

## **Derby Homes Service Access Review Proposed Closure of Local Housing Offices**

### **SUMMARY**

- 1.1 Derby Homes conducted a Best Value Service Access Review over a nine-month period up until March 2005. It examined the way in which Derby Homes customers make contact and how the organisation delivers its front line services.
- 1.2 In order to make sure that services are delivered efficiently, within the Best Value framework, they examined the long-term sustainability of the local housing offices. This followed an earlier, operational decision to close cash offices later in 2005.
- 1.3 Subject to any issues raised at the meeting, I support the following recommendations.

### **RECOMMENDATIONS**

- 2.1 To approve the new arrangements proposed for four full-time offices, three part-time offices and a further five offices offering more limited opening for the time being, as outlined at 1.14 below in Director of Resource's report.
- 2.2 To approve the closure of the three part-time offices, as soon as practicable, at Littleover, Chellaston and Spondon.
- 2.3 To ask Derby Homes to carry out further consultations, with the aim of resolving the situation by summer 2006, on the closure of three of the limited opening offices referred to in 2.1 above at Cowsley, Chaddesden Park and Osmaston. This would allow time for:
  - further examination of their potential as part of the Council's neighbourhood access strategy
  - monitoring the continuation of improved performance standards for the Enquiry Centre
  - evaluating the success of surgeries.

### **REASON FOR RECOMMENDATIONS**

- 3.1 The Best Value Service Access Review concluded that there was no longer a justification for sustaining 15 local offices.
- 3.2 Derby Homes' management fee is reducing because of Right to Buy – RTB – sales, and this reduction in revenue is projected to continue which means that Derby Homes needs to make savings.



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**17 JANUARY 2006**

Report of the Director of Resources

**Derby Homes Service Access Review**  
**Proposed Closure of Local Housing Offices**

**SUPPORTING INFORMATION / ADVICE**

**Overview**

1.1 Following the Best Value Review Derby Homes had sought, in the summer of 2005, to start the closure of offices. However, officers and the Lead Member for Housing and Social Inclusion sought further investigations into the potential community use by the Council and its partners. There was also to be further monitoring of the Enquiry Centre and evaluation of the surgeries.

1.2 Discussions have now taken place between the Council, Derby Homes and other partners but for the same reasons that Derby Homes have selected these offices for closure, no alternative role can be envisage for the three offices in the foreseeable future. These offices are not viable for the following reasons.

1.3 **Spondon**

Two flats converted into office. Low number of properties spread across a wide area, which is split by A52 and is not accessible to majority of tenants. Impending demolition programme provides an opportunity to close this office and relocate to Sussex Circus Local Housing Office – LHO

- currently managing 566 properties
  - 2.5 employees
  - fixed overheads £9,370 a year
  - 4 hours of service provided on a daily basis
  - 35% of the properties close to the LHO
- 8 queries dealt with at reception on a daily basis

#### 1.4 **Chellaston**

Leased property – very low productivity levels and only being accessible to 15% of tenants make this office completely unviable. Proposal is to relocate to Allenton LHO.

- currently managing 507 properties
  - 2.5 employees
  - fixed overheads £15,966 a year
  - 4 hours of service provided on a daily basis
  - 15% of the properties close to the LHO
- 12 queries dealt with at reception on a daily basis.

#### 1.5 **Littleover**

Very few properties spread over large area coupled with diminishing activity levels make it totally unviable. Proposal is to relocate to Old Sinfin office.

- currently managing 486 properties
  - 2.5 employees
  - fixed overheads £8,894 a year
  - 4 hours of service provided on a daily basis
  - 50% of the properties are close to the LHO
- 13 queries are dealt with at reception on a daily basis

#### 1.6 **Cowsley, Chaddesden Park and Osmaston**

Based on their location and usage, the Council would like Derby Homes to continue with consultation with both the Council and other stakeholders and partners on the future of these three offices. Derby Homes is already exploring co-location but no potential community partners have yet expressed an interest. The Osmaston Community Panel has specifically asked that the Cabinet takes into account their wish to relocate the housing office into shared accommodation as an alternative to total closure.

#### 1.7 **Enquiry Centre**

The original recommendation for closure was conditional on improved performance at the Derby Homes Enquiry Centre by 1 November. This improvement has now been achieved.

#### 1.8 To effect this improvement, Derby Homes has already:

- co-located more technical support in the Enquiry Centre
- put out publicity encouraging contact at less busy times
- amended shift patterns.

#### 1.9 In the longer-term, re-letting the responsive repairs contract will give on-site contractor scheduling with Xembrace software from July 2006.

1.10 Derby Homes carried out more detailed monitoring in September and October and this has shown the positive effect of implementing the consultancy recommendations:

- number of calls has risen overall
- number of calls made by the operatives to consult other staff on a problem, has fallen because technical staff are now available to the Call Centre staff
- percentage of abandoned calls as a percentage of calls received fell to 8.9% in October, well above the target of under 15%
- proportion of calls answered within 10 seconds rose to 72.7% – exceeding the target of 70%
- proportion of calls answered within 90 seconds rose to 98%.

### 1.11 Current situation

Derby Homes, following its Board meeting on 24 November 2005, has made a formal request to the Council for compensation if the Council wishes Derby Homes to keep local offices open. Derby Homes had anticipated making running cost savings because of the office closures. These are :

- £1,000 a month for each of the offices at Cowsley, Chellaston, Osmaston and Chaddesden Park
- £500 a month for each of the offices at Littleover and Spondon.

Derby Homes has agreed to accept a payment of £2000 in recognition of the costs involved in continuing to keep offices open, and to reflect their continued use of those offices.

1.12 Pending the Council's decision on office closures, Derby Homes intends, following the introduction of the Pay Point payment service on 1 December at 51 outlets, to initiate the following temporary operational arrangements from January / February 2006. The eleven cash offices will close on 23 December.

1.13 Derby Homes will:

- transfer management responsibility for those offices proposed for closure to a neighbouring manager and so release the resource
- open those part-time offices that are recommended for closure as surgery bases on two mornings a week – Tuesday and Thursday
- reduce the opening hours of all other offices, by closing at lunchtime those open five days a week, and reducing those to be open five mornings a week to two mornings – Tuesday and Thursday.
- reduce some of the surgery outputs in the area where the local office is now staying open.

1.14 In practice, this will mean:

	<b>Enquiries</b>	<b>Cash</b>
Sussex Circus*	9.00 – 4.30	9.00 – 4.00
Mackworth*	Mon Tue Thu	Mon Tue Thu
Bingham Street (Allenton)	9.00 – 1.00 Wed 9.00 – 4.00 Fri	9.00 – 1.00 Wed 9.00 – 3.00 Fri
Alvaston *	* Sat 9 – 12	* Sat 9 – 12

	<b>Enquiries only</b>
Stockbrook Street	9.00 – 1.00 Mon to Fri
New Sinfin	
Austin	

Cowsley	10.00 – 12.00 Tue and Thu
Chaddesden Park	
Old Sinfin	** Spondon office to stay open on these hours until block demolished
Brook Street	
Osmaston	
Spondon ** (To close)	
Littleover (To close)	
Chellaston (To close)	

- 1.15 One of the indicators that we will be assessed against for the new style CPA is average weekly management costs for each dwelling. The Audit Commission definition includes management of maintenance as well as housing management costs. Derby's costs have traditionally been high. For 2004/05, they are £14.41 and we need to be moving towards the upper threshold of £10.20, which is extremely challenging. We will, therefore, be pressing Derby Homes to reduce their management costs for 2006/07 and the estimate that closure of local housing offices will save £150k a year.
- 1.16 We also anticipate that the Council's failure to approve the start of the closure programme could be criticised in the Audit Commission inspection. Nationally, local offices can be shown to manage between 2,000 and 2,800 homes but, in Derby, local offices only manage an average of 945 homes.
- 1.17 Consultation. Before Derby Homes Board agreed to the proposals, wide consultation was carried out with Community Panels, the City Housing Consultation Group and the Derby Association of Community Partners. Each group received a comprehensive presentation and were asked to give their views. The CHCG and the DACP supported the proposals and, out of the fourteen panels receiving the presentation, 10 agreed with the aims of the review, one was opposed and the remaining three, while expressing some agreement and reservations, did not reach a formal agreement or vote.

- 1.18 Staff groups have also received the presentation and been reassured that there will be no immediate reduction in front-line jobs. Following the Derby Homes Board decision on 28 April 2005, a second round of consultation took place with all community panels, staff in local offices and the head office staff. Consultation conducted with community panels, while showing concern about change, has also shown support for the proposed new ways of working.

#### **OTHER OPTIONS CONSIDERED**

- 1.19 The other option put forward in the Service Access Review was to close all ten offices where cash offices are closing because of their falling efficiency levels. These are the current nine part-time offices plus Stockbrook Street. This would mean the closure of Chellaston, Spondon, Littleover, Chaddesden Park, Osmaston, Austin, Cowsley, Old Sinfyn, Stockbrook Street and Brook Street.
- 1.20 Derby Homes have been asked, as at recommendation 2.3 to carry out further consultations and to bring back further recommendations on how to rationalise and improve front line services by the summer of 2006.

**For more information contact:** Mark Hillary 01332 255189 e-mail [Mark.Hillary@derby.gov.uk](mailto:Mark.Hillary@derby.gov.uk)  
**Background papers:** Derby Homes Service Access Review – Executive Summary  
**List of appendices:** Appendix 1 – Implications  
Appendix 2 – Service Access Review Executive Summary

## IMPLICATIONS

### Financial

- 1.1 Financial savings from the closure of the offices, as identified by the Derby Homes review, are estimated by Derby Homes at £150,000 a year. There will be savings relating to the collection of cash from offices of £34,000 and a further £70,000 of premises costs associated with the operational costs of the buildings concerned. In addition, there may be further savings relating to staffing structures, although there will not be any direct reduction in the number of posts.
- 1.2 Against these savings, there will be some set up costs for employees of Derby Homes relocated to other offices, mainly concerned with ICT infrastructure improvements, much of which relates to upgraded ICT facilities. In addition, there will be increased payments made for the collection of rent income through alternative systems. These costs will be met by Derby Homes from the savings made. Other associated costs will largely follow the employees, but there is likely to be a further small saving from current spending levels of £28,000 a year in terms of other services as a result of these changes.
- 1.3 The buildings are the property of the Council, and their future use or disposal will need to be considered. Many of the premises savings that Derby Homes will make as a result of the closures would not fully materialise unless the premises are disposed of, although the level of spending will reduce from the current level.

### Legal

2. The Management Agreement requires Derby Homes to obtain the Council's consent to the closure of the offices or any significant change in its staffing arrangements.

### Personnel

- 3.1 There will be no immediate reduction in frontline positions as a result of this review.
- 3.2 Service delivery changes will affect the role and number of frontline Local Manager positions. Discussions have been held with these members of staff on the new opportunities that will be available. Reorganisation proposals are being discussed with staff and with trade unions.
- 3.3 Further Staff Meetings took place on 27 July and 12 August where staff were given an opportunity to raise any issues. Some posts will be deleted, and all staff affected will be offered redeployment within Derby Homes.
- 3.4 Trade Union meetings took place on 15 August and 12 September. These meetings are now taking place on a monthly basis and this will open out into full staff consultation.

## **Equalities impact**

- 4.1 It is a priority that any new services are accessible to disabled tenants and welcoming to all communities.

## **Corporate objectives and priorities**

- 5.1 The proposal comes under the Council's objectives of providing integrated, cost effective services.
- 5.2 The proposal furthers the priority of **improving customer service** through a customer-focused culture, using new technology and investing in our buildings.

## **SERVICE ACCESS REVIEW EXECUTIVE SUMMARY**

### **1. INTRODUCTION**

- 1.1 The service access review seeks to develop a long-term vision for Derby Homes' future service delivery. It aims to put in place a service, which is responsive, consistent and proactive. Roles of managers and housing officers will change to increase their accountability to our customers.
- 1.2 The scope of this best value review is far reaching to address the challenges faced by Derby Homes because of:
- Anticipated annual reduction of £150k management fee from next year.
  - Closure of 10 cash offices and mobile office later in 2005.
  - Potential expansion of the enquiry centre.
  - Need to increase frontline productivity and make efficiencies in back office operations
  - Availability of new ICT support to implement new ways of working.
- 1.3 The review team has worked within the above framework to develop a business case and has also taken into account the Council's service access review and other initiatives, which include:
- Proposed new city centre service base for 2007.
  - Rolling out of neighbourhood bases at New Sinfyn and Austin estate.
  - Revamping of libraries through private finance initiatives (PFI) to provide modern multi-agency service delivery outlets in future.
- 1.4 Key lines of enquiries (KLOEs) issued by the Audit Commission particularly "efficiencies and effectiveness" and "access and customer care" have also helped to guide the direction of this review. The requirements of these have been used as a self-assessment tool to evaluate Derby Homes' comparative efficiency position. The review seeks to make appropriate proposals to reduce inputs whilst maintaining or increasing outputs.

## 2. BASELINE INFORMATION

A key element of the review was to establish Derby Homes' existing service access arrangements including

- Physical and personal contact
- Telephone handling
- Electronic
- Written.

### 2.1 PHYSICAL AND PERSONAL CONTACT

#### Local Offices

2.1.1 There are 15 local housing offices spread across the city and a head office closer to city centre. Local housing offices are managed in two areas: 9 North and 6 South. They have two sets of opening times.

- A. Level one – 6 full time offices open all day except Wednesday pm.
- B. Level two – 9 part time offices open 9.00am to 1.00pm.

They can be categorise into 4 types of office by their construction

North	South	
B – Brook St A – Sussex Circus	A – Allenton B – Old Sinfin A – Stockbrook St	→ Purpose built offices are well spread across the city and are quite spacious and with minor alterations would be DDA compliant
B – Chadd Park A – Mackworth	A - Alvaston B – Chellaston A – New Sinfin	→ Converted shops ranging from small to larger office accommodation.
B – Spondon	B – Littleover	→ Ground floor flats conversion for offices.
B – Cowsley	B – Osmaston B – Austin	→ Pair of semi detached houses knocked into one for each office.

2.1.2 Three of the full time offices open on Saturday mornings (Mackworth, Sussex Circus, Alvaston) and another (New Sinfin) opens till late once a week. Detailed office profiles for each office are in the full report at appendices 2 to16.

2.1.3 The services provided at local offices are:

- Cash collection (to be reduced to 4 offices later this year)
- Reception enquiries.
- Estate management & regeneration.
- Allocation of properties, escorted viewing and voids management.
- Mutual exchanges.
- Anti-social behaviour.
- Property inspections.
- Consultation and tenant participation.
- Liaison with other agencies, partnership working and attendance at meetings.
- Home visits and office appointments.
- Telephone handling.
- Rent arrears recovery.
- Estate walkabouts with tenants and community panel members.

2.1.4 A survey of activity levels in all offices was carried out during October 2004 to capture the necessary data to help identify current trends. Results received from local offices helped the review team in determining the future needs of service delivery options. An outline of current trends is explained below:

Monthly Activity	6 Full time Offices	9 Part time Offices	Office activity	
			% F/T	% P/T
Total monthly cash transactions	17736	8574	67.4	32.6
Average monthly cash transactions per office	2956	953	75.6	24.4
Total monthly Reception queries dh	3393	2470	57.9	42.1
Total monthly Reception non dh	839	365	70	30
Average monthly Reception queries per office	566	274	67.4	32.6
Average monthly Reception queries per office non Derby Homes	140	30	82.4	17.6
Total annual overheads office costs	£187,640	£130,027	59	41
Average annual office costs per office	£31,273	£14,447	69.7	30.3
Total number of properties managed	7154	7029	50.5	49.5
Average number of properties per office managed	1192	781	60.4	39.6

### 2.1.5 The key findings from this survey are

- The closure of the cash offices at part time offices will reduce customer visits to these offices dramatically, as there are three times as many cash transactions as there are reception transactions
- Non-Derby Homes queries amounted to 1204 in October 2004, which is 20.5% of total queries dealt with at the local offices. Approximately, 17% of these were relating to City Council Services such as; gold card, pest control, Streetcare, bus passes, street lights, refuse bins, social services, highways, electoral register, job vacancy, dog fouling, parks and needle collection. The Council makes no payment towards the cost of this service from Council Tax. The remaining 3.5% were for other services including; TV licence, water meter, incapacity benefit, job centre, drainage, DLA and other agencies.
- The overheads for 9 part time offices is £130,000 per annum, which would be saved were they all to be closed
- The average number of properties in part time offices is 781 which is far lower than the average of 2000 to 2800 in comparator housing organisations.

### 2.1.6 In addition, the last tenants satisfaction survey in 2003 showed that:

- 14% of all respondents visit Derby Homes at least once a week.
- 7% visit once every two weeks.
- 21% visit less than once a month.
- 24% visit less than once a year.
- 19% never visit Derby Homes.

43% of respondents visited Derby Homes offices once a year or never. This level of visits by tenants is very low. In addition analysis of locations of local offices found that the percentage of Council houses closer than one mile to local offices was 53.3%.

## **Cardinal Square**

2.1.7 Cardinal Square is the headquarters for Derby Homes staff. Staff based here provide services city wide and specialist services, such as personnel, finance and administration, rent arrears management, anti social behaviour response, tenancy support, IT services, publicity and tenant participation. It is the base for the Chief Executive and the senior management team. Staff travel from here to visit tenants at their homes or meet them in Cardinal Square or at a local office.

2.1.8 There is a well designed public reception area but the usage by tenants is low. Average numbers of tenants visiting is assessed at between 0 and 6

a day. This is in part due to the location of Cardinal Square, which has limited car parking and is within 10 minutes walk of the Council House, across two busy junctions and through an underpass. However the vast majority of tenants who wish to visit Derby Homes can do so at their local housing office.

- 2.1.9 If the local offices are closed it may be worthwhile considering the benefits of a more accessible city centre reception location. Derby Homes should consider this option in partnership with the Council, which is also considering opening a city centre service base.

### **Mobile office**

- 2.1.10 The mobile office is a purpose designed mobile office. It visits publicised estate stops on a fortnightly schedule. Its customer use is low and due to high operational costs a decision has already been made by the Board to stop this service later this year. The closure of mobile office will coincide with the introduction of payment facilities at corner shops.

### **Concierge service**

- 2.1.11 This service is located at Rivermead House and monitors activities in and around the block of flats. This service offers a great deal of reassurance to tenants. The service is provided:
- Monday to Thursday 8.00am to 10.00am & 4.00pm to midnight.
  - Friday to Saturday 8.00am to 10.00am & 4.00pm to 2.00am.
  - Sunday 5.00pm to midnight.

### **Mobile Caretaking service**

- 2.1.12 This customer service is provided by a team of staff based in vans. Their main tasks are clearing refuse from communal bin stores, clearing graffiti and rubbish dumped on land managed by Derby Homes. The service responds to identified problems and is currently subject to a separate review.

### **Community watch patrols & Neighbourhood wardens**

- 2.1.13 The service monitors anti social behaviour out of office hours. It is based in vans that are equipped with closed circuit cameras. The service provides reassurance to vulnerable tenants and victims of anti social behaviour. The service aims to gain evidence on perpetrators and to prevent anti social behaviour. Staff are well equipped to deal with most situations and provide regular reports to local offices about antisocial activities.

## **Sheltered schemes**

- 2.1.14 There are 48 sheltered schemes managed by 35 scheme managers. Patch managers oversee the operational activities and out of hours cover is provided by mobile wardens based at Derby Care Link. This service is subject to a separate review arising from the need to reduce costs of the service. There are 26 common rooms in which could be the base for some additional service outlets as surgeries.

## **Mobile wardens**

- 2.1.15 Mobile wardens are linked with Care Link, a Council managed service, and provide out of hours cover to tenants in sheltered schemes as well as to vulnerable tenants who are linked to Care Link via a telephone network. A review of the numbers of properties receiving this service is underway.

## **2.2 TELEPHONE ACCESS**

- 2.2.1 The service is provided via BT Featurenet with direct dial facility and it is linked to the Council's main telephone network.
- 2.2.2 Mobile phones are issued to some staff and will be extended to all housing officers during 2005/06. We need to publicise these widely and also to capture customers' mobile numbers to help implement text messaging and appointment alerts.

## **Enquiry Centre**

- 2.2.3 The enquiry centre is open from 8.00 am to 8.00 pm and handles all repair enquiries from tenants. There is the potential for it to become the telephone contact service for all customer contacts, as well as a 24/7 service. Currently all calls are charged at the local rate. There is the option for the service to become a free phone or reduced charge service.

## **Care Link**

- 2.2.4 This is managed by the Council and provides out of hours telephone responses to all sheltered housing tenants, 24/7 response to mobile warden tenants, and out of hours response to emergency repairs for all tenants. If the enquiry centre moved to 24/7 operation then it would be necessary to review the future use of the Care Link service.

## **2.3 ELECTRONIC ACCESS**

- 2.3.1 The new Derby Homes web site has recently been launched This form of contact may not be widely used by lower income and vulnerable groups and we need to develop the accessibility of this service for all council

tenants. The recent customer survey found that 16% of tenants had ready access to the Internet at home or at work or elsewhere. For the foreseeable future we will need to maintain and improve other types of access to make sure service is accessible to all.

2.3.2 New ways of working, such as increased home visits and surgery based working, identified by this review will require procurement of IT equipment with links to up to date data. IT support and training for staff will be required to ensure staff are able to provide a similar level of service, using up to date data, as is currently provided at local offices.

2.3.3 There are a number of service dedicated email addresses available and publicised, such as [housing.enquiries@derby.gov.uk](mailto:housing.enquiries@derby.gov.uk), and [housing.complaints@derby.gov.uk](mailto:housing.complaints@derby.gov.uk). These are not used extensively and will be replaced by access via the web site later this year.

## **2.4 WRITTEN ACCESS**

2.4.1 Manual records of letters received in September 2004 and CSM records from October to December 2004, showed a low activity level of between 30 and 70 letters received a month. This compared to approximately 1500 letters sent out a month.

2.4.2 A review of complaints for year 2003/04 showed 70 received. There was a 100% achievement in acknowledging complaints but only 64% of responses were made on time. Learning from complaints, seeking first contact resolution and developing complaints prevention strategy are very important elements to improve the service.

## **2.5 DISABLED ACCESS**

2.5.3 Current access arrangements and future access requirements have recently been reviewed and significant progress has been made to ensure all access points are DDA compliant. All Derby Homes access points will be DDA compliant by June 2005. Any future service co-locations and surgery type access points must also be accessible to all sections of the community.

## **2.6 VULNERABLE GROUPS ACCESS**

2.6.1 There are personal safety and cultural needs to be borne in mind in relation to vulnerable groups when introducing the new ways of working. Any proposed locations for future service delivery must satisfy the needs of these groups, a good example would be to consider home visits at convenient times.

- 2.6.2 Consideration needs to be given to different faith groups and ethnicity mix on our estates to make sure we are able to meet their specific needs. The role of Derby Homes' Equalities adviser needs to be instrumental in ensuring needs of all vulnerable groups are adequately being met. More accurate management information is also essential for equitable distribution of resources and service developments to cater for the needs of all sections of the community.

## 2.7 CONFIDENTIALITY AND PRIVACY

All Local offices have interview room(s) facilities and advertise this for visitors to request. However the numbers of interview rooms are limited. 11 offices have only one interview room each, 3 offices have 2 interview rooms each and one office has three interview rooms. The levels of staffing at some of the smaller part time offices mean that it is difficult to provide such private interviews except by prior appointment. Some interview rooms are very small and are not well sound proofed. Consideration needs to be given to the need for all offices to have adequate private interview rooms for interviews and for the staffing level of offices to be such as to allow staff to offer a private interview conveniently. Such considerations need to be remembered when planning alternative surgery services and locations. An alternative is to increase the levels of home visits by appointment. To achieve this staff resources need to be freed up from local office based duties.

## 2.8 SALES OF COUNCIL HOUSES

- 2.8.1 The levels of sales of Council Houses has an impact on this review of service access. The majority of the local offices were opened between 1984 and 1990. The loss of properties to Right to Buy (RTB) since 1980 has been particularly high. The rate of RTB continues at approximately 250 properties a year.

	<b>Total</b>
Sales pre 1980	1455
RTB sales 1980 –1990	7306
RTB sales 1991 – 2005	3689

- 2.8.2 From 2006/7 onwards the fee paid to Derby Homes will reduce or each property sold, based on the RTB level two years previous.

	Fee reduction £000
2006/7	154
2007/8	133
2008/9	114
	<hr/> 401

- 2.8.3 The table below shows the levels of all sales by the 15 local office areas. It shows that in Chaddesden Park, Littleover, Mackworth, and Sussex Circus offices the levels of sales exceeds the remaining stock, and that this situation is likely to be the case in Alvaston, Allenton, Chelleston, New Sinfín, and Spondon within a few years.
- 2.8.4 RTBs on Brook Street and Stockbrook Street are low, in part because these two offices have larger stocks of flats, which are less popular as RTB properties (total sales of flats is 436). The management of sold leaseholder properties is carried out in part by the local offices. However leaseholders make no payment towards the running costs of local offices, but only pay for local services, such as cleaning and caretaking, and 10% administration on any repairs ordered. This generates a service administration income of £5800 a year.
- 2.8.5 RTBs on Austin, Cowsley, Old Sinfín, and Osmaston are lower in part because of the lower popularity of these estates in the past, and the lower incomes of tenants on these estates. This needs to be borne in mind in any review of the service access, to ensure that these communities continue to have easy affordable access to advice and services.

Area Office	Total Properties	Housing Stock	SOLD	% Sold
ALVASTON	2549	1332	1217	48%
AUSTIN	1947	1164	783	40%
ALLENTON	2289	1230	1059	46%
BROOK STREET	1634	1164	470	29%
CHADD PARK	2172	929	1243	57%
CHELLESTON	1050	537	513	49%
COWSLEY	1395	993	402	29%
LITTLEOVER	1076	483	593	55%
MACKWORTH	3190	1330	1860	58%
NEW SINFIN	901	496	405	45%
OLD SINFIN	593	400	193	33%
OSMASTON	1587	1001	586	37%
SPONDON	1050	564	486	46%
STOCKBROOK STREET	2018	1515	503	25%
SUSSEX CIRCUS	3410	1365	2045	60%
	<b>26861</b>	<b>14503</b>	<b>12358</b>	<b>46%</b>

### **3. THE 4 Cs**

The review followed the Council template for best value reviews. The four Cs of Challenge, Compare, Consult and Compete were primarily applied to the central issue in the review and the current and future services provided by the 15 local housing offices.

#### **3.1 CHALLENGE**

- 3.1 A challenge event was held on 8 December 2004 and 65 stakeholders including councillors, board members, tenants, leaseholders, senior officers from Derby Homes, Derby City Council and staff from local housing offices were invited to participate.
- 3.2 Five key areas were identified for stakeholders to challenge within the SWOT analysis framework. These were; face to face contact, equalities, enquiry centre and telephone, written communication and IT, Internet & website.
- 3.3 All workshops vigorously challenged the current service access arrangements and identified ways in which service access could be improved by exploring and capitalising on future opportunities. More diversification of frontline services, reduction in waste, streamlining of our functions and reorganisation of our infrastructure were the main outcomes.

#### **3.2 COMPARE**

- 3.2.1 The review team developed a service specific questionnaire to gauge the level of service provided by a variety of organisations to help draw some comparisons.
- 3.2.2 Questionnaires were sent to chosen organisations and were followed up by visits by carefully selected groups of people. Completed questionnaires and brief notes prepared by compare sub groups were carefully analysed to establish Derby Homes' position in the housing sector. Email questionnaires to Academy users were also used to assess Derby Homes' comparative position.
- 3.2.3 Analysis of the above showed that the key findings were:
  - 1. *Derby Homes average number of properties per office = 945 compared to other organisations average of 2000 to 2800 properties.*
  - 2. *Derby Homes average number of properties per employee = 40 against an average of 43 properties per employee. Academy users figures added to this raised the average to 51 properties.*

3. *Derby Homes average number of properties per frontline employee = 157 against an average of 169 properties.*

3.2.4 During the course of this exercise a number of other good practice areas and similarities became apparent and these are summarised below to help understand Derby Homes' comparative position. These key findings were

1. *91% organisations operate a decentralised service of some sort.*
2. *82% organisations do not have IT support systems for remote locations such as surgeries.*
3. *Some organisations are making a good progress towards flexible and home working arrangements.*
4. *Reduction in local office activity levels is forcing organisations to pioneer local surgeries to maintain their local presence. These have been very popular among hard to reach groups.*
5. *One organisation closed its area offices despite low and negative response from customers but the service had actually improved.*
6. *Only debit card payments are accepted at local offices to save cash collection costs.*
7. *Setting up of call centres to deal with all customer enquiries – single point of contact.*
8. *One organisation has developed their website, which customers can use to; log repairs, register comments, log complaints, calculate housing benefits, apply for rehousing, express interest in properties, check rent accounts, pay on line rent and council tax.*
9. *Most organisations have noted an increase in RTB sales and are beginning to find ways in which to deal with this very important issue*
10. *One organisation with identical number of properties and local offices to Derby Homes has 21 caretakers that perform a wide range of duties. During the visit cleanliness of their estates and play areas was noted as very impressive.*
11. *Most of the organisations contacted are making significant investments in their IT systems.*

### 3.3 CONSULT

- 3.3.1 Consultation with key stakeholders was of paramount importance to capture their views on establishing the future new ways of working. Presentational materials were carefully designed to project the current and future trends. The following activities formed the fundamental part of consultation exercise:
- 3.3.2 A scoping event was held on 30 June 2004 where senior officers from Derby Homes set the scope of the review. The scope was further refined and overall framework was set by the review team.
- 3.3.3 A challenge event on 8 December 2004 provided an opportunity to stakeholders to vigorously challenge Derby Homes' service access arrangements.
- 3.3.4 Comprehensive presentations were given to 14 community panels using the specifically designed presentational materials.
- 3.3.5 Derby Association of Community Partners (DACP) and City Housing Consultation Group (CHCG) also received same presentations.
- 3.3.6 Three presentations were given at mass meetings of employees to explain Derby Homes' future service delivery programme.
- 3.3.7 Naturally, there were several questions from the floor at the above events and appropriate responses were given to clarify the position.
- 3.3.8 Key findings were
1. *Despite being a difficult issue to grasp, many of our stakeholders are fully supportive of a radical review of our current service access arrangements to reduce costs, improve efficiencies and increase frontline productivity.*
  2. *The other significant factor was that most offices are only accessible to customers living nearby, which is about 53.3%. As a result, 12 out of 14 community panels agreed with the proposed review and one community panel requested a further presentation, which will be provided at their next meeting in April.*

3.3.9 The following table gives some of the information used at presentations:

LOCAL OFFICE	STOCK LEVELS	FIXED O/HEADS	OPENING HOURS	NO OF STAFF	% OF PROPS CLOSE TO OFFICE	NO OF OTHER LOCATIONS IDENTIFIED
BROOK STREET	1066	£15,195	4 hrs	5½	40	8
CHELLASTON	507	£15,966	4 hrs	2½	20	6
ALVASTOIN	1313	£42,698	7½ hrs	7	35	10
LITTLEOVER	486	£8,894	4 hrs	2½	50	5
COWSLEY	987	£14,009	4 hrs	5½	80	3
SUSSEX CIRCUS	1361	£31,272	7½ hrs	7	65	6
CHADD PARK	940	£16,313	4 hrs	5	40	6
NEW SINFIN	503	£29,717	7½ hrs	5	50	4
STOCKBROOK STREET	1425	£33,890	7½ hrs	7	40	6
SPONDON	566	£9,370	4 hrs	2.5	35	3
MACKWORTH	1339	£19,203	7½ hrs	7	70	5
AUSTIN	1126	£16,461	4 hrs	5½	65	7
OSMASTON	1002	£14,657	4 hrs	5½	75	4
ALLENTON	1230	£30,860	7½ hrs	7	65	6
OLD SINFIN	332	£19,162	4 hrs	4	100	1

### 3.4 COMPETE

3.4.1 In the absence of no real local competitor for the local housing services, the review team carried out the competitiveness exercise with other ALMOs. Clearly there were some areas where performance could be better. A benchmarking exercise was completed by using statistics from Housemark for the year 2003/04 to test Derby Homes' competitiveness.

3.4.2 Key findings were

1. *Empty property management costs at £28 compares favourably with an average of £27.*
2. *Staff apportioned to manage empty properties at 1014 properties per employee is very impressive against an average figure of 1493.*
3. *Relet time of 6 weeks is closer to an average of 5.3 but the voids rent loss at 2.2% is higher than an average of 1.6%.*
4. *Percentage of relet / turnover at 11% is higher than 8.4% average figure.*
5. *Cost of rent arrears management at £74 is high compared to an average of £64.*

6. *Cost of tenancy and estate management is excellent at £65 compared to an average of £105.*
7. *Cost of rent collection is very high at £66 compared to an average of £30.*
8. *Total housing management cost per property at £419 is good compared to an average of £433.*
9. *Tenant satisfaction at 76% is close to an average of 75.6%.*

3.4.3 The above analysis provides an overview of Derby Homes' performance standards and highlights areas where improvements could be made by adopting the new ways of working to reduce the back-office costs and increase the frontline productivity levels.

3.4.4 One area of competition that was identified was the potential for the enquiry centre service to be provided by other organisations call centres. Nearby Housing Associations do provide such services, such as English Churches and Riverside HAs. The enquiry centre is still new and developing, however the option of subjecting its service to competition, either for all the contact services provided, or for out of hours services, or as an over flow service to help cope with unusually high workloads, should be considered.

### **3.5 OVERVIEW**

3.5.1 The above 4Cs analysis and analysis of activity levels in local offices need to be read and understood as a whole and should not be seen in isolation from each other. A clear picture has emerged through these, which puts Derby Homes in a favourable position to appreciate the changes it needs to make to attain long-term sustainable solutions.

3.5.2 Based on various case scenarios and faced with a reduction in management fee from 2006-7 onwards it is highly important for Derby Homes to prepare itself for the challenges the future may bring. Activity levels in part-time local offices are quite low and statistical analysis suggest that activity levels will further fall when the cash taking facility is withdrawn from these offices.

3.5.3 This essentially means that fixed and variable overheads of these offices will continue to be a burden on Derby Homes reducing management fee, whilst productivity levels would fall. As a company Derby Homes needs to cut waste to improve efficiency and it is therefore important to have fewer offices. These fewer offices should work full time to their optimum capacity and to free staff to be more pro-active and provide services to tenants on estates.

## 3.6 OPTIONS APPRAISAL

- 3.6.1 The options appraisal aims to meet the objectives of the scope of best value review and considers two possible options for the future service access arrangements that will meet Derby Homes' vision for the next 5 years.

### Option one

Close all 10 offices where cash offices are closing because of their falling efficiency levels. These are the current 9 part time offices plus Stockbrook Street.

This would mean the closure of Chellaston, Spondon, Littleover, Chaddesden Park, Osmaston, Austin, Cowsley, **Old Sinfin, Stockbrook Street and Brook Street.**

This option was considered to be not viable as

- the last three offices listed above are purpose built
- Old Sinfin estate is a difficult to manage area and the office includes a Police office
- this option neglects the opportunities for co –location in partnership with other agencies at New Sinfin and Austin.

### Option two

To use a flexible approach that takes account of opportunities for co-location of offices and services to achieve a well balanced distribution of frontline services.

This option was considered to be sustainable and the following proposals are made:

- ✓ Close New Sinfin and put these services and staff under the management of Old Sinfin office
- ✓ Open reception services together with library at Sinfin Neighbourhood Centre
- ✓ Close Littleover office and put these services and staff under the management of Stockbrook Street
- ✓ Close Austin and relocate reception service to the Neighbourhood Centre at Austin Community Enterprise, with other staff under the management of Stockbrook Street
- ✓ Close Chellaston and Osmaston and put these services and staff under Allenton office.
- ✓ Close Spondon, Chadd Park and Cowsley and relocate these services and staff under Sussex Circus.

- ✓ Alvaston to remain as it is until a suitable co-location opportunity is identified.
- ✓ Mackworth and Brook Street to operate as one office. Close Brook Street, and provide only surgery services from the office, with the staff under the management of Mackworth office.

3.6.3 A snapshot view of the proposed new local office structure is given in the following table

<b>SOUTH AREA</b>	
<b>Allenton Office</b> <b>No of properties = 2721</b>	To act as an office for whole of the catchment area to deliver surgery type services throughout the area. Continue to forge links with partners to establish local neighbourhood base. 8 extra desks needed which can be accommodated
<b>Old Sinfin Office</b> <b>No of properties = 825</b>	To act as an office for whole of the area and to deliver surgery type services throughout the area, plus reception services at co-location office in New Sinfin. Old Sinfin requires 3 additional desk spaces which can be accommodated
<b>Stockbrook St Office</b> <b>No of properties = 3026</b>	To act as an office for whole of the area and to deliver surgery type service throughout the area, plus reception services at co-location office in Austin. 4 extra desk spaces required – which can be accommodated.
<b>Alvaston Office</b> <b>No of properties = 1293</b>	Maintain current level of service plus local surgeries to reach hard to reach groups – one desk space needed which can be accommodated
<b>NORTH AREA</b>	
<b>Sussex Circus Office</b> <b>No of properties = 3806</b>	To act as an office for whole of the area plus deliver surgery type service throughout the area. Extra 10 desk spaces required which can be accommodated
<b>Mackworth/ Office</b> <b>No of properties = 2374</b>	Maintain cash taking and general enquiries from the office only. Surgeries for other areas provided. 4 desk spaces required in Brook Street which can be accommodated
This option will provide 6 Housing Offices and 2 co location reception services. They will continue to be coterminous with North and South Local Housing Boards with Council Area Panel areas, and with tenant board member areas.	

3.6.4 The following diagram explains the proposed new front line structure of offices, co-location reception services and surgeries.

**PROPOSED STRUCTURE**

**CARDINAL SQUARE**

Reception

Possible new  
**CITY CENTRE LOCATION**

Reception only

**SOUTH AREA**

**NORTH AREA**

**ALLENTON LOCAL OFFICE**

Reception and Cash  
Full time

**OLD SINFIN LOCAL OFFICE**

Reception only  
5 mornings a week

**STOCKBROOK ST LOCAL OFFICE**

Reception only  
5 mornings a week

**ALVASTON LOCAL OFFICE**

Reception and Cash  
Full time

**SUSSEX CIRCUS LOCAL OFFICE**

Reception and Cash  
Full time

**MACKWORTH LOCAL OFFICE**

Reception and Cash  
Full time

**NEW SINFIN NEIGHBOURHOOD CENTRE**

Reception only  
Full time

**AUSTIN NEIGHBOURHOOD CENTRE**

Reception only  
Full time

**BROOK STREET SURGERY SERVICE**

Reception only  
3 mornings a week

Allenton - 3

Chellaston - 2

Osmaston - 2

New Sinfín - 0

Old Sinfín - 0

Austin - 0

Stockbrook St - 3

Littleover - 1

Alvaston - 2

Chadd Park - 3

Cowsley - 3

Spondon - 3

Sussex Circus - 2

Brook Street - 2

Mackworth - 1

Likely levels of surgery services provided

#### **4. CONCLUSIONS**

- 4.1 The review team is proposing a long term sustainable solution for Derby Homes and a clear business case to help achieve economies of scale by modernising its service delivery options to reduce costs but not at the expense of service quality or accessibility.
- 4.2 The review has assessed Derby Homes' effectiveness and efficiency of its current service access arrangements against those of regional and national trends and has demonstrated the need for a radical reform.

#### **5. RECOMMENDATIONS: (relating to Area Offices)**

The review team makes the following recommendations:

- 5.1 To close offices as outlined as Option 2 above, to be completed by April 2006
- 5.2 Transfer frontline services to Sinfin Library and ACE in Austin as soon as practicable.
- 5.3 Convert Osmaston, Cowsley & Austin into larger family houses possibly to disability standards – to be completed by end of 2007.
- 5.4 Give notice of termination on all leased properties at Chellaston, and New Sinfin as soon as the review is formally approved.
- 5.5 Convert Littleover back into a flat and use Spondon as a surgery base until demolition of blocks of flats is imminent.
- 5.6 Set up a working party to ensure a well managed implementation programme including overseeing of logistical issues and ensure further consultation with community panels and tenants prior to closure of offices and to agree the timing and future service access points in respective areas.
- 5.7 Write to all tenants affected by the change well before the closure of offices and offer advice on where and when the service will be available.
- 5.8 To make sure all proposed / identified service outlets are accessible to all, provide for confidentiality, are culturally appropriate and DDA compliant.
- 5.9 Intensity of surgeries and estate based services must be linked to estate sustainability so that estates such as Osmaston and Cowsley continue to receive high input.

- 5.10 Size of housing officers patches to be linked directly to estate sustainability so that patches in Osmaston, Allenton, Cowsley and Sinfin are smaller.
- 5.11 Put together a comprehensive staff training package for all staff to cover customer services, home visits, surgery services, IT support, lone working and Health and Safety issues.
- 5.12 Close mobile office as previously approved by the board and inform users of the withdrawal beforehand – this to coincide with opening of corner shop payment facilities.
- 5.13 Review the future extension of the work of the enquiry centre by April 2006
- to become the main telephone contact point for all customers
  - to market testing of the service to review what other call centres can provide
  - to expand the role of enquiry centre to replace Saturday morning service.
  - to provide a free phone number or lo-call rate number.
  - to review the benefits of the enquiry centre to become a 24/7 service.
  - to consider the possibility of taking over the work of Derby Carelink for out of hours repairs and response to sheltered housing, mobile warden properties.