



New housing management model results in 16% savings and increased tenant satisfaction



The introduction of the housing revenue account reform gave stock-owning councils control over housing income and expenditure and responsibility for long-term planning and investment in tenants' homes and services. If councils can therefore create additional capacity within their business plans then this provides the opportunity to develop new homes as well as improve existing homes and services. One route is through realising efficiencies in management and maintenance costs whilst maintaining and improving resident satisfaction. Woking Borough Council has been able to do this through an innovative partnering approach to service delivery.

THE CHALLENGE

- The council wanted to explore what options it had to:
- ➡ Deliver more efficient and improved services to tenants.
 - ➡ Reduce expenditure on operational management.
 - ➡ Increase capital investment in tenants' homes.

THE SOLUTION

The council engaged V4 Services to test the market and explore the options identified by the council to meet the objectives by working with an external services provider.

Following keen interest from the market, innovative ideas about the future management of homes and day-to-day concerns raised by tenants, it was decided to take a radical approach to service delivery in this area and outsource not only the works/repairs element of housing stock management but also the tenancy management elements – an option that has been pursued by only a small number of authorities.

V4 Services worked in partnership with Woking Borough Council to carry out one of its first full service outsource procurement exercises within what had the potential to be a sensitive service area. The project involved:

- ➡ Tenant and leaseholder workshops to understand aspirations and expectations.
- ➡ Establishment of a team with tenant/staff representatives to scope the future service requirements which were to improve upon the levels and standards that were being delivered by the in-house team.
- ➡ Tight management of the procurement process and all the associated legal consultation requirements, delivered within a very quick timeframe (nine months).
- ➡ Engagement of stakeholders throughout.

Working with the internal Housing Management Team, V4 Services helped shape the future service delivery through the compilation of tender documents and subsequent relevant service specifications.

A team was established with tenant and staff representatives to scope the service requirements and standards.

In order for this to be scoped effectively, it was critical to get the support of tenants and their views to shape future service provision. The engagement plan included:

- ➡ A series of tenant workshops.
- ➡ Updates via the residents' magazine.
- ➡ A dedicated area on the website to answer questions raised.
- ➡ Issue of a questionnaire to canvass views.



The Project Team discussed what tenants liked and disliked about the current service, with three key themes emerging: improve the cleanliness of communal areas; act more proactively on anti-social behaviour and improve the appointments system for repairs and maintenance. These key areas were added to the tender specification in the form of specific service deliverables with Key Performance Indicators built into the contract.

The tenant representatives were an integral part of the tender evaluation team, helping to ensure that the council met its obligations and aspirations in service delivery requirements.

With a clear vision and specification of the services required, the council decided to take a two-stage 'restricted' procurement route to limit the costs of the procurement and achieve the overall outcome within a short timeframe (May 2011 - January 2012).





About V4 Services Limited

We have worked in partnership with over 120 UK public sector organisations including: councils, NHS, social enterprises and trading bodies providing hands-on delivery support to set up new business structures, improve the efficiency of in-house services, encourage a commercial approach and generate savings and service improvements.

THE BENEFITS

Following keen interest from the market in this new service delivery model, the council appointed a Pinnacle PSG led Joint Venture to provide a five year integrated housing management service. The result was:

Financial benefits

- ➔ Annual savings of £1.15 million, on a spend of £7.2 million (16% reduction in cost).
- ➔ Financial headroom to invest back into home improvement – equivalent to installing 500 additional new bathrooms/kitchens per year.
- ➔ A return on investment of 23:1 in the first year on the initial cost of carrying out the procurement and project management.

Social benefits

- ➔ Greater consultation and engagement with residents and representatives through community events and new governance structures e.g. the creation of the Residents' Operation Board and resident service panels enabling residents to monitor standards through formal and informal methods (such as estate walkabouts) and play an active part in the management and future of their communities.
- ➔ Community events including: cycle cinema shows, window box building workshops, Jubilee celebration events, youth clubs etc.
- ➔ Support for local charities and social enterprises such as the Community Payback Scheme – used to paint garages and railings and Woking Community Furniture Project – used to collect and recycle/reuse fly-tipped furniture.
- ➔ Actively helping Woking TRA to bid for a new park on one of their estates for local young people.

- ➔ A more responsive service involving local police and community groups (Community Incident Action Group and Joint Action Group) so that residents feel safer in their community and incidents of anti-social behaviour are dealt with quickly and effectively.
- ➔ Promotion of Pinnacle People to find suitable employment for individuals within the community who are dependent on benefits – three permanent housing management positions have been filled in the New Vision Homes team in the first four months of the contract through this recruitment stream, with more temporary and permanent placements in the pipeline.

Service improvements

- ➔ Overall satisfaction with repairs has increased from 64% to 86% in four months.
- ➔ An extended 24/7, 365 day a year service for residents.
- ➔ Single point of telephone contact with one easy to remember phone number.
- ➔ Extended office opening hours 8am to 6pm weekdays and Saturday morning appointments to enable residents to see a Housing Officer.
- ➔ A wider range of repairs appointment times including Saturdays, evenings and outside of the 'school run', backed up by an SMS text appointment reminder.
- ➔ A dedicated Anti-Social Behaviour resource to deal with nuisance along with easier ways to report anti-social behaviour – incidents can be reported any time, day or night.
- ➔ Improved cleaning services.
- ➔ Stronger consultation processes over major works.

V4 SERVICES' SUPPORT

Our team supported many stages of work up to the service transfer, including:

- ➔ Project management, including member and officer briefings and ownership of the timeline.
- ➔ Management of the procurement process including:
 - Full end-to-end service, from the initial early market engagement through to final contract award.
 - Ownership of all the tenant and leaseholder consultation in line with legal requirements (Section 20 & 20A of the Landlord and Tenant Act 1985).
 - Preparation and delivery (where required) of all the internal reports to cabinet, training for internal evaluation teams on specific elements unique to the contract, such as the incentive and deduction mechanism for the KPIs, as well as various unique service specification elements.
 - Working closely with the council's HR department to inform and help manage the TUPE transfer.
 - Support with the mobilisation from a client side perspective, to ensure an effective launch and service transition.

“Working together with V4 Services and our tenants, we have been able to shape the service delivery to enhance services and at the same time provide scope for reinvestment of the savings. This is a very positive start to the new partnership with early signs of increased resident satisfaction.”

Mark Rolt, Strategic Director,
Woking Borough Council

