

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting8th January 2009

1. Title of Item/Report

Review of the Concierge Security Service

2. Record of the Decision

Consideration was given to a report regarding the potential changes to the concierge service to reduce costs and assist with de pooling.

The Council's concierge security service was first established in 1994 (covering Stockton and Thornaby sites only) and extended to Billingham in 1997, in association with a major programme of refurbishment of the Council's blocks of flats. It provided a 24/7 service to 1,011 tenants and leaseholders living within the following blocks:-

- * Anson and Hudson House (Thornaby)
- * Hume House and Nolan House (Stockton)
- * Elm House, Campbell Court and Walton Court (Stockton)
- * Kennedy Gardens (blocks 1 to 3) and Dawson House (Billingham)
- * Melsonby Court and Prior Court, Low Grange (Billingham)

The service cost £1,470,890 to run. Costs were divided equally amongst the blocks although there were different numbers of properties in different blocks. The service was financed by a contribution from the overall Housing Revenue Account equating to £792,788 and a weekly service charge to individual residents in receipt of the service of £14.75 (charged over a 48 week period). For those residents who were eligible for housing benefit the service charge cost was met. Approximately 70% of residents in receipt of concierge services were eligible for housing benefit.

Government policy had changed with regard to the pooling of service charges. The current policy was that people should pay directly for the full cost of the services they receive. This policy was enshrined as part of the Government wider policy on rent reform which was contained in the document 'A guide to social rent reforms in the local authority sector' introduced in 2001 and updated in 2006. This document covered a wider set of rules for setting rent within pre determined constraints set by Government to control rent increases and service charges and bring them into line with other rents in the social sector (such as housing

association rents). Within the guidance was an acceptance that the total cost of services would not be de pooled overnight as otherwise they would be unaffordable to service users. De pooling must therefore be planned and often staged.

The issue of de pooling was picked up as part of the Audit Commission inspection of Tristar Homes in 2006 with a specific recommendation that the Council integrate value for money into working practices by agreeing more stretching targets for de pooling. At the point of inspection it was outlined to the Audit Commission that the authority intended to de pool service charges over a six year period (in line with the then rent restructuring timetable). It was outlined that in Stockton de pooling could only be achieved by a mixture of reducing costs via remodelled services and increasing individual service charges. The Audit Commission were unhappy with the timescales for de pooling on the basis that balances on the housing revenue account which could have been available for service improvements were being used to support de pooling.

Two reports had previously been presented to Cabinet on the concierge service on the 2nd November 2006 and 1st February 2007. The first outlined the need to restructure the concierge service to achieve de pooling and the second report sought and gained member agreement to alter the level of concierge service between 1.00 a.m. and 7.00 a.m. to single crewing following a successful pilot and consultation with affected tenants and leaseholders. This latter change to the service resulted in an annual saving to the concierge budget of £140,000.

Steps were now needed to complete the de pooling of the concierge service charge to comply with Government policy. An additional reason to complete de pooling sooner rather than later was that if the stock option appraisal determined that the housing stock be transferred to a housing association the authority needed to de pool prior to transfer. The reason for this was that housing associations could not pool charges and already had to charge tenants for all of their service charge costs. If the service remained as it was at the point of transfer tenants who received the concierge service would receive a significant increase in the cost of their service charge (circa £15.00) which could make their accommodation unaffordable and this needed to be avoided.

Housing, Community Protection and Tristar Homes established a working group to consider the options for de pooling. The individual service increase if we were de pooling the current service would be £15.56 to add to the existing service charge of £14.75 making a total service charge for the concierge service of £30.31. This level of service charge was unlikely to be acceptable to tenants and leaseholders, making the accommodation unaffordable to many. The option that had therefore

been developed was to change the existing level of provision generating savings in the region of £500,000 per annum. If this new service was fully in place by April 2010 there would still be a residual charge of £292,788 which would amount to an increase in individual service charges of approximately £6. If this level of service charge was unacceptable to tenants and leaseholders then further reductions in service delivery would be necessary.

The proposed level of cover was a workforce of 22 Concierge Security Officers (pay band D) and three Supervisors (pay band I), structured as follows.:

Day shift (proposed 8 a.m. – 8 pm.)

* One officer on each site, plus one mobile supporting officer (5 officers in total)

* Security Centre – two officers on duty, to cover Elm / Walton / Campbell and provided mobile back-up to the other 4 sites (relief for breaks and extra cover in the event of any incidents)

Night shift (proposed 8p.m. - 8a.m.)

* Security Centre – two officers on duty, monitoring CCTV and provided access control for all 5 sites, plus 2 officers mobile, patrolling all 5 sites.

Day & night shift one Supervisor may also be available as mobile back-up.

It had already been agreed that Supervisory functions were to be merged with Duty Supervisor functions in Security Centre and total number of Supervisors reduced from 10 (4 Concierge plus 6 Security Centre) to 8 (5 charged to General Fund, 3 to Concierge / HRA).

In recent years capital had been invested in improving monitoring equipment and CCTV to make the systems more resilient, with the consequence that such a proposal was feasible. For tenants and leaseholders this would mean that a visible presence on site was maintained during the hours when most residents were up and about, i.e. 8 a.m. until 8 p.m. and patrols of all blocks would be carried out during the night (8 p.m. until 8 a.m.), but the level of cover was generally reduced. Response time to some non emergency incidents may increase.

Where possible, reductions in staffing levels would be met from staff turnover therefore minimising the need to fully pursue redundancy. Wherever possible staff would, subject to a skills audit, be considered for redeployment. Costs for redundancy would need to be paid for as a one

off hit on the Housing Revenue Account and would be built into the HRA medium term financial plan. A consultation would take place on the proposal with affected service users, and a report would be brought back to Cabinet in March/April 2009 with feedback from stakeholders and the resulting proposals.

RESOLVED that:-

1. The need to de pool concierge charges in line with Government policy be acknowledged.
2. Officers be authorised to commence consultation with affected tenants, staff, and elected members on proposals to remodel the concierge service as detailed in the report.
3. A further report be brought back to members in March/April 2009 detailing the results of the consultation and outlining next steps.

3. Reasons for the Decision

To ensure service charges were de pooled in line with government policy and that the de pooled costs were affordable to recipients of the service.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Nelson declared a personal non prejudicial interest in respect of the item as he was a Member of Tristar Homes Board.

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Friday 16th January 2009

Proper Officer
12 January 2009