

PART A

Report to: Outsourced Services Scrutiny Panel
Date of meeting: 10 September 2015
Report of: Head of Community & Customer Services
Title: Update on the Hostel Management Contract

1.0 **SUMMARY**

1.1 In April 2013 a contract was let to Watford Community Housing Trust to manage hostel accommodation as well as other properties used by the Council as temporary accommodation. This report provides an update on performance against this contract.

2.0 **RECOMMENDATIONS**

2.1 Members are asked to note and comment on this report.

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Report approved by: Alan Gough, Head of Community & Customer Services

3.0 **DETAILED PROPOSAL**

- 3.1 The Housing Service will work with households threatened with homelessness to prevent them losing their home. Where homelessness cannot be prevented then we are legally required to provide temporary accommodation to households that meet certain criteria, for instance being eligible for assistance and being in priority need.
- 3.2 The Council owns a number of properties that have been used to house the homeless. These properties include 59 units of shared hostel-type accommodation and 14 self-contained units. The largest hostel is York House on Rickmansworth Road, which houses 30 households. As 'emergency accommodation' the accommodation is used for relatively short-term stays. In the last financial year 109 households moved out of these units, indicating that the typical stay is around 6 months. This level of 'churn' is much greater than permanent supply and will create its own pressures.
- 3.3 In 2012 the decision was taken to formally tender the contract for managing this temporary accommodation. The contract was let through a competitive OJEU process. In April 2013 a contract was let to Watford Community Housing Trust (WCHT) for a period of 5 years, with the ability to extend by a further 2 years. The contract value is £112,000 p.a.
- 3.4 The costs are met through rents charged to tenants. WCHT has a target to collect 95% of the rent, and are required through the contract to pass this to the Council, whether it is collected or not. Any amount above 95% that WCHT collect is retained by them, which provides a significant incentive to maximise rent collection. The rent pool also funds day-to-day repairs, as well as the provision of equipment.
- 3.5 Given that homeless households will be in need and likely to be more vulnerable than typical households the contract places an emphasis on safeguarding children and vulnerable adults. Not only does the contractor need to have clear procedures in place and well trained staff, all staff are required to have an enhanced check with regard to the Disclosure and Barring Service (previously Criminal Records Bureau check).
- 3.6 WCHT are required to ensure that health and safety checks are regularly completed, including health and safety risk assessments, fire risk assessments, and gas certificates are maintained.
- 3.5 The contract is managed and monitored by the Housing Team. Formal contract management meetings are held quarterly; with more routine operational meetings taking place two-weekly. Alongside the performance management matrix WCHT are required to provide a detailed report providing detailed information to support the return. This report also picks up on trends and areas for improvement.
- 3.6 The contract sets out in detail how performance is to be measured with agreed service credits for contract failures. Service credits were applied in the first year of the contract, but given the significant improvement in performance in 2014-15, service credits have not been applied recently.
- 3.7 Appendix A sets out the performance matrix with targets, together with the quarterly

performance from the start of the contract to Q1 2015-16. The indicators are explained in more detail below.

- 3.7.1 The Council provides a repairs budget to manage responsive repairs. The Council also provides a budget for equipment including white goods and some furniture in the hostel accommodation. This is not a performance indicator as such, simply an estimate of likely spend. Other than Q1 2013-14 spend has been well within the budget.
- 3.7.2 Certain repairs are subject to recharge to the tenants: generally where the disrepair has been caused by the tenant. For instance a typical recharge is for a change of locks if the tenant loses the keys. WCHT are required to raise 100% of such charges. The target for collection has been set at 50%, given that the stay can be transient. Performance is running well ahead of 50%. Members should note that charge recovery may cross-over quarters.
- 3.7.3 The contract sets out response times for various matters, both in normal working hours and outside normal working hours. For instance the response time for out-of-hours alarm calls is 4 hours.
- 3.7.4 The Council requires WCHT to notify vacancies to the Council within 24 hours of their availability. The target for filling void hostel rooms is 24 hours. For self-contained accommodation the target is 10 days. This reflects the need for more work needed to self-contained properties to make them ready for letting.
- 3.7.5 The Contract requires there to be daily presence in hostels. For the self-contained accommodation a minimum number of visits must be conducted in a period.
- 3.7.6 The contract with WCHT requires that no more than 25% of households should have rent arrears of more than 3 weeks. Performance is considerably ahead of this figure.
- 3.7.7 The contract specifies various response times for repairs depending on the nature of the repair, particularly in terms of health and safety risks. Emergency repairs are completed within 4 hours and urgent repairs need to be completed within 24 hrs. Repairs with a longer-term target time are more cosmetic in nature, such minor re-plastering work.
- 3.7.8 Given the potential risks with gas safety we expect all units to have valid gas certificates. The 100% target has been fully met from the start of the contract.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 The Shared Director of Finance comments that the financial implications in the report are met from existing budgets.

4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that there are no legal implications in this report

4.3 **Equalities**

4.3.1 No specific implications.

4.4 **Potential Risks**

There are potential risks if the service was managed poorly, which could impact in terms of the well-being of residents, the Council's reputation, as well financially. However, performance is good across virtually all indicators. Ongoing close monitoring of this contract will mitigate any risks.

4.5 **Staffing**

4.5.1 No specific implications.

4.6 **Accommodation**

4.6.1 The entirety of this report is concerned with the proper management of accommodation.

4.7 **Community Safety**

4.7.1 Effective management of temporary accommodation will enhance the health, safety and well being of service users. Effective management of the contract will also allow a more effective and rapid response to anti-social behaviour and neighbour disputes.

4.8 **Sustainability**

4.8.1 The contract with WCHT is concerned with effective management, which in turn should build the capacity of residents to sustain their tenancies, for instance by taking proper responsibility for rental payments.

Appendices

- Appendix A: Quarterly Performance Matrix

Background Papers

- No papers were used in the preparation of this report.

File Reference

- None

