

Summary Report (Stage Two Draft 2.1 August 2008)

Annex 1: Feedback from stakeholder workshops

East Kent and Ashford: Landlord Services Joint Working

AUGUST 2008

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Introduction

This annex forms part of the overall Stage Two Draft Report on landlord services joint working for the four East Kent authorities and Ashford.

This annex provides details of the feedback from the five workshops held at each authority in June focusing on the issues surrounding the development of joint shared service working and procurement via the establishment of a new vehicle to provide services.

This annex also includes a more detailed schedule of feedback points from staff and tenants identified through briefings held for each on the day.

1 Introduction

The work to date within stage two has focused specifically on the following:

- The establishment of a Shared Service Vehicle to provide landlord services for each of the five authorities.
- The establishment of a Joint Housing Company or Companies to transfer land from each authority to provide new affordable housing.

The establishment of these would obviate the need to separately plan for a procurement network or more detailed benchmarking activity although it is acknowledged that joint procurement of responsive repairs partners is being developed by three of the four East Kent authorities.

1.1 Summary of feedback from authority workshops (June 2008)

Sections 2, 3 and 4 summarise the outcomes from five workshops held in June at each authority; the appendices in future versions will include both the outline for the days, participants and the collated detail of workshops.

Each workshop comprised:

- A review of options for development of the SSV with senior staff
- A review of the scope for new development in a JHC with housing, planning and estates staff
- An initial presentation to tenants for initial feedback.

2 Development of a Shared Service Vehicle (SSV)

Feedback and initial responses were sought under the following headings and a series of set questions discussed at each authority to ensure consistency of the nature of replies. The main headings were:

- Ownership and governance
- Individual services vs whole service
- Big bang vs series of services at a time
- Support services
- Individual service area feedback
- Fear factors and barriers
- Stock and boundaries.

Further limited discussion in the role of joint procurement in the SSV was held although at each authority, the consensus was that as the SSV would take over delegated responsibility for housing management and maintenance services, all future procurement would be necessarily 'joint'.

2.1 Ownership and governance

Consensus was reached on the following key principles affecting the ownership and governance of the SSV.

1. The company should be jointly owned by the authorities.
2. The sharing of services should not be on the basis of one or more authorities providing different services on behalf of all.
3. Stakeholders, particularly staff, would need to be persuaded that the SSV should be a private company, with private sector governance models and a profit making ethos. The preference would be for a vehicle that was non-profit making and closely related to other housing provider organisation models common within the social housing sector.
4. Governance at board level should be in proportion to the ownership of the company and participation of the five authorities.
5. The Management Agreement/Contract would be with each authority individually and each authority would remain the legal landlord; the agreements need drafting should have sufficient flexibility to allow for local service preferences but ensure that maximum opportunities for rationalisation and economies of scale are able to be secured.

There was no material divergence from any stakeholders to these general principles.

A number of issues and barriers were identified, including:

- What would be the scale of representation from local areas in the governance of the SSV? Should it be proportionate to ownership or stock holding or some other approach?

- The SSV would not be a 'group structure' along the lines of a RSL group; it would be single company providing services under five management agreements.
- The loss of democratic control was identified as a potential barrier in some areas; there may however be scope to develop transitional Area-Based governance arrangements to preserve service delivery and tenant representation within current local areas.

A separate paper on governance issues will form the basis of a workshop discussion at the next joint meeting and agreement sought on issues such as board composition, chairmanship, the role of area boards, resolution to develop a shadow board and payment (or non-payment) of members.

2.2 Individual/whole – big bang/'at a time'

Consensus was reached on the following key principles affecting the approach to the delegation and placing of services within the SSV.

1. *All in one go* is the preferable approach – the process of individual services moving into the SSV on a case by case basis was seen as unworkable by all stakeholders.
2. There is a strong 'top down' feeling for a significant early contribution to the wider shared services agenda to be made by landlord services, the approach coming from members and from senior directors within each authority.
3. There would be a 'vesting day' for the delegation of services to the SSV. Organisational improvement after 'vesting' means that services could transfer (via TUPE) in 'as is' for management and repairs and develop over time as a result of decisions taken within the SSV.
4. There was a strong feeling that if organisational structures had to be agreed before 'vesting', this would provide a powerful disincentive to the conclusion of a positive joint working agreement.

Although there was no material divergence from these principles, it was noted that there could be a case for large service block – for example repairs or management – to be placed in the SSV before the other.

2.3 Support services

Consensus was reached on the following key principles affecting the approach to the treatment of support services provided to the housing services which will be delegated to the SSV.

1. There cannot be a financial hit on the General Fund of any authority – seen as a 'deal breaker' by all.
2. Some support services seem very expensive in per unit terms and there does not appear to be a consistent or apparent link between costs and levels/standards of service

There was some divergence of views about the standard and value for money provided by some support service colleagues within some authorities, with the most divergence around legal services.

In progressing the SSV, the potential for a General Fund hit must be overcome or avoided. Consensus was therefore reached on an approach which would make the 'least change on day one' and that this be applied to support services under new Service Level Agreements time limited and subject to value for money review, to allow time for adjustment.

IT was identified as a clear and major issue for longer term rationalisation – each authority uses either different housing systems or the same system in different ways and receives differing levels of support from corporate IT providers as well as local 'super users'. The rationalisation would be a major long term project for the SSV.

2.4 Individual service area issues

A summary of the main service organisational issues noted is set out below.

1. Housing Officers are always generic for estates and tenancy management in all authorities.
2. There are some differences in the provision of the voids/lettings function although this remains generic in some authorities.
3. One authority splits sheltered housing officers from housing officers for the rest of the general needs stock, the other four have specialised housing support officers.
4. Patch sizes for housing officers appear broadly consistent.
5. All income and arrears recovery functions are specialised, two are operated within the corporate/central finance function.
6. ASB is managed both horizontally and vertically in different authorities.
7. Repairs management is generally consistent across all authorities with the exception the degree of integration with corporate property services functions at Dover.
8. There are only a small number of local office presences – most services are centralised.
9. There appear to be some opportunities to be more efficient in stock management, particularly for some villages close to current authority boundaries. However, these are not felt to be significant and can be treated on a case by case basis in due course.

Service standards will of course differ across different authorities but it does appear that housing services have evolved largely consistently across the five authorities.

2.5 Fear factors and barriers

There was consensus reached by all stakeholders on the following issues affecting the possible views of staff within each authority service.

1. There was a notable degree of positive approach from those managers who took part in the workshops; as these might tend to be viewed as the opinion shapers of other more junior staff, this was felt to be very welcome feedback.
2. It was acknowledged that the opportunities to grow services, become more effective and to allow for more staff movement and therefore motivation generally outweigh the threats around change management and changing location.

There were some fears about job security expressed but this was a small minority view only.

The key issues to be addressed include:

- Terms and conditions will need to be harmonised but these must be linked to service standards; our analysis of current average salaries suggests that this piece of work could be considerable.
- Early confirmation of the ability of any new company/vehicle to join the county pension scheme is essential.
- The disaggregation of posts for TUPE could be difficult in some areas but could be overcome via short term service agreements for support services and any other services which are currently provided in non-housing dedicated units.

2.6 Shared Service Vehicle: summary of feedback

In summary therefore, a broad consensus on the following was reached, subsequently confirmed at the review meeting of 25th June.

- There should be an Area Board structure to protect current local 'democratic' and tenant representative structures, within the context of a jointly owned company and a board made up of people from each authority area.
- All services which will form part of the long term should be delegated on day one ('Big bang') as opposed to a case-by-case approach.
- Management agreements should allow differential service standards.
- The commitment to local service delivery should be protected within the agreements and enshrined within the constitution of the SSV.
- There should be single vesting of all delegated service on day one approach with the SSV taking decisions on future delivery around support and other services from that date but with initial SLAs established to formalise and continue existing recharges for a set period of time.
- The main options are for a single shared landlord service covering management and maintenance or for the services to move over in large groups eg either management or maintenance.

3 Tenants and residents: initial issues

3.1 Introduction

Outline presentations were given to tenants' representatives at each authority, totalling some 40 tenants and residents in all. The intention was to provide a briefing on the project and to seek initial views and feedback on progress on an informal basis. Detailed and formal consultation will be undertaken at the appropriate time in the development of the proposals. The feedback was generally positive and a summary of the key points set out below.

3.2 Key points raised by tenants

Providing the proposed SSV was not in any way a 'stalking horse' for future stock transfer, tenants were not unsupportive of proposals to achieve greater efficiency and effectiveness through joint working.

Whilst there was a recognition that some rationalisation would be inevitable and desirable if efficiency was increased, the principle that local services should continue to be provided locally should be enshrined in the new company.

There was general enthusiasm for the idea of local housing companies but with the focus of new development on houses not flats.

There was interest in achieving greater efficiency providing savings are reinvested in improved effectiveness of services or in new services.

A critical point was that there should be no cross-subsidisation of resources between areas; as there would be five HRAs and therefore five HRA subsidy claims continuing (at least pending the outcome of the current financial review), allowances such as the Major Repairs Allowance would still be specific to each landlord area.

There was concern (from all groups) that the best of service delivery should become the model for all landlord areas, rather than any sense that the lowest common denominator would prevail.

There was a strong feeling that gains and benefits should be tangible and identified at the outset and articulated in the formal consultation in order to maximise the support for new proposed service delivery arrangements.

A key issue was the way in which the new vehicle would engage with tenant representation, particularly as the primary relationship between tenants and their landlord would not be affected by the creation of a new service vehicle. There was initial discussion of options for the creation of joint representative bodies to act as the main consultee body for the new company.

There was some concern that the creation of the SSV should not be a privatisation or outsourcing solution which centralises services and becomes remote from the personal housing management and repairs services which are required by tenants locally.

In terms of progress to the establishment of the vehicle, there was some concern about the reality of local political agendas becoming barriers to progress; it was felt that proposals for area-based democratic input would be critical in the early stages to give local stakeholders a sense of ownership in the new arrangements.

3.3 *Project arrangements*

In summary, the general feeling was that tenants were perhaps more encouraging than might have been expected once the initial fears about takeover, privatisation and cross-subsidisation had been allayed within the briefings.

As the proposals are developed in the next few months, it will be essential that an appropriate process for liaison and consultation with tenants' representatives at each authority are incorporated into the project management process. There are options for each local group to appoint working groups who would focus on informing the proposals with regular reporting back to the main representative forums. Although there is no major history of cross-authority tenant meetings, each of the five small working groups could form an umbrella sounding board for the project. Alternatively, local groups may want to develop their own proposals.

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