Housing Sub-Committee
2 November 2017

Future Delivery Model for Housing Services
Report by the Deputy Chief Executive

Call-in deadline 5pm Thursday 16 November 2017 (ten working days after the meeting)

<table>
<thead>
<tr>
<th>Purpose</th>
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<tr>
<td>To inform the Committee of proposals about a New Housing Model and seek approval to consult on these proposals.</td>
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<table>
<thead>
<tr>
<th>Recommendations of the Portfolio Holder for Adults Social Care and Health</th>
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<tbody>
<tr>
<td>To Resolve that -</td>
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<tr>
<td>1. three months consultation and engagement commence as outlined in this report on the proposals for a New Housing Model, starting in November 2017 and completing by February 2018;</td>
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<tr>
<td>2. the Deputy Chief Executive is authorised in consultation with the Portfolio Holder for Adults Social Care and Health and the two Leaders of the Opposition (or their representatives) to agree the approach to consultation for both secure tenants and Council leaseholders;</td>
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<tr>
<td>3. the results of the consultation and a proposed way forward are presented to the Housing Sub Committee at its meeting on 8 March 2018; and</td>
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<tr>
<td>4. to assist with and oversee this, the Deputy Chief Executive will arrange meetings with the Portfolio Holder for Adults Social Care and Health or her representative, the two Leaders of the Opposition or their representatives, KRiSP representatives, other officers and other relevant individuals, parties or residents for further discussion.</td>
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<table>
<thead>
<tr>
<th>Key Points</th>
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<tr>
<td>A. Kingston’s Housing Revenue Account (HRA) landlord services (property and management) need modernising to reduce operating costs and increase investment in services and new Council homes - in short create better outcomes for the Kingston community.</td>
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<tr>
<td>B. Kingston Council will still be the landlord for both secure tenants and leaseholders. The changes proposed do not involve stock transfer or privatisation or changing the legal rights of secure tenants or Council leaseholders.</td>
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<tr>
<td>C. These proposed changes are subject to the statutory consultation for secure tenants, but there will be broader engagement and consultation to gain wider and more inclusive feedback on the proposals including from council leaseholders. The timescales for the consultation is that it would start in mid November 2017 and run until mid February 2018.</td>
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<tr>
<td>D. This will include involvement of Members of the Sub-Committee, KRiSP representatives, officers and others who will meet to discuss the overall proposals.</td>
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<tr>
<td>E. At the same time as the proposals are being consulted upon, there will be an active exploration of the option of working with one or more key local partners to help deliver improvements.</td>
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Context

1. Whilst the standard and the management of Council housing in Kingston has improved significantly over the last few years, for example through the investment of £44.5m to improve 3344 properties in the Better Homes Programme, there’s much more needs to be done.

2. The HRA is currently running at a loss with the 2017/18 budget relying on using £500k from reserves - although in-year savings may mean this is not required.

3. There is a desperate need for more Council housing - over 2,500 households approached the council for help with their housing and there were only 295 settled social or affordable housing lettings in 2016/17 - nowhere near enough to meet the need

4. The Council is called out to 14,000 repairs per year in tenants’ homes - that’s about 3 per property. Whilst many of these are essential, it should be possible to provide a better service with fewer call outs

5. 57% (Council tenants) and 78% (leaseholders) are internet users (Facebook, mobile apps, email etc.) but only 0.4% of tenants and 2.5% of leaseholders use the council’s website to contact us about housing.

6. Satisfaction remains significantly lower than comparable landlords by 13-21%. See table below:

Table 1 - Overall satisfaction with RBK’s Housing Service 2012-2016

<table>
<thead>
<tr>
<th>Tenure</th>
<th>2012</th>
<th>2016 (base/error margin)</th>
<th>2016 benchmark (quartile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants satisfied</td>
<td>69%</td>
<td>73% (577; +/- 3.6%)</td>
<td>86% (4th)</td>
</tr>
<tr>
<td>Leaseholders satisfied</td>
<td>48%</td>
<td>41% (208; +/- 6.7%)</td>
<td>62% (4th)</td>
</tr>
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</table>

Key:
STAR Tenant and Leaseholder Satisfaction Surveys, ARP Research 2016
Base - the number of people surveyed - i.e. the sample size
Error margin - the % error there could be in the result based on the sample size
Benchmark - a comparison against other social landlords
Quartile - 1st quartile is in the top 25% compared to other landlords, 2nd quartile, next 25% etc. 4th quartile therefore means in the bottom 25%.

Proposal and Options

7. A range of options have been considered over a number of years, many of which have led to improvements but none of which has achieved a full modernisation of the housing service.

8. These included the option of transferring the ownership of the Council housing stock from Kingston to another landlord where two ballots were held and both voted against this.

9. An option of a Community Housing Trust was seen as non-viable following the changes in national housing policy, for example the 1% rent cut.

10. A review of housing commissioning which led to a tender for resident engagement services and a detailed examination of the possibility of a shared housing service with the London Borough of Sutton. However, the latter was ruled out by both Sutton and Kingston as not meeting their respective requirements.
11. This report therefore builds on all of this work and proposes a new approach.

12. This report specifically relates to secure Council tenants and residential Council leaseholders. It does not directly apply to tenants in temporary accommodation nor to non-residential council leaseholders (e.g. private landlords).

**A New Housing Model**

13. The proposal is to provide a better service that is easier to access, costs less, supports those who need it and invests in new homes. There is a 6 point plan:

1. **Investing in Council housing** - building more desperately needed new council housing and continuing to invest in current housing

2. **A clearer deal for residents** - being upfront about what the council does and doesn't do and what’s expected of residents

3. **Supporting those who need it** - targeted services for our more vulnerable council tenants

4. **A new ‘core’ housing offer** - ‘A well maintained, affordable and settled home’

5. **Reducing paperwork and bureaucracy** - saving money on the council’s operating costs so we can spend more on the things that matter

6. **Digital by choice** - an improved 24/7 digital offer for council tenants and leaseholders, but by choice not compulsion.

**Part 1 - Investing in Council Housing** - building more desperately needed Council housing and continuing to invest in existing housing

14. At present we have in the region of 3,500 people on Kingston’s housing register. In 2016/17 over 2,500 approached the council for help with their housing situation. Yet there were only 295 settled or affordable properties let to people on the housing register in that same year.

15. As the Committee will be aware, the overall trend in Kingston and nationally is that the amount of Council housing has reduced because so little new housing is being built and existing properties are being lost over time for a number of reasons such as the Right to Buy. In effect this means that Council housing has been in long-term decline. However, in Kingston there have and continue to be a number of initiatives to build new Council housing and the draft proposals contained in this report will help with these.

16. The more that can be saved from spending money on operational or management costs, the more can be spent on building new Council housing. Each new property built would not only provide a home for someone who desperately needs it, but also save on bed and breakfast/ nightly paid accommodation costs that the Council currently has to fund for people who are homeless and can’t cater for their own needs, and who the council has a housing duty to help. In addition, each property built will provide an extra income from the rent which will help make council housing in Kingston more sustainable over the medium and longer-term.

17. But this is not just about new housing. We know how important it is to maintain existing council housing to a decent standard. So, building on the £44.5m spent on to improving 3344 properties through the Better Homes Programme, we will continue to invest in current council housing to ensure that these standards don’t slip.
Part 2 - Clearer Deal for Residents - being upfront about what the council does and doesn’t do and what’s expected of residents

18. There has been some very good progress on being clearer about what the Council does and doesn’t do in a number of areas. For example, there has been the recent review of the repairs recharging policy and the revised ASB policy. Nevertheless, this remains an area where there needs to greater clarity and improved satisfaction.

19. Table 2 below shows, for both tenants and leaseholders, the comparatively low levels of satisfaction when it comes to how enquiries are generally dealt with and how residents felt about the final outcome of their last enquiry. The first of these is one of the ‘key drivers’ for both tenants and leaseholders, meaning that there is a strong correlation between this question and how residents feel overall about the service. It is therefore essential in improving the housing service to provide greater clarity about what is on offer and what will be done in response to an enquiry.

Table 2 - Satisfaction with how enquiries are generally dealt with and with the final outcome of last enquiry 2012-2016

<table>
<thead>
<tr>
<th>Tenure</th>
<th>2012</th>
<th>2016 (base/error margin)</th>
<th>2016 benchmark (quartile)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tenants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Satisfied with how enquiries dealt with</td>
<td>Not tested 65%</td>
<td>66% (561; +/- 4.0%)</td>
<td>82% (4th)</td>
</tr>
<tr>
<td>2. Satisfied with final outcome of last enquiry</td>
<td>Not tested 65%</td>
<td>63% (456; +/- 4.5%)</td>
<td>72% (3rd)</td>
</tr>
<tr>
<td><strong>Leaseholders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Satisfied with how enquiries dealt with</td>
<td>Not tested 43%</td>
<td>42% (193; +/- 7.0%)</td>
<td>54% (4th)</td>
</tr>
<tr>
<td>2. Satisfied with final outcome of last enquiry</td>
<td>Not tested 43%</td>
<td>24% (154; +/- 6.7%)</td>
<td>40% (4th)</td>
</tr>
</tbody>
</table>

Key - see Table 1

20. This is reinforced by recent housing staff workshops involving over 100 colleagues which were held to share ideas about the future of the housing service. One of the common themes was that there wasn’t clarity about the current offer to tenants and leaseholders and the feeling that the approach at present could be confusing and paternalistic, reinforcing a dependency relationship rather than a sustainable service. Added to this was a sense that some residents disproportionately benefited with, for example, more vulnerable tenants not always getting the same access to services as others. This feedback from staff is backed-up by the fact that Kingston undertakes some 14,000 repairs a year with these unevenly distributed across households.

21. The proposal is therefore to consult on what’s important to tenants and leaseholders and what can be expected of the council. This will help make sure that the Council delivers on what it is able to, but doesn’t raise expectations or make promises where it can’t make a difference.
Part 3 - Supporting those who need it - targeted services for our more vulnerable Council tenants

22. The Council already provides a number of specific services to tenants who need extra support. These include financial advice linked in particular to the roll out of Universal Credit; the Older and Vulnerable Persons and Sheltered Service; and the Resettlement Service for new tenants. These services have helped many tenants sustain their homes and supported countless people in times of challenge and change. At their best they also represent the very best practice.

23. However, there remains a concern that the Council currently provides a ‘one size fits all’ service, doesn’t consistently cater for tenants who need extra support, and that vulnerable residents are falling through the crack.

24. Elsewhere on the Sub Committee’s agenda, in the KRiSP August 2017 report on Sheltered Housing and the management response, KRiSP identify “a legacy of frustration and lack of purpose” stemming from the 2014/15 changes and mention a particular interest in “re-stating the services available to residents and using a range of key performance indicators to improve accountability”. This summary and many of the detailed findings reinforce the need to review the Council’s approach to supporting older council tenants.

25. The aim of this part of the proposal is to build on what works well, and expand the offer so that the interventions and support are provided, as far as possible, at the right time to have the maximum impact. This is not about providing an alternative statutory service for vulnerable adults or children, but rather complementing those. The emphasis will always be on sustaining the household’s tenancy, as this is a legitimate landlord aspiration. But in doing this effectively, with care and cooperation, the aim is to prevent Council tenants’ situation worsening and becoming a crisis for them and a call on the Council’s statutory services.

26. As with Part 3, the proposal is to consult with Council tenants and engage with colleagues and partners, to consider who needs extra support, what this support may involve and how the service and interventions will be measured.

Part 4 - New ‘core’ housing offer - ‘A well maintained, affordable and settled property’

27. Having a new ‘core’ offer will help us to be clear about what the Council’s role is as a landlord for Council tenants. This closely relates to Part 2 - A Clearer Deal for Residents.

28. The proposed starting point is that the core offer for Council tenants is ‘A well maintained, affordable and settled property.’ Good quality housing that can be relied upon and that is within the means of the household, is a basic building block for any family to be able to settle down and make a success of their life. Therefore this core offer describes the overriding responsibilities of the Council as a social landlord for around 4,700 households in Kingston - the Council being by far the largest landlord in the borough.

29. However, we also need to be clearer about what the Council cannot and should not take responsibility for i.e. matters outside its remit as a landlord and where it cannot be reasonably expected to make a difference.

30. In short, the Council cannot run people’s lives for them. People make a home for themselves and their family - not the Council. As has been stated, it’s absolutely right that the Council supports vulnerable residents who need extra help. But it is both patronising and unrealistic for the Council as a landlord to be expected to
take care of matters that are a household’s own responsibility. So, for example, the Council would not take responsibility for a neighbour dispute where neither party is at risk and where there is no breach of tenancy or lease conditions. Neither would the Council be expected undertake minor repairs and maintenance jobs that, under the tenancy conditions, are the tenant’s responsibility.

31. It will be important to test this out as part of the consultation and engagement to gain feedback on what is important. The core offer needs to be seen in the context of all of the other aspects of the proposed new model - as having clarity about expectations will help save money and improve satisfaction.

32. The extra support provided to vulnerable tenants will be in addition to this core offer.

33. The offer for leaseholders is different because the respective responsibilities are very different. During the consultation and engagement with leaseholders, we will open a conversation about how best to describe this offer.

**Part 5 - Reducing paperwork and bureaucracy** - saving money on the Council’s operating costs so we can spend more on the things that matter

34. Reducing unnecessary paperwork and bureaucracy helps both to reduce costs and to provide services more quickly. At present, the Housing IT systems are out of date and neither user-friendly, nor customer-friendly. They don’t help the staff, or tenants and leaseholders.

35. The recent staff workshops identified a number of issues relating to this, including: reducing red tape, learning from others and from best practice - and, perhaps most powerfully, the importance of always having a single conversation with residents so that we avoid duplication.

36. Seeing things from the perspective of tenants and leaseholders (this is sometimes described as ‘the customer journey’), is vital to improving the service. Having systems, policies and process in place that help this, rather than getting in its way, are the key to reducing paperwork and bureaucracy.

**Part 6 - Digital by choice** - an improved 24/7 digital offer for Council tenants and leaseholders - but by choice, not compulsion

37. As Table 3 (overleaf) shows, whilst nearly 60% of tenants use the internet, only 0.4% used the Council’s website for their last contact. The figures for leaseholders is 78% and 2.5%. Despite this, and the fact that the phone was used as the primary method of contact, satisfaction with the ease of getting hold of the right person is comparatively low.

*Table 3 - Use of internet generally (Facebook, mobile apps, email etc.), last contact method and satisfied with ease of getting hold of the right person 2012-2016*

<table>
<thead>
<tr>
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<th>2016 benchmark (quartile)</th>
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<tbody>
<tr>
<td>Tenants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Use of internet generally</td>
<td>Not tested</td>
<td>57% (592)</td>
<td>NA</td>
</tr>
<tr>
<td>2. Last contact method was website</td>
<td>Not tested</td>
<td>0.4% (473)</td>
<td>NA</td>
</tr>
<tr>
<td>3. Satisfied with ease of getting hold of right person</td>
<td>54% (469; +/- 4.5%)</td>
<td></td>
<td>73% (4th)</td>
</tr>
<tr>
<td>Leaseholders</td>
<td>Not tested</td>
<td>78% (217)</td>
<td>NA</td>
</tr>
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<td>----------------------------------------------------------------------------</td>
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<td>-------</td>
</tr>
<tr>
<td>1. Use of internet generally</td>
<td>Not tested</td>
<td>2.5% (158)</td>
<td>NA</td>
</tr>
<tr>
<td>2. Last contact method was website</td>
<td>36%</td>
<td>31% (157; +/- 7.2%)</td>
<td>42%</td>
</tr>
<tr>
<td>3. Satisfied with ease of getting hold of right person</td>
<td></td>
<td></td>
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</tbody>
</table>

Key - see Table 1

38. The proposal is that that the housing services will be accessible through our website anytime, anyplace and on a smartphone, tablet or PC. This could include a range of services such as:

1. Booking appointments online
2. Reporting problems or issues such as fly-tipping
3. Checking your service charge account and making payments
4. Chatting to us in real time on weekdays 8am to 8pm on webchat
5. Getting advice and help on a range of issues such as employment and debt advice
6. Real time feedback on services so we know how we are doing straight away

39. The specific services on offer through our website will be decided after we’ve heard back from people following this consultation. No tenant or leaseholder will be compelled to use online services. If they want to they will still be able to call or come in to see the council as now. But it will be important to encourage as many people as possible to use online services.

**Partnership arrangements to deliver benefits to the Kingston community**

40. It would be beneficial to the Council, in terms of delivering such improvements, to work with a non-commercial partner organisation who can collaborate with RBK to achieve this.

41. This partner would need to:

1. Understand the Kingston community and have a demonstrable interest in improving outcomes for Kingston
2. Have a demonstrable track record in innovation and delivery in the areas that RBK wants to collaborate on
3. Be a not-for-profit organisation who is entering into a partnership that is characterised by collaboration rather than being primarily commercially and profit driven.

42. The Sub Committee will be interested to note that a joint ARCH (Association of Retained Council Housing) and CIH (Chartered Institute of Housing) report has just been published. ‘Building Bridges - A guide to better partnership working between local authorities and housing associations’ highlights how “both sets of organisations share a common vision and purpose to provide much-needed affordable housing.” Its first key recommendation is that local authorities and Housing Associations “should increase their level of engagement in fostering good working relationships” which includes empathy and joint problem solving and pooling and sharing resources.
43. There have been discussions with RHP (Richmond Housing Partnership) who potentially meet these criteria. However the Council would need also to investigate whether there are any other possible partners as well as explore in more detail with RHP whether a potential collaboration with them would work both for RHP and the Council - and crucially benefit the Kingston community. These issues will be investigated in detail between November 2017 and March 2018.

What won’t change

44. Kingston Council will continue to be the landlord for both secure tenants and leaseholders.
45. These changes proposed do not involve stock transfer or privatisation or changing the legal rights of secure tenants or council leaseholders.
46. The services offered will be services that are specifically designed and delivered for Kingston residents and for the benefit of the Kingston community.
47. As is the case now (for example with the repairs service and major works schemes), some HRA services are undertaken by private contractors where this is appropriate. However, there are no proposals in this report which would directly lead to outsourcing to commercial operations for any significant parts of the housing service.
48. None of the proposals in this report require any changes to current tenancy conditions or lease agreements. If in the future changes were proposed, these would be subject to further consultation arrangements.

Consultations

49. The consultation on the proposed changes to the housing service would be subject to RBK’s statutory duty to consult with secure tenants under section 105 of the 1985 Housing Act.
50. The Deputy Chief Executive is authorised in consultation with the Portfolio Holder for Adults Social Care and Health and the two Leaders of the Opposition (or their representatives) to agree the approach to consultation for both secure tenants and Council leaseholders.
51. We are commissioning a specialist organisation to assist with the consultation, engagement and communication. This exercise which will involve both qualitative and quantitative research and an engagement and communication plan, alongside the formal consultation. This is so that the Sub Committee can get a full and representative view of the proposals from residents generally and not fully rely on the more traditional and formal methods of feedback.
52. To assist with and oversee this, the Deputy Chief Executive will arrange meetings with the Portfolio Holder for Adults Social Care and Health or her representative, the two Leaders of the Opposition or their representatives, KRISP representatives, other officers and other relevant individuals, parties or residents for further discussion.

Resource Implications

53. The proposal to develop a New Housing Model has the potential to deliver net savings to the Housing Revenue Account (HRA) of up to £750k in 2018/19 to an estimated £3m by 2020/21. This will essentially come from adopting a model, as outlined in this report, that could put RBK’s housing landlord function on the path
towards reducing its operational cost per unit from the current £3,800 per property to a target £3,200 per property.

54. Additionally, the £900k capital budget approved recently for recommissioning a new housing computer system would potentially be in scope of this project as it may be possible and more cost-effective to deliver this through a partnership approach. This will be explored further as part of the work described in the section about partnership arrangements above.

55. Initial modelling of an assumption that £1.3m of the savings would come from cost savings alone in the current 30 year HRA business plan indicates the HRA could develop 100 new units on its own land at a development cost per unit of £150k over a 5 year period and still have a cash balance of £140m by 2046/47. Growth in stock numbers will not only benefit the HRA revenue position but also have a knock on effect of removing the cost of housing potentially 100 households in costly Bed & Breakfast and other nightly paid accommodation from the Housing General Fund.

Legal Implications

56. Under Section 105 of the Housing Act 1985, the Council has a legal obligation to consult its secure tenants on matters of housing management such as changes to the management, maintenance, improvement or demolition of houses let by them, or changes in the provision of amenities. Before making any decision, the authority must consider any representations in accordance with those arrangements.

57. The Cabinet Office has published a guidance document with regards the principles of carrying out a consultation. The 12 week period for the proposed consultation is derived from this guidance document.

58. In the main body of the report, it is stated that there have been initial discussions with RHP and there will be further work carried out with regards this and looking at other potential partners. Pending future developments in the process to create a New Housing Model, Section 27 of the Housing Act 1985 will need to be considered, as this section relates to where a local housing authority can agree for another person to exercise the local housing authority’s management functions in relation to properties owned by the authority and what the requirements are to achieve this.

59. As to potential partnership arrangements, there are various vehicles available which can be considered at a later date.

Equalities Impact Assessment

60. The draft Equalities Impact Assessment is attached as Annex 1.

Background papers - held by the author of the report - Tom Bremner, Lead Housing Consultant  tom.bremner@kingston.gov.uk  tel: 020 8547 5430  

- None other than those referred to in this report