

Review of the housing repairs and maintenance contract

Brighton and Hove City Council

Audit 2009/10

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Introduction and background

1 In 2008 the Council approved a new procurement strategy that allowed it to set up longer term partnering arrangements. As a result, in July 2009 the Council approved the selection of a private contractor to deliver its housing repairs and maintenance and capital works (as part of a repairs, refurbishment and improvement strategic partnership contract). Officers have developed and will implement a partnering contract over time to deliver the target pricing framework. The contract started on 1 April 2010.

2 The anticipated savings from the new procurement strategy also include the separate procurement of long term specialist service contracts. For example, lift servicing, repair and maintenance, ventilation, water tanks, fire alarms and emergency lighting, TV aerials, door entry and CCTV. The Council is now procuring these contracts and they will award them by the end of March 2011.

3 The Council forecast in 2007/08 the combined housing procurement contracts would deliver savings of £156 million (including inflation) over 30 years. The projected breakdown of these savings is as follows.

- £91.6 million – on scheduled rates for capital works.
- £20.1 million – on consultant fees.
- £44.6 million – responsive repairs and maintenance.

4 The Council believes these savings will arise from economies of scale achieved by agreeing longer term contracts, rather than using inefficient ad hoc annual capital contracts.

5 It anticipates the new housing repairs and maintenance contract will improve the repairs and maintenance services provided to residents and also produce large savings. These will be reinvested in those properties that are not meeting the Decent Homes Standard (DHS). Currently about 40 per cent of the Council's houses do not meet the DHS.

6 The Council is placing significant reliance on the new contract to improve the council's housing stock and achieve the DHS by the government target of 2013. If the contract is not successful some of the Council's houses will remain below the DHS resulting in some of the most vulnerable people in the city continuing to live in homes that do not meet minimum standards.

7 The Council has not met the DHS target for 2010. It has a track record of long waiting times for repairs and maintenance. Up until recently the Council's year-on-year comparative performance deteriorated relative to others. However, the Council has now improved its repairs and maintenance response times. Unaudited figures for 2009/10 show the Council completed 98.3 per cent of urgent repairs in the target time compared with 96.9 per cent in 2008/09 and 89.3 per cent in 2007/08. The Council has also improved its response time for emergency repairs with 98.4 per cent completed on time in 2009/10 compared to 96.8 per cent in 2008/09 and 83 per cent in 2007/08.

8 The Council's plans to fund the delivery of the 2013 DHS target place significant reliance on generating large capital receipts from the transfer of some of its housing stock to a local delivery vehicle (LDV) over the next three years.

9 In 2009 the Brighton and Hove area assessment published on the Oneplace website included a red flag identifying serious concerns about Council homes not meeting basic standards. The inspectorates concluded that the projected achievement of minimum standards by 2013 was not certain and that more needed to be done to ensure contingency plans are in place so that minimum standards are met at the earliest opportunity. Work to review the red flag ceased following the Government's announcement to abolish Comprehensive Area Assessment (CAA) in May 2010. The Council's organisational assessment published in December 2009 as part of CAA also judged that too many Council homes are failing to meet minimum government standards and as a consequence too many low income tenants and their families continue to live in unsuitable conditions.

10 Members support the need to improve. They are keen to ensure the new contract delivers the projected savings, increases the number of homes meeting the DHS and recent improvements to the response times for repairs and maintenance are sustained.

Audit approach

11 To complete the performance review we undertook:

- a document review; and
- interviews and focus groups involving councillors, officers and partners.

12 The field work was carried out between April 2010 and June 2010.

Executive summary

13 The housing management service has made good progress over the last 18 months. It is working effectively with a clear commitment from all partners to deliver improvement in the repairs and maintenance service for Council residents. There is collective ownership from members, partners and the senior managers to deliver the improvements needed and to maximise value for money. Delivering decent homes is a key priority for the Council and its partners. Resources have been shifted to support delivery of the DHS target by 2013. Key plans are aligned and this is helping to drive improvement and support delivery of the DHS.

14 The Council has addressed historic shortfalls in management capacity and skills and is strengthening arrangements through new structures and frameworks. Transformation of services for residents is at the heart of changes to structures and frameworks. There are people in place with the right skills supported by robust structures to deliver and manage the contract, particularly in terms of service delivery and contract administration. Staff are committed to the creation of the new housing management team.

15 The repairs and maintenance contract includes suitable aims and objectives. There is a clear commitment to, and focus on, robust management and monitoring of the new repairs and maintenance contract to achieve the DHS target by 2013. Arrangements for monitoring the outcomes of the repairs and maintenance contract are defined, although they are not yet fully in place. There is an effective approach to risk management.

16 The Council in partnership with the contractor and residents is improving services. The contract has been in place since April 2010 and there is already evidence of the contractor responding to concerns raised by the Council and residents. Customer satisfaction is improving. Arrangements for monitoring user satisfaction are in place although customer feedback arrangements are not fully developed. Complaints are not systematically informing and improving service delivery. Service standards for the repairs and maintenance service are not in place, but the Council is reviewing its service standards to reflect the new contract. However, the new repairs and maintenance partnership is helping to improve relationships with the Council's residents. The consultation carried out on the LDV and new repairs and maintenance contract is good, and residents have been fully involved in procuring and setting up the new repairs and maintenance contract.

17 Performance management is developing and arrangements for managing the contract are emerging. Members and service managers know the strengths and weaknesses of the service and the Council is setting up a rigorous approach to monitoring and challenging performance. A robust framework is in place to address underperformance quickly, decisively and effectively. Some key performance measures are not yet in place and improvements are needed to the arrangements for monitoring some aspects of the new property and investment service. Some team plans lack action milestones and outcome measures. Business planning and the property and investment team's plans are not yet fully integrated. Monthly performance reports using information from the contractor and client IT systems have been developed, but performance reporting is still at an early stage. Quarterly scrutiny of performance is carried out by residents and members through a number of groups. Cabinet and the senior management team (TMT) review the quarterly performance of the housing management service, and the directorate as a whole.

18 The Council has put in place arrangements for producing good quality performance information and data quality has improved. However, some key IT systems are not linked and this is a risk to the quality of the data the Council uses to manage performance and plan activity. Plans are in place to address this.

19 Commitment to and understanding of value for money and the need to improve services is in place. Arrangements for managing the financial performance of the contract, especially unit costs, are emerging. A budget model is in place which enables a forecast for each phase of the work including material and labour resources. This ensures that resources are shifted immediately to meet any shortfalls.

20 The Council is improving value for money. Housing management costs have reduced to average when compared to other councils. The Council has also increased its income through improved management of tenant rent. This has allowed it to reduce its bad debt provision. The time taken to re-let properties has also improved.

21 Outcomes are improving although from a low base and there is more work to do to improve performance. Since 2008, the Council has made steady progress in improving the repairs and maintenance service for residents and response times are now shorter. There has also been a decline in the number of non-decent homes. However this improvement is from a very low base. Previous key decisions made by the Council affected the Council's progress in reducing the number of non-decent homes. The Council failed to meet the DHS government target for 2010 and it did not meet its own internal target of achieving 36 per cent of homes being non-decent in 2009/10, missing the target by 3.5 per cent. The Council also missed its target in 2008/09. The Council accepts that it needs to do more to reduce the number of non-decent homes over the next three years. As a result of increased investment and targeted programmes decency levels have steadily improved between 2008 and 2010.

22 The Council needs to identify £77 million to fund major works over the next three years as part of its 30-year financial plan to ensure the long term viability of its Housing Revenue Account. Of this £44.6 million has been specifically identified as being needed to achieve the DHS by 2013. The LDV is one of the methods the Council has selected to raise some of the funds needed to achieve the DHS by 2013. £15 million of capital receipts arising from the transfer of properties to the LDV between 2011 and 2013 are planned. The financial plan also includes the need to raise £22.5 million of unsupported borrowing and make £7.7 million of revenue contributions to capital over years 1 to 3.

23 Delays to the start of the LDV are likely to impact on the timing of capital receipts it can realise. This raises a risk to achievement of the DHS target by the required timetable of 2013 without entering into further borrowing. Any additional need to borrow would result in additional revenue costs. This would put further pressure on the Council's finances and potentially puts other essential capital works, and the longer term viability of the financial plan, at risk. However, the consultation proposals for self financing, if implemented by the current government, have the potential to mitigate this risk and offer opportunities for future investment in housing. It is not clear, however, that the consultation proposals will proceed. The scale and timing of any positive impact on the Council's plans arising from self-financing is also not clear.

24 The contractor is strongly committed to working with the Council to meet the DHS. The schedule of rates agreed by the partnership for repairs and maintenance work including decency work is extensive and complex. While this approach is prudent there is a risk of miscoding resulting in inaccurate data and incorrect charges being made for completed repairs. However, the newly created Quantity Surveyor post will be responsible for ensuring the quality of this data, which should help to mitigate this risk.

Next steps

25 The Council should consider the detailed findings set out in the report. Responses should be given to associated recommendations for improvement set out in the action plan at Appendix 1.

26 We would like to take this opportunity to thank officers for the assistance and support provided during the course of the audit.

Main findings

Housing repairs and maintenance contract arrangements

27 The repairs and maintenance contract includes suitable aims and objectives. Staff roles and responsibilities are clearly defined in the contract management and compliance strategy, with an emphasis on securing quality and excellence. There is strong political commitment across parties to improving housing management performance with a focus on achievement of the DHS and delivery of value for money.

28 Consultation and involvement of residents and stakeholders in developing the contract as set out in the draft resident involvement strategy is good. In setting up the contract there was effective use of a representative residents' asset management panel. This is a panel consisting of 12 tenants and leaseholders which provides service user views to help shape and monitor the contract. It was involved in setting the type and quality of services to be delivered. For example, in developing the 2010-2013 HRA capital programme residents have proposed extras to the DHS such as additional electrical sockets in kitchens. Residents were also involved in both the procurement and evaluation of the contract, playing an active role in interviewing potential contractors. This means residents are clear about how the Council proposes to achieve the DHS by December 2013.

29 The Council has people with the right skills supported by robust structures to deliver and manage the contract. It has created a contract compliance team to monitor the works and ensure repairs are carried out to the specified standards set out in the contract. This team includes a clerk of works whose role is to ensure quality standards. The property and investment service has also been set up to oversee and monitor the new contract. Staff have been appointed or transferred to all the new posts, except the head of property and investment post which is currently filled by a consultant. The Council is currently recruiting to this post and recognises the importance of it to the success of the service. The bid by the contractor also demonstrated the capacity to manage and deliver the contract's requirements.

30 Internal audit has provided positive assurances about the procurement arrangements and the mobilising of the contract. It carried out two independent assessments and identified no areas in the procurement arrangements for improvement. However, it did identify five areas for improvement for the implementation of the contract which the Council is addressing. These relate to filling key posts in the new property and investment service, ensuring IT links between the contractor and Council and the need for close monitoring of the outgoing contract with the previous contractor.

31 Arrangements for monitoring the outcomes of the contract are clear although they are not yet fully in place. The contract sets out expectations for customer service, diversity, quality and cost, value for money, sustainability and energy efficiency. It also includes five clear objectives:

- improve value for money;
- improve residents' homes;
- improve service delivery;
- improve sustainability; and
- further community regeneration and add value.

However, arrangements to deliver these objectives are not yet fully in place.

32 The contract includes incentives aimed at driving service improvements and efficiencies. The duration of the ten-year partnership with the contractor is dependant on achievement of key performance indicators (KPIs) and the Council's objectives. The incentive scheme includes gain and risk shares for project under or overspends and adjustments to profit levels dependent on performance against KPIs.

Performance management and risk

33 Key plans are aligned and this is helping to drive improvement and is supporting delivery of the DHS. Improving the housing quality is a key strategic priority for the Council and the local strategic partnership and is included in the:

- sustainable community strategy;
- housing strategy 2009-2014;
- three year investment plan;
- joint investment strategy;
- HRA 30-year business plan;
- asset management of the housing stock - strategic overview 2010/11; and
- housing service improvement plan.

34 Performance management arrangements for the contract are emerging. The Council has produced a framework for contract compliance - the contract management & compliance strategy. This is aimed at ensuring required standards of work are met and maintained within budgets and agreed timescales. Performance of day to day repairs, voids repairs and services contracts standards are monitored by the repairs and maintenance monitoring group. This consists of resident representatives, councillors and officers.

35 Performance management arrangements within the new property and investment service are not fully in place. Business planning and the property and investment team's plans are not integrated. The new partnering and performance team is driving performance management arrangements forward by refining the strategic direction of the service through the development of robust performance management information, including better use of benchmarking information. The Council has developed performance reports to enable it to manage the contractor's financial and service delivery performance. Monitoring will be carried out by the partnership core group, which consists of the assistant director of housing management, senior managers from the property and investment service, the contractor and two residents.

36 A culture of managing performance is emerging. Performance coordination, management and monitoring are being strengthened, but this is work in progress and is not yet fully in place. There is more work to do to show improved outcomes and the provision of performance information to the contractor is not yet fully in place. Performance reports will consist of a scorecard showing current performance against targets, historical performance, benchmark performance, year to date performance, direction of travel, improvement actions required and progress against actions. Specific, measurable, accurate, relevant and time-bound (SMART) improvement actions will be approved by the partnership core group and reviewed monthly.

37 The Council has put in place robust arrangements for reviewing the yearly performance of the contract. Annual performance reviews will be carried out which will include a review of KPIs, value for money, safety and sustainability performance, local employment levels and diversity of workforce. The reviews will be used to develop an annual performance plan which will include SMART actions and targets to deliver continuous improvements. A monthly performance review carried out by the core group will also address poor performance and implement service improvement plans where required. Quarterly scrutiny of performance is carried out by residents and members at the asset management panel, the repairs and maintenance monitoring group, housing management consultative committee and the housing management group management team. Cabinet and TMT review the quarterly performance of the housing management service and the directorate as a whole. However, because the team has only recently been created service improvement plans do not currently

cascade into the team improvement plans. This means improvement plans are not consistently supporting continuous improvement.

38 The Council in partnership with the contractor is improving services for residents. The contract has been in place since April 2010 and there is already evidence of the contractor responding to concerns raised by the Council and residents. For example, the contractor is carrying out a major review of the repairs desk to improve customer service and accessibility. The outcome of the review will strengthen recent improvements such as the supercentre repairs desk, which provides a single access point 24 hours a day, seven days a week. Requests for reports can be made by text message, email or by the internet. In one area of the city, Whitehawk, residents can report repairs face-to-face to the contractor and customer and community manager at the 'our neighbourhood' local base. Proposals to roll this service out across the city are in place. The contractor has also pledged to deliver extra benefits such as a training academy, kitchen workshop and a carbon reduction plan.

39 Arrangements for monitoring user satisfaction are in place. However, customer feedback arrangements are not fully developed. The Council and the contractor have put arrangements in place to survey user satisfaction and to assess the quality of the service. This is done through a variety of methods such as surveys, complaints, compliments, and mystery shopping. The contractor carries out customer care surveys by telephone following completion of works and a mystery shopping exercise will be carried out in the summer of 2010. Repairs desk performance is reported regularly to residents. Reporting and feedback from the outcomes of the mystery shopping exercise in November 2009 was limited and did not result in service improvements. The Council recognises the need to improve feedback arrangements from customer surveys and mystery shopping exercises.

40 Customer satisfaction is improving. During 2009/10 the Council reported that the service has achieved a high-level of resident satisfaction. There was a 93 per cent satisfaction level across the whole service and 98 per cent for the responsive repairs service. When benchmarked against similar housing providers the Council's performance is in the top 25 per cent. Initial results for April 2010 show that 96 per cent of residents are satisfied with the service and 88 per cent of residents rated the service as 8 out of 10 or above.

41 Complaints do not systematically inform and improve service delivery. Complaints trends and patterns are not effectively reported to residents and other stakeholders, and are not being consistently used to change and improve services. The Council has a well publicised complaints process in place. In 2009/10 there were 177 first stage complaints, 15 stage 2 complaints and four local government ombudsman complaints about repairs and maintenance. There is some evidence that the Council evaluates complaints to determine whether services need to change. A culture of valuing complaints is developing.

42 Service standards for the repairs and maintenance service are not in place. The Council is reviewing its service standards to reflect the new contract. Residents will be involved in setting the standards and in reviewing performance against them. The Council aims to have service standards in place by April 2011. This means that residents are not fully clear about what levels of service they can expect.

43 Risk management arrangements for the contract are in place. There are two risk registers. The core group maintains and monitors the partnership risk register which forms part of the contractual documentation. The Council's improvement project board also regularly reviews a Council risk log to monitor specific risks.

44 The Council has put in place arrangements for ensuring good quality performance information. There is a data quality statement which includes quality audits of performance information. During the year the core group will commission a series of audits of performance information by the partnering and performance team. The audits will test and assess the quality and robustness of performance information, the appropriateness of indicators and the delivery of improved outcomes for residents.

45 The Council has improved the quality of its housing data and now has reliable data to inform management decisions. Ownership of the data and collective responsibility for its quality is increasing. In 2007/08 and 2008/09 an Audit Commission data quality spot check of the decent homes performance indicator found that data was unreliable. This was because of a backlog in un-entered repairs information and the very small number of properties surveyed to inform the indicator. Since then restructuring, clearance of the backlog and a much higher level of surveys have resulted in significant improvement in the quality of data.

46 The quality of the data the Council uses to manage performance of the contract may be at risk. Whilst the main IT systems (the Council's OHMS and the contractors MCM system) are linked the Council's asset management system (Apex) is currently not linked to the Contractor's MCM system. This means data is not automatically updated as repairs and improvements are completed and IT systems are not therefore supporting strategic planning. Plans are in place to address this.

47 Arrangements for managing the financial performance of the contract, especially unit costs, are emerging. The Council has set up robust cost management and monitoring arrangements for the DHS programme. A budget model is also in place which enables a forecast for each phase of the work including material and labour resources. The target rates for key work areas are integrated into the partnership performance management reports. These monthly reports are used by the core group alongside detailed financial management and cost information to ensure delivery of efficiency savings. As each phase is completed the model is updated to reflect real costs. This ensures that resources are shifted immediately to meet any shortfalls and that funds to achieve the DHS are available. This approach will foster a value for money culture.

48 Commitment to and understanding of value for money is in place. Making better use of public money is a Council priority in the corporate plan 2008-11. The Council is developing a value for money culture among staff. Teams are required to show how they can save money, increase efficiency, create income, improve quality and benchmark service performance. A value for money review of housing services in 2008 and resulting action plan have been reported to tenant and leaseholder representatives at the housing management consultative committee. An outcome of this review was the development of the repairs and maintenance partnership.

49 The Council is improving value for money. Housing management costs have reduced from £18.58 a unit a week in 2005/06 to £17.11 in 2008/9. This brings management costs as a percentage of management allowances to average when compared to other councils. The Council has increased its income through improved management of tenant rent. Income increased from £1,379,960 in November 2005 to £776,443 at January 2010. The Council also reduced its bad debt provision by £51,000. The time taken to re-let properties has also improved from 35 days in 2006/7 to 26 days in 2009/10.

Recommendations

R1 Provide residents and stakeholders with robust information:

- about action taken as a result of complaints to keep better informed them about how the Council and contractor have responded to complaints and how services have been improved as a result; and
- from activities, such as mystery shopping and user satisfaction surveys and how services have been changed as a result.

R2 Introduce comprehensive service standards as a matter of urgency so that residents are clear about what levels of service they can expect and standards can be monitored.

R3 Provide clear links between the property and investment team improvement plans and the service and the directorate plans so that teams can be held to account for their performance.

Current service performance - decent homes and waiting times for repairs and maintenance

50 Since 2008, the Council's new housing management service has steadily improved service performance for residents. Waiting times for housing repairs and maintenance and the number of non-decent homes have reduced. This improvement is from a very low base. In the past residents experienced long waiting times for repairs and maintenance and when compared to other similar Councils performance was below average. There has been limited year-on-year improvement and the Council accepts there is more to do to achieve further improvement. It also recognises that insufficient progress or action taken to improve its housing stock between 2000 and 2008 seriously hampered its performance.

51 Changes in services are leading to some improvements. The Council is now making steady progress in improving the quality of the housing stock and improving the repairs and maintenance service for residents. The Council has improved the balance between responsive and planned maintenance and has recently improved repairs and maintenance response times. Improvements to assessing responsive repairs have resulted in a decrease in the volume of emergency repairs and an improvement in the number of repairs completed within target times. The number of routine repairs has increased from 44 per cent in 2007/08 to 62.4 per cent in 2009/10. The number of urgent repairs has reduced from 29 per cent in 2007/08 to 14 per cent in 2009/10. Unaudited figures for 2009/10 show the Council completed 98.3 per cent of urgent repairs in the target time compared to 96.9 per cent in 2008/09 and 89.3 per cent in 2007/08. The Council has also improved its response time for emergency repairs with 98.4 per cent completed on time in 2009/10 compared to 96.8 per cent in 2008/09 and 83 per cent in 2007/08.

52 The Council failed to meet the Decent Homes government target for 2010 and did not meet its own 2009/10 internal target of reducing non-decent homes to 36 per cent of its total stock. During 2009/10 the Council delivered a 9.4 per cent reduction in the number of non-decent homes, missing its target by 3.5 per cent. The Council also missed its target in 2008-09. However, as a result of increased investment and targeted programmes to replace failed heating systems, kitchens, bathrooms and doors, decency levels have steadily improved between 2008 and 2010. At the end of March 2010, 39.5 per cent of the Council's housing stock was non-decent compared to 49 per cent at the end of March 2009 and 56 per cent at the end of March 2008.

53 In the past, the Council repeatedly failed to keep pace with similar authorities' performance. Comparative performance with other unitary authorities in England consistently placed the Council in the bottom 25 per cent and performance was worsening year-on-year. The table overleaf shows the poor progress made by the Council in reducing the number of non-decent homes between 2000 and 2008.

Year on year improvement in non-decent homes

Year	Non-decent homes (%)	Year on year improvement (%)	Comparison with other unitary councils
2004/05	50%	-	Bottom 25%
2005/06	58%	-8%	Bottom 25%
2006/07	58%	0%	Bottom 25%
2007/08	56%	2%	Bottom 25%
2008/09	48.9%	7.1%	Bottom 25%
2009/10	39.5%	9.4%	Bottom 25%
2010/11	26% (target)	13.5% (anticipated)	
2011/12	12% (target)	14% (anticipated)	
2012/13	5%(target)	7% (anticipated)	
December 2013	0%	5% (anticipated)	

Financial outturn, forecasting and sustainability

54 Over the last two years the Council has carefully considered solutions to financing its capital investment programme. Over the next three years the Council estimates that an additional £77 million is needed to maintain its housing stock. Of this £44.6 million is needed to meet the DHS by 2013.

55 The Council has developed a 30-year financial plan to ensure the long term viability of the HRA and the shorter term need to achieve the DHS by 2013. The Local Delivery Vehicle (LDV) is one of the methods that the Council has selected to raise some of the funds needed to achieve the DHS target. The 30-year financial plan also includes £22.5 million of unsupported borrowing and £7.7 million of revenue contribution to capital over years 1 to 3, and capital receipts from the Local Delivery Vehicle (LDV) totalling £15 million in years 2 and 3.

56 The Council is reliant on the success of the LDV to provide a significant part of the funding to meet the DHS by 2013. The LDV was originally designed to provide £45 million capital receipts. Despite extensive negotiations by the Council the failure to secure express permission for the LDV from the Secretary of State means that it will only now provide receipts of £15 million. The financial plan has been adjusted to account for this. It is intended that the LDV will also cover the cost of refurbishment of up to 499 Council homes over five years. The financial plan assumes properties will all be transferred in three years between 2011 and 2013.

57 The LDV board and a firm offer from the Council for the transfer of the properties to the LDV is now in place. Funding is anticipated to be secured by December 2010. The Council offer made to the LDV is comprehensive and thorough. It sets out the business case including a 30-year cash flow forecast which profiles the rental income according to the transfer of properties to the LDV. The Council has also completed a thorough and detailed review of all Council homes to identify a pool of properties which meet the criteria for transfer to the LDV. Residents, the contractor and the LDV board have agreed the criteria for identification of these properties and an estimated average cost of refurbishment of £27,000.

58 Achievement of the DHS by 2013 is at risk due to delays in the start of the LDV. There were a number of reasons for the delays. The economic recession had an impact and delays in gain permission to establish the LDV has slowed progress. Under the offer 499 properties should transfer to the LDV between June 2010 and October 2013. They should all be refurbished and occupied by April 2014. However, it is now estimated that the first properties will not be transferred to the LDV until April 2011. This could delay refurbishment and occupation of the final properties until April 2015 and places the Council at risk of not achieving the DHS target. The delayed timing of the transfer also does not support the Council's financial model for achieving DHS. It results in a risk of the Council not securing sufficient capital receipts to fund the DHS programme. It is therefore important that the properties are transferred in as short a timescale as possible to guarantee the capital receipts to fund achievement of the DHS target by 2013. The Council recognises this risk and could borrow to replace the receipts if the risk is realised. While this would enable the Council to achieve the decency standard by its target date additional borrowing costs potentially place sustainability of the standard and other essential capital works at risk.

59 The contractor is strongly committed to working with the Council to meet the DHS. There are, however, risks around the transfer of Council staff to the contractor, which has different terms and conditions for its own employees. Any future changes in terms and conditions for transferred staff may have a knock-on impact on the service and the experience of residents.

60 The schedule of rates agreed by the partnership for repairs and maintenance work including decency work is extensive and complex. The repairs and improvement partnership has agreed a list of about 900 individual tasks and costs. Monitoring the use of these rates is time-consuming and whilst the approach is prudent there is a risk of miscoding, the potential for inaccurate data and incorrect charges being made for completed repairs. Unless the data is robustly monitored there is a financial risk to both the Council and contractor.

Recommendations

R4 Continue to review the current schedule of rates based on actual experience of its operation. It should be sufficiently detailed to allow accurate billing and the production of detailed management information. This should be balanced against avoiding over-complexity which could lead to billing error, manipulation or an excessive amount of management time being spent on monitoring.

R5 Continue to monitor and actively manage the risk of not securing sufficient funding to achieve DHS compliance by 2013.

R6 Transfer properties to the LDV in as short a timescale as possible. Ensure that the impact of any slippage in the timing of capital receipts from the LDV is fully reflected in:

- the Council's 30-year financial plan for the HRA; and
- risk assessment and monitoring of the Council's prospects of achieving DHS by 2013.

Appendix 1 Action plan

Recommendations

Recommendation 1

Provide residents and stakeholders with robust information:

- about action taken as a result of complaints to keep better informed them about how the Council and contractor have responded to complaints and how services have been improved as a result; and
- from activities, such as mystery shopping and user satisfaction surveys and how services have been changed as a result.

Responsibility	Partnering & Performance Manager
Priority	2
Date	30 November 2010
Comments	<p>Summary information on complaints and more detailed information around user satisfaction surveys will be integrated into the performance report used to monitor the Repairs & Improvement Partnership.</p> <p>Results of the recent mystery shopping exercise and an action plan for improvement have been reported to the Core Group in detail and will be summarised in a six monthly progress report to resident representatives and Councillors through the Housing Management Consultative Committee. A feedback session with the mystery shoppers has also been scheduled.</p>

Recommendation 2

Introduce comprehensive service standards as a matter of urgency so that residents are clear about what levels of service they can expect and standards can be monitored.

Responsibility	Partnering & Performance Manager
Priority	2
Date	1 April 2011
Comments	<p>BHCC are in the process of developing service pledges with residents. Initial surveys are being sent out to residents and we will then work with resident groups to put together service pledges. These pledges will come in to place from 1 April 2011.</p>

Recommendation 3

Provide clear links between the property and investment team improvement plans and the service and the directorate plans so that teams can be held to account for their performance.

Responsibility	Head of Property & Investment
Priority	2
Date	31 October 2010
Comments	Team improvement plans which link to the Housing Management Service Improvement Plan and the Repairs & Improvement Business Development Plan will be implemented over the coming weeks.

Recommendation 4

Continue to review the current schedule of rates based on actual experience of its operation. It should be sufficiently detailed to allow accurate billing and the production of detailed management information. This should be balanced against avoiding over-complexity which could lead to billing error, manipulation or an excessive amount of management time being spent on monitoring.

Responsibility	Assistant Director Housing Management
Priority	2
Date	31 March 2011
Comments	A review of the pricing framework for the Partnership is scheduled in the Partnership Time Table and will be carried out ahead of Year 2 of the Partnership. This task is owned by the Core Group.

Recommendation 5

Continue to monitor and actively manage the risk of not securing sufficient funding to achieve DHS compliance by 2013.

Responsibility	Assistant Director Housing Management
Priority	2
Date	Ongoing
Comments	BHCC will continue to monitor and manage these risks.

Recommendation 6

Transfer properties to the LDV in as short a timescale as possible. Ensure that the impact of any slippage in the timing of capital receipts from the LDV is fully reflected in:

- the Council's 30-year financial plan for the HRA; and
- risk assessment and monitoring of the Council's prospects of achieving DHS by 2013.

Responsibility	Assistant Director Housing Management
Priority	2
Date	Ongoing
Comments	<p>Any slippage with the LDV will be reflected in updates to the 30-year financial plan.</p> <p>Monthly targets for tracking decent homes progress are in place and reported to Core group on a monthly basis, these are supported by detailed projections of improvements planned for our stock.</p>

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