

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**8<sup>th</sup> January 2009**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

### **CABINET DECISION**

**HOUSING AND COMMUNITY SAFETY - LEAD CABINET MEMBER – CLLR. STEVE NELSON**

#### **REVIEW OF THE CONCIERGE SECURITY SERVICE**

1. Summary

Current Government Policy is that people who receive additional housing services should pay the full cost of them directly. This is different from the situation in the past when service charges received by some tenants e.g. concierge costs were pooled. This report seeks member approval to consult with affected service users, staff and elected members on potential changes to the concierge service which will reduce costs and assist with depooling.

2. Recommendations

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

#### **DETAIL**

3. Reasons for the Recommendations/Decision(s)

To ensure service charges are depooled in line with government policy and that the depooled costs are affordable to recipients of the service.

#### 4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

**Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.**

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**RECOMMENDATIONS**

1. Members acknowledge the need to de pool concierge charges in line with Government policy.
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**DETAIL**

**Background**

1. 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 provides 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)
2. The service is highly valued by residents of the blocks as identified in successive customer satisfaction surveys. Criminal damage and anti social behaviour in the blocks is now almost non existent.

3. The current service costs £1,470,890 to run. Costs are divided equally amongst the blocks although there are different numbers of properties in different blocks. The service is 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). The pooling of service charges is common practice for authorities who have retained their housing stock. For those residents who are eligible for housing benefit the service charge cost is met. Currently approximately 70% of residents in receipt of concierge services are eligible for housing benefit.
4. Government policy has changed with regard to the pooling of service charges. Current policy is that people should pay directly for the full cost of the services they receive. This policy is 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 covers 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). The idea of paying for services is part of a bigger agenda from government to make service users more conscious of the cost and quality of services they receive on the basis this will drive forward efficiencies and raise standards. Within the guidance is an acceptance that the total cost of services will not be depooled overnight as otherwise they would be unaffordable to service users. Depooling must therefore be planned and often staged.
5. 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 we outlined to the Audit Commission that we intended to de pool service charges over a six year period (in line with the then rent restructuring timetable). We 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 our 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.

### **Progress to date on de pooling**

6. Members will recall that two reports have previously been presented to Cabinet on the concierge service on the 2<sup>nd</sup> November 2006 and 1<sup>st</sup> 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.
7. We now need to take steps to complete the de pooling of the concierge service charge to comply with Government policy. An additional reason for us to complete de pooling sooner rather than later is that if our stock option appraisal determines that we transfer the housing stock to a housing association we need to de pool prior to transfer. The reason for this is that housing associations cannot pool charges and already have to charge tenants for all of their service charge costs. If the service remained as it is at the point of transfer tenants who receive the concierge service would have a significant increase in the cost of their service charge (circa...£15.00) which could make their accommodation unaffordable and clearly we need to avoid this happening.
8. As previously stated in the report the concierge service is not only popular but it contributes significantly to the peaceful enjoyment of residents living in multi storey blocks and therefore needs to be maintained. On the other hand if the charge for the current cost of

the service was de pooled now the 30% of tenants not in receipt of housing benefit could be faced with an unacceptable increase in charges. Pragmatically the solution appears to be to reduce to the level and cost of the service and then de pool the reduced cost.

## 9. The Proposal

9.1 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 today 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 is unlikely to be acceptable to tenants and leaseholders, making the accommodation unaffordable to many. The option that has therefore been developed is 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 is unacceptable to tenants and leaseholders then further reductions in service delivery would be necessary.

To explain to members what the proposals mean the current level of service is as follows:

### 9.2 Current level of cover

Workforce of 34 Concierge Security Officers (pay band D) and four Supervisors (pay band H).

24/7 physical presence on each of the following sites:

- Queen's Park (Nolan House / Hume House)                      2 officers on duty
- Thornaby (Anson House / Hudson House)                      } 7 a.m. – 1a.m.
- Billingham Town Centre (Kennedy Gardens)                      } 1 officer guaranteed on duty
- Blocks 1, 2, and 3 / Dawson House)                      } 1a.m. – 7a.m.
  
- Low Grange (Melsonby Court / Prior Court ) – 2 officers on duty 24/7
- Elm House / Walton Court / Campbell Court – covered from Security Centre in terms of CCTV monitoring and access control with regular patrols.

One Supervisor on duty 24/7, including mobile patrolling of all sites.

### 9.3 Proposed level of cover (subject to approval by Cabinet in principle as a basis for consultation with residents and workforce)

Workforce of 22 Concierge Security Officers (pay band D) and three Supervisors (pay band I). NB: It has already been agreed that Supervisory functions are 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).

Day shift (proposed 8 a.m. – 8 pm.)

- Queen's Park                      }
- Thornaby                      } one officer on each site, plus one mobile supporting officer  
(5 officers in total)
- Billingham Town Centre                      }
- Low Grange                      }

- Security Centre – two officers on duty, to cover Elm / Walton / Campbell and provide 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 providing 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.

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

## **Conclusion**

10. Members are asked to support the commencement of detailed negotiations with staff, tenants, leaseholders and elected members on the proposal to change the concierge service with cost reductions as detailed in this report. There would clearly be implications for staff as we would aim to implement fully any service changes by April 2010. Where possible reductions in staffing levels will 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 will be built into the HRA medium term financial plan. If Cabinet agree to this proposal we intend to consult with affected service users bringing a report back to Cabinet in March/April 2009 with feedback from stakeholders and resulting proposals.

## **11. FINANCIAL IMPLICATIONS**

The current concierge service costs £1,470,890 to run. The service is financed by a contribution from the overall Housing Revenue Account equating to £792,788 and a service charge to individual residents in receipt of the service of £14.75 (charged over a 48 week period). The pooled amount of this service provision (£792,788) needs to be charged directly to those tenants and leaseholders who receive the service. In order to make this enhanced service charge affordable the overall cost of the service needs to reduce. The current proposal is to reduce the £792,788 to circa £292,788. In order to achieve this reductions in staffing will be required. The costs will be met by the Housing Revenue Account and have provisionally been built into the HRA medium term financial plan.

## **12. LEGAL IMPLICATIONS**

There are staffing issues which will need to be addressed in accordance with workforce legislation. Additionally the Council has a duty to consult with tenants and leaseholders on changes to services.

## **13. RISK ASSESSMENT**

This report on the review of the concierge security service is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **14. SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

- 14.1 The proposals detailed in this report contribute to the following key policy platforms within the Sustainable Communities strategy.
- 14.2 Safer Communities: The Concierge service strengthens the management of multi storey blocks by helping to manage out crime and antisocial behaviour.
- 14.3 Environment and Housing: Secure multi storey housing adds to the choice of housing options.

## **15. EQUALITIES IMPACT ASSESSMENT**

This report is not subject to an Equality Impact Assessment because it is asking members to consult on changes to service provision. Once the follow up report on the outcomes of the consultation is reported back to members an equality impact assessment will be undertaken.

## **16. CONSULTATION INCLUDING WARD/COUNCILLORS**

### **16.1 Tenants and Leaseholders**

Tenants and leaseholders have been consulted previously on proposed changes to services and will be fully consulted with feedback on the proposals contained in a follow up report to be presented back to members in March/April 2009.

### **16.2 Staff**

Staff and trade unions will be fully consulted about the proposals and the likely impact.

### **16.3 Councillors**

Councillors with high rise properties in their ward will be consulted on the proposals.

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### Background Papers

Previous Cabinet reports on the concierge service dated 2<sup>nd</sup> November 2006 and 1<sup>st</sup> February 2007

### Ward(s) and Ward Councillors:

Those wards with high rise accommodation

### Property

There are no direct implications