



**Review of Council
Housing Management Options**

*Short Summary
of the Review Report*

November 2016

INFORMATION UPON THE HOUSING MANAGEMENT OPTIONS REVIEW

Please note that the documents relating to this review are:

1. The Cabinet covering report (22 pages) – which was approved on 15th November 2016
2. The full Review Report including all appendices (197 pages)
3. The Summary of the Review Report (8 pages)
4. A short summary of the Review Report (2 pages) – **this version**

If you'd like to read any of these documents, please visit:

www.brent.gov.uk/housingreview

If you want further information you can:

- Write to the Council at: **Freeport CIVIC CENTRE**
- Email housingpartnerships@brent.gov.uk
- Phone on **020 8937 2850**

★ Please note that all council tenants and leaseholders will be receiving a questionnaire from the independent company ERS early in the 2017 new year asking them for their views on the proposal outlined in this document.

There will also be newsletters – the first of these was sent to all of the Council's tenants and leaseholders during the week commencing 19th December 2016 – these can also be viewed on the Council's website at www.brent.gov.uk/housingreview

★ The consultation ends on 17th March 2017.

Introduction

In June 2016, the Council's Cabinet decided to carry out a review of how its Council housing is run. This note gives a short summary of the outcome. The full report is available on the Council's website alongside a more comprehensive summary (8 pages).

Background

There were two main reasons the Council decided to review their current Council housing arrangements. Firstly, Government reforms will impact on how much cash there is to spend on housing. Secondly, there have been concerns over the performance of the current managers - Brent Housing Partnership (BHP), the Council's Arms-Length Management Organisation (ALMO).

The review looked at three options:

1. To continue with BHP on a reformed basis
2. To bring the service back in-house
3. To enter into partnership with another organisation

Consultation on these options included an independent survey of 600 tenants and leaseholders, focus groups of tenants and leaseholders, interviews with young tenants and vulnerable people, a workshop for resident associations and other representatives, a meeting with board members, workshops with BHP staff and briefing sessions with Members of the Council.

The Council owns almost 11,500 homes, mostly flats on small and medium-sized estates, with around 7,700 tenants and 3,700 leaseholders. Around 43,000 people live in these homes - over 1 in 8 of Brent's population. Around a third of tenants are over 60, 4% have a disability and 8% have a vulnerability of some kind. The Council is responsible for management and maintenance services and has since 2002 delegated these to BHP. BHP is a company with a Board of 13 people comprising residents, Councillors and independent people with an independent chair. BHP provides all landlord services, directly or through contracts, including:

- Tenancy Management – e.g. lettings, rent collection, resident engagement, Right to Buy and the oversight of two Tenant Management Organisations.
- Leaseholder Management – e.g. service charges and major works.
- Property services – e.g. estate management, repairs and major works
- Development services – the delivery of a new-build programme on existing estates

BHP's Performance

Following performance concerns, a Recovery Plan was put in place by BHP and the Council from January to October 2016. Whilst progress has been made in several areas, such as the planned maintenance programme and responses to customer service requests, some important concerns remain. These are reflected in levels of customer satisfaction with repairs, resident involvement and with the service overall. Consultation with tenants and leaseholders showed concern over repairs and maintenance, anti-social behaviour and the quality of homes and there has been little increase in levels of satisfaction with the service of BHP over the last 18 months.

The Options

The options considered in the Review needed to respond to the weaknesses in the current service while generating efficiencies and savings to respond to the financial pressures coming

from the Government's reforms. Options also need be consistent with Brent Council's Housing Strategy priorities. All the options have some common features and common aims as well as significant differences.

A **Reformed BHP** would not simply continue as before. Changes to service delivery would be required and its control would be through a smaller, skills-based board of management with a strengthened overview of its work within the Council. Better customer engagement and resident involvement would be needed and a new leadership team would be recruited.

An **In-house service** would provide for integration with the Council and its services, with control through the Council's corporate management to the Cabinet. Loss of the board would require alternative arrangements for oversight by residents and Members.

The **Partnership** option represents a more significant change. This would involve setting up a form of Joint Venture or housing services company with a partner organisation. The details of how this would work would have to be agreed, while management would be through a joint board, which would be unlikely to have resident representation.

Evaluation of the Options

The options have been examined to assess how far they can:

- Provide modern, high-quality housing management services
- Achieve significant efficiencies and savings
- Get the most out of the value and performance of the Council's housing stock
- Contribute to improved outcomes for tenants
- Contribute to delivering the Council's priorities

Each option could meet these tests, but each has strengths and weaknesses. The Review found that the best prospect for savings would be either the In-house or Partnership option, while the In-house option provides for the most effective strategic and operational control.

While each option could work, the Review also looked at how each could be put in place. The Reformed ALMO is the most straightforward option as it does not require consultation. For the In-House option, it would be necessary to consult tenants and leaseholders before seeking final approval from Cabinet. The Partnership or Joint Venture option would also require consultation but, if agreed, would then take time to set up, with an assumption that this could not be done before April 2018.

Preferred Option

The In-House option offers the best opportunity to make savings and provides the strongest levels of control. This option also puts the housing management service in a better position in relation to the Council's wider plans to secure improved outcomes for residents. It will be necessary to look at how this option will address Member and resident engagement and there are various options that could be pursued. For example a Members and residents committee may overcome the loss of the ALMO Board under the In-House option.

In conclusion, taking into account the challenging financial situation, and all other factors outlined above, it is recommended that the In-House option is chosen. This is the option which the Council believes will best serve residents in Brent but it wants their views on this proposal.

A 12 week consultation will run until 17th March 2017 and the views of tenants and leaseholders will be taken into account before the Cabinet is asked to make a final decision.