

## CABINET ITEM COVERING SHEET PROFORMA

### **AGENDA ITEM**

### **REPORT TO CABINET**

**16<sup>th</sup> April 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. Members considered a report in January 2009 on the de pooling of the concierge service and agreed that a period of consultation would take place with stakeholders. This report is to feed back on the results of that consultation paper and request that members agree to proposals which will enable the de pooling of the concierge service in our borough.

2. Recommendations

1. Members accept the de pooling of concierge charges in line with Government policy.
2. Members agree to the new level of service as detailed in paragraph 10 of this report.
3. Members authorise the Head of Community Protection to progress discussions with staff and trade unions in order to reduce the concierge workforce to 22 officers ( a reduction of 12 on the current establishment) and note that the cost of the changes in staffing will be met from the Housing Revenue Account as part of the medium term financial plan.

#### **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**

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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 in 2008/09. 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 in January 2009 a report was presented to Cabinet with a request that stakeholder consultation take place to determine how the concierge service should be remodelled to reduce costs. Previous reports were also considered by Cabinet in November 2006 and February 2007. These previous reports secured member support for some initial work on de pooling and the level of concierge service was altered 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. Members will recall that the current service is as follows:

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.                |



12. At the time of writing, there are five vacancies within the current establishment of 34 Concierge Security Officers, so a further reduction of seven officers is needed to get down to the target level of 22 officers. Ten officers to date have expressed a level of interest in early retirement and/or voluntary redundancy (ER/VR), on a 'no commitment' basis, although no formal invitation to apply for ER/VR has yet been issued – this will take place if the recommendations included in this report are approved, and will include confirmation that the proposed level of cover will be as set out at paragraph 9.3 of the January report, except that the shift times will be changed, in accordance with the majority views emerging from the consultation process with residents, so that the on site presence is deployed overnight, from 6.00 p.m. to 6.00 a.m., and the period of remote cover will be from 6.00 a.m. to 6.00 p.m. (i.e. there will be seven officers on duty on night shift, and four on duty on day shift).

If the option put forward at paragraph 10 of this report is agreed savings in the region of £500,000 per annum will be made. If this new service was fully in place by April 2010 there will still be £292,788 which will not have been directly de pooled, however the role of concierge staff will change as a result of this review and will include a range of housing management duties. These duties will be funded from the housing management budget.

### **13. 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 these 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.

### **14. 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.

### **15. 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.

### **16. SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

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

## **17. EQUALITIES IMPACT ASSESSMENT**

The report has detailed how in order to take forward de pooling we have reviewed the service and specifically service costs. We have done to ensure that any increase in service charges for concierge is affordable to all existing tenants including that not in receipt of housing benefit and for new tenants. On this basis we have mitigated the risk of affordability being an issue for existing and new tenants.

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

Extensive consultation has been undertaken with stakeholders and is detailed in **APPENDIX 1** to this report.

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### Background Papers

Previous Cabinet reports on the concierge service dated 2<sup>nd</sup> November 2006, 1<sup>st</sup> February 2007 and 8<sup>th</sup> January 2009.

### Ward(s) and Ward Councillors:

Those wards with high rise accommodation

### Property

There are no direct implications