initiated earlier this year in response to the broad range of problems and challenges faced by the service many of which were highlighted in the Housing Quality Network (HQN) Landlord Health Check conducted in April and May 2014. This found that performance across the core business processes that drove service delivery was generally below the average for London Boroughs and identified the improvements needed to address this. The principal areas of weakness found were:

1.2 Strategic vision and direction for Housing:

- Unevenness in the arrangements for meeting key strategic housing priorities: the Council did not have an up to date Homelessness Strategy and Housing Asset Management Strategy, for example
- The condition of the housing stock in Barking and Dagenham is poor compared with other Boroughs with the level of non decent homes high at over 30%
- Resources were not always committed in a cost effective way or decisions were taken without a considered business case or reference to evidence and strategic housing aims.
- The Housing capital programme arrangements were fragile and there was a recurring problem of under spending the funding allocated

1.3 Lack of clear and consistent objectives

- Ambiguous policies, service standards and frequently changing priorities further hampered the quality of service delivery and there was a lack of focus on performance
- Performance was found to be below the London median for the majority of core housing services and there was no evident sense of urgency about addressing this.
- The Housemark figures for 2013/14 showed Barking and Dagenham to be falling behind on the most important measures of housing performance:

Barking and Dagenham Housing Performance Comparisons

- 11th out of 17 for rent collection at 99.2% and below the London median of 99.5% (13/14 = 98.93% - Median = 99.47%)
- 13th out of 16 for satisfaction with repairs at 62.8% and below the London median of 69% (13/14 = 65.90% - Median = 70.50%)
- 16th out of 17 for reletting empty properties at 56 days and below the London median of 38.4 days (13/14 = 61.44 days – Median = 34.61 days)
- 16th out of 17 for rent loss from empty properties at 2.44% compared to the London median of 1.34% (13/14 = 2.83% - Median = 1.12%)
- 12th out of 15 for tenant satisfaction that their views are listened to and acted upon at 49.4% and below the London median of 54% (13/14 = 52.80% - Median also 52.80%)

1.4 The above table reflecting results in 2013/14 shows how far the performance of the service had fallen behind that of other London authorities.

- Rent collection was below average and the service was found to be very fragmented and ineffective
- Repairs satisfaction was low and continuing to fall with voids relet performance one of the worst measured.
- Tenant satisfaction with the Landlord service was also well below the London average

1.5 It was important that the Housing service should robustly address what was a declining performance as it appears not to have been treated as an urgent priority in the past.

1.6 **Tenant and community participation**

- The traditional tenant and resident forums and methods of involvement did not offer engagement opportunities that suit younger, working residents in particular and a higher profile is needed for the many alternative ways of participating that would attract those who traditionally do not turn up to these forums. Wider and more representative engagement is essential in order to shape the Housing service around the needs of customers, obtain feedback on the service user experience, make the service accountable to residents and provide support for residents to live more independently

1.7 **Core business processes**

- The Housing service was found not to have a considered customer access approach and as a result the whole customer experience was unsatisfactory. Forward thinking social housing landlords have invested in improving customer facing services through business process review and modernisation in order to generate better outcomes for service users and to secure more affordable transaction costs. Such reviews focus on the customer perspective and involve front line staff in redesigning the end to end process to eliminate waste in the form of duplication, avoidable contact and rework costs. The Housing service had not been subject to such end to end review from a customer perspective e.g. for re-letting void properties, for housing options and advice and for housing repairs yet this is pivotal to meeting key customer focus objectives
- The resident experience of using the Housing service needs to be more reliable, consistent and seamless. Modern public services that are striving for high levels of user satisfaction adopt a coherent operating framework that shapes the service around customers and households and generates a positive and properly integrated user experience. This means knowing who our customers are, acquiring customer insight and generating a customer focused culture amongst staff. It entails improving the information we provide about service access, delivery standards and quality of service. This would entail examining solutions to the problem of fragmented service delivery in e.g. rent collection

1.8 **Value for money**

- A well developed value for money ethos was not present and there was little evidence that value for money was an important consideration in Housing investment decisions. Managers in key areas did not have the information they needed to track and control their costs. This presented a major risk especially in

light of the Member ambition to trade more services which requires rigorous financial discipline and commercial acumen.

1.9 Repairs and Maintenance

- The Health Check found that the repairs and maintenance service which returned to the Council in April 2013 faced a series of challenges. There were gaps in performance monitoring information. For example, no results were held on completing repairs correctly at the first visit – Right First Time. The data available showed areas of poor performance, for example, in relation to meeting appointments (only 70% of repairs appointments were kept which means 30% of tenants were being let down in 2013/14).
- The levels of productivity being delivered by the in house repairs service were found to be low and effective productivity monitoring by managers was not in place, yet cost was significantly higher than London market levels. Greater flexibility was required across the whole workforce in order to become competitive and core business processes needed to be reshaped in order to realise the ambition of the service to undertake a higher proportion of all Council work and to win new clients.
- The re-let standard adopted for voids went substantially beyond that used by most London authorities and exceeded even the decent homes standard. As a consequence the repairs budget recorded a noticeable overspend last year in part due to use of sub-contractors on voids to supplement the in house service.

2. Improvements Delivered

- 2.1 Managers and staff in Housing have risen to the challenge of these findings which were received in July 2014 and a detailed improvement project was initiated with the aim of addressing all of the shortcomings identified. There has been substantial progress on many of the issues as described below.
- 2.2 A Housing Asset Management Strategy has been compiled and was approved by Cabinet in July. The new organising principle of Lifecycle Asset Management envisages works will be undertaken that include all elements of the property that are coming close to the end of their lifecycle at the same time. This is fairer for tenants and offers better value for money for the Council.
- 2.3 The Council has been part of a national social landlord group under the auspices of the Chartered Institute of Housing which has been developing a best practice approach to asset management and these principles have been incorporated into the strategy.
- 2.4 The strategy commits the Council to:
 - Use of good quality materials when replacing components or facilities as these offer better value for money and improve the estate and communal areas
 - Standardisation where possible to a common design so that maintenance is straightforward and efficient
 - Integrating energy efficiency into housing investment programmes to reduce fuel poverty and complement the Council's wider energy strategy and initiatives

- Meet the needs of elderly, vulnerable and disabled households
- Build new homes to the Mayor of London's Housing Design Standards

2.5 Decent Homes delivery has accelerated over the last 12 months with the number of properties made decent 2,803 exceeding the 2,500 target.

2.6 The stock investment element of the Housing capital programme in the current year is performing more reliably than in previous years and it is expected that outturn expenditure will be on target.

2.7 Tenant and Community Participation

2.7.1 The department has been reviewing the way that it engages and works with the community and a series of consultation exercises have been undertaken with tenants and residents:

- Throughout November and December 2015 with local Tenant and Resident Associations
- The Tenants' Annual Conference (2014) had a workshop on this topic which was the start of a formal consultation process.
- An online survey of residents was conducted in 2015 which asked a number of questions about involvement and engagement.

2.7.2 The Lead Member for Housing has also conducted a number of face to face workshops with tenants and residents to identify what they would like to be involved in and how they would like to be involved. The findings so far indicate that tenant and resident groups would like to see:

- A scrutiny role for tenants which will enable them to become closely involved in service improvements
- A menu of mechanisms to enable tenants and residents to be engaged and communicated with on specific topics/issues
- The availability of more surgery type involvement whereby they can raise specific local/individual concerns

2.7.3 The results of the surveys and other consultation work will inform the Department's engagement structure and an engagement strategy is currently being drafted. This will specifically address engagement with younger residents and those that are working.

2.8 Repairs and Maintenance

2.8.1 The service has delivered some significant improvements in performance that are of direct benefit to tenants:

- The reliability of the appointments service or the percentage of appointments made and kept has improved from 75% at Q1 2014/15 to over 92% in Q1 2015/16
- Average re-let time for empty properties has been reduced by nearly 24 days from 70 days to 46.6 days
- Satisfaction expressed with the repairs service has increased by six percentage points to over 93%

- The percentage of all repair jobs that are now being completed on time has risen from 89% to 97%
- A new performance indicator has now been introduced that measures the percentage of works orders that are fully completed at the first visit by an operative. This is showing that 87% of all orders are now completed Right First Time

2.9 Housing Performance

2.9.1 The Housing Management Team has been focusing upon what is needed to secure a step change in the outcomes delivered by the service. As a consequence of this performance has improved across all Housing indicators in the last twelve months as the table below illustrates:

Ref. No.	Key Performance Measure	2014/15: Last years performance	2015/16: Current Performance Results	2015/16 Target	Direction Of Travel
		Qtr 1	Qtr 1		
35	The number of long-term empty properties	Not Available	254	300	Within target
36	Average time taken to re-let local authority housing (calendar days)	70 Days	46.6	35 days	↑
37	Percentage of eligible repair jobs where appointments were made and kept	73.24%	90.7	96.0%	↑
38	Average number of households in Bed & Breakfast accommodation over the year	80	53	48	↑
39	Number of families in Bed & Breakfast accommodation for over 6 weeks (DCLG Criteria)	12	4	5	↑
40	The percentage of Homeless Temporary Accommodation rent collected (Includes Previous Arrears)	94.50%	96.30%	95%	↑
43	The percentage of Council Housing rent collected	97.16%	98.34%	99.24%	↑
	Repairs Indicators	Jun-14	Jun-15	2015/16 target	Direction Of Travel
	% Properties with a valid CP12 gas safety certificate	100%	100%	100%	No Change

	% satisfaction with overall repairs service (telephone survey)	87.62%	93.07%	90%	↑
	% of repairs appointments made and kept	75.27%	92.07%	96%	↑
	% of all repairs jobs completed on time	89.95%	97.33%	96%	↑
	% of urgent repair jobs completed within government time limits	92.16%	100%	98%	↑

2.9.2 These performance figures show that a substantial and marked improvement has been realised compared to the 2014 position and that this is evident across all housing service areas.

3. Transformation Programme

3.1 Notwithstanding the good progress made to date, the Council's ambition is to deliver the very best possible outcomes for tenants and residents and there remain areas where the service can and should realise its potential to be the best it can be. In this spirit we have set out below the principal challenges that remain which the Housing service has to tackle through the Transformation Programme and the outcomes that are intended.

3.2 Performance

3.2.1 The performance improvements achieved in one year can be seen as representing the low hanging fruit and these now need to be consolidated, repeated and added to incrementally. This requires greater focus and resolve on the part of managers and staff and flexible support to design and implement the principal changes to core housing business processes and ways of working. The table below sets out three year targets that are designed to bring the performance of the Barking and Dagenham Housing service up to that of the best 25% of London authorities.

Ref. No.	Key Performance Measure	2015/16: Current Performance Results	2015/16 Target	2016/17 Target	2017/18 Target
		Qtr 1			
35	The number of long-term empty properties	254	300	275	250
36	Average time taken to re-let local authority housing (calendar days)	46.6	35 days	30 Days	26 Days
37	Percentage of eligible repair jobs where appointments were made and kept	90.7	96.0%	97%	98%

38	Average number of households in Bed & Breakfast accommodation over the year	53	48	10	10
39	Number of families in Bed & Breakfast accommodation for over 6 weeks (DCLG Criteria)	4	5	0	0
40	The percentage of Homeless Temporary Accommodation rent collected (Includes Previous Arrears)	96.30%	95%	96.0%	96.0%
43	The percentage of Council Housing rent collected	98.34%	99.24%	99.4%	99.6%
	Repairs Indicators	Jun-15	2015/16 target		
	% Properties with a valid CP12 gas safety certificate	100%	100%	100%	100%
	% satisfaction with overall repairs service (telephone survey)	93.07%	90%	94%	96%
	% of repairs appointments made and kept	92.07%	96%	97%	98%
	% of all repairs jobs completed on time	97.33%	96%	98%	99%
	% of urgent repair jobs completed within government time limits	100%	98%	99%	100%

3.3 Value for Money

3.3.1 At a time of renewed pressure on available resources following the Chancellor's budget announcements affecting social housing it is critically important that the housing service offers value for money that compares with the very best in the public sector and can demonstrate this in a transparent way. A cross cutting thread running through the whole programme will be to secure and demonstrate that the service is obtaining excellent value for money from all housing expenditure.

3.3.2 The objective will be to secure a 2% overall reduction in housing costs year on year and to track this for each of the Housemark activity areas of:

- Tenancy management
- Repairs and Maintenance
- Estate Management
- Tenant Participation
- Overhead Costs
- Housing Strategy and Advice

3.4 **Housing Strategies**

3.4.1 The Housing service needs to focus its limited resources in the most efficient and effective way upon the pivotal housing challenges facing the borough and its residents:

- Providing appropriate housing advice and suitable housing options
- Tackling homelessness
- Improving homes and the estate environment as part of the Council's wider investment in the public realm
- Developing a coherent and effective approach to the private housing sector to encourage responsible private renting and home ownership

3.4.2 The outcome sought is to have in place a defined suite of up to date Housing strategies that address each of these priority areas by September 2016

3.5 **Strategic Maintenance**

3.5.1 In addition to the asset and maintenance related performance improvements identified above the Housing service ambition is for the following outcomes to be realised by September 2016:

- Residents proud of their decent homes, well managed estates and highly responsive services that anticipate their needs
- A visible and welcome housing presence in neighbourhoods through services that engage and support households, communities and local enterprise
- Resources invested intelligently through professional teams and reliable IT to meet the maintenance needs of the stock on a timely basis
- Lean business processes that eliminate the burden of failure demand and minimise overhead and transaction costs
- Procurement solutions that give genuine client control and offer exceptional value for money

3.5.2 This will include high quality repairs services for tenants and other clients:

- An exceptional customer experience: choice, convenience and seamless delivery
- An accessible service with insight into individual needs and capacity to meet them consistently right first time
- Visibility of order progress and attention to detail: keeping customers informed through the medium they choose and learning systematically from feedback
- Responsible, skilled and motivated craftsmen and women who respect tenants' homes and will go the extra mile

3.5.3 Our investment and planned maintenance programmes will achieve exceptional value for money through:

- Real time information on stock condition and knowledge of maintenance needs
- Timely replacement and maintenance of building components to prevent failure
- Moving resources judiciously from reactive to planned programmes to secure value

- Putting residents in charge of local estate improvement budgets
- Partnering through the supply chain to deliver excellent value for money

3.5.4 The Transformation Programme will be addressing all areas of the current housing repairs delivery service to enable it to meet these objectives.

4. Transformation Programme

4.1 Overview

4.1.1 The Housing Transformation programme has been provided with a clear focus and structure which will make it highly visible for staff and accountable for meeting the objectives set.

4.1.2 Officers are currently in the Design Phase of the programme during which they will engage extensively with staff and partners to collect evidence and perceptions about inefficiencies within the service and where the processes and technology need to improve. Since the beginning of June and over the course of the summer, a number of workshops have been across the range of Housing service activities:

- Eleven Workshops have been held with over 100 staff engaged
- Over 50 face to face meetings and over 20 shadowing and process review sessions
- Over 250 hours LBBB staff involvement
- Key stakeholder 1:1 meetings are in progress and data collection and analysis and Landscape Review are completed *
- The 'Case for Change' has been drafted and ten Outline Business Cases have been approved by the Programme Board with an opportunity assessment now in progress

4.1.3 The outcomes from these activities will provide options for the required changes to improve the service.

4.1.4 There will be a detailed implementation plan linked to the expected improvements and outcomes over the next 12-18 months and a report will be brought to Cabinet to consult on the plans in order to finalise any investment required in time for the budgeting process.

4.1.5 There are currently five projects that make up the programme, namely:

- **Strategic Maintenance:** this is about transforming the way we manage our building assets to ensure we have an integrated approach to investing in and maintaining our housing portfolio. This includes both capital investment and repairs and maintenance.
- **Customer Management:** this is about transforming the way we interact with residents as customers of the Housing service. It's about improving the customer experience and about knowing our customer and supporting households to be independent and successful
- **Income & Debt Collection:** this is about ensuring we generate the income we need as a service through better rent and income collection and through preventing debt from arising in the first place. It is also about sustaining tenancies to optimise asset return and realising value for money.

- **Workforce Management:** this is about creating a high productivity environment by retaining and rewarding a skilled, flexible and highly motivated workforce to deliver high levels of performance and professional behaviour at all times; it is also about communication and empowerment
- **Strategic Housing:** this is about the statutory non landlord services we provide including housing advice, homelessness and temporary accommodation and having a coherent suite of our housing strategies and policies, how we promote these and monitor compliance and how we work and support responsible private landlords and make Barking and Dagenham a place where working families want to put down roots.

4.1.6 Set out at Appendix 1 are details of the latest timetable, the approach and timescales and the ten Outline Business Cases for assessment.

5. Proposal and Issues

5.1 The five work streams in the Housing Transformation Programme will address the core areas where service customers can be significantly improved and within a clear timescale.

6. Options Appraisal

6.1 The impact of the Housing Service on the lives of residents in the Borough demands that service standards, performance and use of resources is optimised. The Transformation Programme will give confidence to the Council that these improvements will be delivered and sustained.

7. Consultation

7.1 Paragraph 2.7 of this report refers to the tenant and community participation initiatives that have already been undertaken and, as referred to, an engagement strategy is being drafted.

7.2 There has been extensive internal consultation and further consultation with Members and the local community will follow development of the case for change.

8. Financial Implications

Implications completed by: Carl Tomlinson, Group Manager

8.1 At present the programme is funded from existing financial resources. By the end of September there will be a detailed implementation plan linked to the expected improvements and outcomes over the next 12-18 months and we will be bringing a report to Cabinet in December to consult on our plans in order to finalise any investment required in time for the budgeting process.

9. Legal Implications

Implications completed by: Martin Hall, Housing Solicitor

9.1 This report has been reviewed and there are no legal implications arising

10. Other Implications

- 10.1 **Risk Management** - If the programme is not delivered the services provided to the tenants and residents are at risk of not improving which will have a detrimental effect on individual households. A programme board has been established to scrutinise and monitor performance of the programme and the targets that have been set.
- 10.2 **Contractual Issues** - Council officers are working closely with colleagues in Elevate to ensure that improvements in service delivery and collection rates are delivered. Aside from this there are no contractual issues that need to be addressed as a result of this report.
- 10.3 **Corporate Policy and Customer Impact** - The programme will ensure improvements to service delivery which will have a positive impact on the experience of our tenants and residents.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- **Appendix 1** - Latest timetable, the approach and timescales and the ten Outline Business Cases for assessment