

NOTTINGHAM CITY HOMES

REPORT OF DIRECTOR OF HOUSING SERVICES THE BOARD
24 SEPTEMBER 2009

MODERNISATION OF TENANCY AND ESTATE MANAGEMENT SERVICES

1 SUMMARY

- 1.1 NCH embarked 6 months ago on a Modernisation Plan for the repairs service. There is a similar need to modernise Tenancy and Estate Management (TEM). This report outlines key principles which will inform the necessary review. All stakeholders particularly tenants and leaseholders and the Council will be engaged in the project.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Board consider the direction of travel outlined in the report and delegate to the Housing Management Committee development of detailed proposals.

3 FRAMEWORK FOR A REVIEW

- 3.1 The current Tenancy and Estate Management (TEM) Service is a high cost, low tech, labour intensive service. It is traditional in nature managed from a number of dispersed locations across the City. STATUS survey results inform us that around 80% of our tenants prefer to contact us by telephone rather than using the area offices. Increasing pressures on the HRA requires the Company to make service efficiencies whilst at the same time improve customer satisfaction with service delivery.

- 3.2 The aim is to refocus the service to;

- Target resources at the most vulnerable and those less able to access services;
- Increase the proactive focus of the service by ensuring a higher percentage of front line staff time is spent on estates;
- Maximise the benefit of technology to improve interfaces with customers and to facilitate home working;
- Maximise effective, cost efficient customer access to services;
- Ensure services are tenant focused through 'lean system' reviews;
- Build upon the success of specialist services that have already been established;
- Reduce costs by a target of 25% to ensure the Company is able to respond to future financial pressures;

- Create a cost effective Customer Services Centre, which will deliver long term savings and increase customer satisfaction;
- Move to the most cost effective methods of rent collection.
- Review TEM structures taking into account the NCC review of Neighbourhood Management Services;
- Provide a more proactive responsive service through the development of an appointment system for TEM services;
- Review operating hours to meet customer expectations.

3.3 When the new management team arrived at NCH in 2007 it was against the background of an organisation which was high cost and low performing. A Company which had a turbulent history since its inception in 2005 where staff morale was poor and confidence in the organisation was at an all time low. The driving force for the new management team was to prepare the Company for the inspection in November 2008 and achieve the required 2* rating needed to unlock the £165 million decent homes funding. To achieve this goal the main focus was to improve performance so NCH could demonstrate to the Audit Commission it was an improving service and organisation.

3.4 This was set against the background knowledge that in the medium to long term Company costs had to be reduced. In January 2009 NCH achieved its 2* rating with excellent prospects for improvement. At the same time the impact of the world wide recession was beginning to have an impact. The effects of the recession have given an additional impetus to the need to make the required medium to long term savings.

3.5 Benchmarking information received through Housemark shows that NCH does not compare favourably against other metropolitan ALMOs on cost. When comparing employee cost per property, NCH are bottom quartile for both TEM and total Housing Management costs, being 17th out of 21 ALMOs in the provisional 2008/9 financial year returns. When comparing total costs per property, NCH improves slightly to 16th out of 21 for TEM and 14th out of 21 for Housing Management. NCH are also 3rd quarter for accommodation costs and are significantly more expensive than the best performing ALMO's.

3.6 NCH recognises the need to review the way it delivers services. Over the next 18 months current 'invest to save' projects, which utilise new technology will help to deliver long term savings.

3.7 Access to services is critical to success and customer satisfaction is strongly affected by the response received from staff. The Board at its last meeting agreed a first stage of office reconfiguration. High cost and inconsistency in service still remain and the modernisation review will need to take a longer term perspective of access and service needs.

3.8 It is intended to create a new Customer Services division within the TEM service, which would be responsible for all the front line interfaces with the customer either within offices or via the Customer Services Centre. The Customer Services Centre would utilise some of the resources

- displaced by any office closures and cessation of cash collection. An improved appointment system for Housing Patch Managers would enable NCH to take services to tenants rather than the customer visiting offices. Local surgeries will be made available at agreed locations and times following consultation with tenants. A review of structures and the area housing office provision within TEM service will result in significant efficiencies. Savings in the region of half a million pounds could be realised as a result of the area office review and restructuring of the TEM service.
- 3.9 As part of the review of the TEM service, greater clarity on roles and responsibilities will be defined, whilst identifying new opportunities for partnership working and potential business development. NCH will link into the NCC review of Neighbourhood Management and ensure that boundaries are aligned with area committees.
- 3.10 As part of the review, ISO processes will be enhanced through a lean systems approach to business re-engineering. This will help to ensure employees are able to work smarter and more efficiently as resources reduce.
- 3.11 The Customer Services Centre (CSC) is a key focus for the modernisation plan. For most enquiries we aim to have a single point of contact with trained operatives and good scripting. The CSC will be able to deal with a wide range of housing and housing related issues efficiently and effectively. Resources from the restructured TEM service will be redeployed into the CSC to bolster the current Repairs and Rent call centre teams. This will ensure the CSC can cope with the increased call volumes resulting from the expansion to the service. The guiding principle of the CSC is getting it right first time, achieving upper quartile performance for NI14 in relation to avoidable contacts.
- 3.12 A Contact Relationship Management system will be in place to manage customer information. We can then use this to more accurately profile our customers and be more responsive to their needs. The CSC will be at the heart of the new Customer Services division which will be managed by the Assistant Director of Tenancy and Estate Management Services. Front line service advice at all NCH offices will be managed within this division, helping to ensure consistency of advice, raising standards across the Company, with the expected outcome being increased customer satisfaction. The ethos will be for a service which is solution focused and outcome based; proactively seeking ways to improve service delivery rather than reacting to situations as they arise. We aim to make better use of customer feedback, for example, Vision Management Surveys and STATUS to direct future service delivery.
- 3.13 A number of initiatives have already been implemented as part of the modernisation agenda, these include;
- Housing Services Centre opened at Hounds Gate;

- New tenancy management systems have been introduced, including ISO 9000, Vision Management Surveys, Social Landlords Crime and Nuisance Group accreditation for ASB;
- Tenant profiles have been established in key service areas;
- Estate profiles have been developed;
- Area business plans have been developed;
- Caretaking service has been reviewed which has delivered significant efficiencies;
- Financial Inclusion Officers have been appointed to work with the most financially excluded residents;
- Rents service has been centralised resulting in a £1 million reduction in arrears;
- Improved connectivity with Housing Benefits;
- Development of a Worklessness Strategy;
- Increased uptake of direct debit which is the cheapest payment method. A draw to incentivise uptake has been promoted, in partnership with the Nottingham Credit Union;

3.14 A further phased implementation is proposed to include;

- Closure of the least effective offices, Victoria Centre, Lenton and Bilborough commencing January 2010. These offices are currently opening part time;
- Find alternative uses for the offices which are closed;
- Identification of locations to hold area surgeries which are closer and more convenient for service users;
- Promoting the Housing Services Centre at Hounds Gate to those affected by office closures;
- End payment facilities in area offices and by Revenue Collectors by 31st March 2010;
- Amalgamate the Repairs call centre and the Rents call centre and expand the range of services on offer to create one Customer Services Centre, which will extend access to services to evenings and weekends within the next 12-18 months;
- Phased closure of remaining offices as CSC becomes more operational;
- Investment in Housing Patch Managers, with clearly defined job roles, increased training and opportunities for partnership working, and more visible profile on the estates they manage;
- Explore the development of a tenancy support role that will look to sustain tenancies through support for our most vulnerable tenants and families;

4 OTHER OPTIONS

4.1 Maintain the status quo; however this will not deliver any savings. The service will remain un-modernised and benchmarked costs will remain bottom quartile. The service will not be best placed to win new business opportunities, which are required to secure the Company's financial position as stock numbers reduce through regeneration.

5 FINANCIAL & RISK IMPLICATIONS

- 5.1 Benchmark data suggests that the TEM organisation has higher cost than most other similar service providers. Given that there is likely to be a period of financial constraint nationally, it is important that the modernisation review delivers improved value for money and cost reduction. The report suggests that reconfiguration of service provision could achieve around half a million pound productivity gains. This will need to be carefully considered over the course of the review and risks of both delivery and impact fully assessed.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 6.1 The modernisation of the TEM Service fits in with the Company's mission statement to deliver excellent services. It looks to develop new business opportunities, whilst increasing the effectiveness of partnership working.

7 VALUE FOR MONEY & EFFICIENCY ISSUES

- 7.1 The modernisation will deliver real savings through a fit for purpose structure which will be more efficient; customer focussed and proactive, with front line officers spending more time out on estates.

8 EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 A full equality impact assessment will be undertaken on the implications of the Modernisation Plan.
- 8.2 Customers will be fully engaged in the review process through the TLC structures and other events as required.

9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 9.1 Housemark Benchmarking

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