



BUDGET PANEL

Wednesday, 22nd June, 2011

7.00 pm

Town Hall, Watford

Publication date: 17 June 2011

CONTACT

If you require further information or you would like a copy of this agenda in another format, e.g. large print, please contact Sandra Hancock in Legal and Property Services on 01923 278377 or by email to legalanddemocratic@watford.gov.uk (Minicom available on 01923 278499).

Welcome to this meeting. We hope you find these notes useful.

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COMMITTEE MEMBERSHIP

Councillor J Dhindsa (Chair)

Councillor

Councillors S Counter, G Derbyshire, S Greenslade, R Martins, M Meerabux, T Poole, S Rackett and M Watkin

AGENDA

PART A - OPEN TO THE PUBLIC

1. **APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP**
2. **ELECTION OF VICE-CHAIR**
3. **DISCLOSURE OF INTERESTS (IF ANY)**
4. **MINUTES** (Pages 1 - 8)

The minutes of the meeting held on 14 March 2011 to be submitted and signed.
(All minutes are available on the Council's website.)

5. **CORPORATE PROCESS IMPROVEMENT PROGRAMME** (Pages 9 - 18)

This report informs the Budget Panel of the process put in place to identify further efficiency savings whilst either maintaining or improving current levels of service delivery.

6. **HARLOW VALUE FOR MONEY STUDY** (Pages 19 - 52)

A PowerPoint presentation will be given highlighting the salient features of the benchmarking study.

7. **HOUSING VALUE FOR MONEY REVIEW PHASE 1** (Pages 53 - 124)

The report and accompanying documents presented to Cabinet at its meeting on 6 June are attached for Budget Panel's consideration.

8. **BUDGET PANEL WORK PROGRAMME 2011/12** (Pages 125 - 134)

This report sets out the draft work programme for 2011/12.

9. **DATES OF NEXT MEETINGS**

- Monday 18 July 2011
- Tuesday 27 September 2011
- Tuesday 25 October 2011

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BUDGET PANEL

14 March 2011

- Present: Councillor Mortimer (Chair)
Councillor Bell (Vice-Chair),
Councillors Derbyshire, Greenslade, Martins, Poole and Watkin (for
minute numbers BP50-10/11 to BP54-10/11)
- Also present: Councillor Wylie, Portfolio Holder for Finance (for minute numbers
BP50-10/11 to BP 54-10/11)
- Officers: Head of Strategic Finance
Scrutiny Officer
Democratic Services Officer (RW)

BP47- **APOLOGIES FOR ABSENCE**
10/11

There were no apologies for absence.

BP48- **DISCLOSURES OF INTEREST**
10/11

There were no disclosures of interest.

BP49- **MINUTES**
10/11

The minutes of the meeting held on 11th January 2010 were agreed and signed.

The Chair reminded the meeting that this would be the last Budget Panel meeting which the Scrutiny Officer would attend prior to his retirement. He thanked him for his excellent work and for the reports he had provided for each of the Scrutiny committees. He advised that this had been of great benefit to Members.

The Chair then noted that the three items on Value for Money would be deferred to the meeting on 22nd June 2011.

BP50- **PROVISIONAL ACTUARIAL RE-EVALUATION OF WATFORD'S PENSION FUND**
10/11

The Panel received a report of the Head of Strategic Finance. He explained that the report comprised two parts: the triennial review carried out by actuaries at Hertfordshire County Council (HCC) and Lord Hutton's final report on pensions. He advised that the Local Authority pension fund environment was currently just sustainable and that the Lord Hutton report offered recommendations to ensure a greater degree of solvency.

Hertfordshire County Council Pension Fund:

The Head of Strategic Finance advised that the fund comprised independent cost centres with income and expenditure accounts for each area. For example there was a cost centre for Watford Borough Council and another one for the Watford Housing Trust. They were independent entities that made individual decisions on their employment practices/contributions into their pensions fund and that this affected the solvency of each area.

The Head of Strategic Finance explained that the pension fund was financed by those employees who had opted to belong to the fund and also by their employers. He reported that employees paid a part of their gross pay into the scheme, the amount depending on their income: currently between 5.5% and 7.5%, and noted that Watford Borough Council had paid a contribution averaging 16.9% of salary for each active contributor to the fund. He added that the ultimate pension was based on final salary and that the maximum pension would be half of final pay if the employee had contributed for 40 years into the fund (if they had contributed for a lesser period then the pension would be proportionately lower).

In reply to a question from an Member, the Head of Strategic Finance advised that Watford's pension fund was a 'sub pot' of the total amount in the HCC Pension Fund account.

The Head of Strategic Finance then explained that in the past, problems had arisen through restructuring of staffing. Typically, enhancements and 'added years' had been awarded to staff surplus to requirements and this had put a strain on the pension fund as the costs were not funded at the time but just carried as a liability within the Pension Fund. He added that these costs were known as 'past service deficiencies' and needed to be recovered from existing budgets as an oncost/ overhead on gross pay. They were also comparatively high at Watford Borough Council (WBC) as compared to other Hertfordshire authorities.

Watford Pension Draft Results:

The Head of Strategic Finance advised that the Watford pension fund had deteriorated over the previous three years with a current deficit of £42 m. equating to 66% funding whilst three years ago funding had been at a level of 78%. Reasons for this were:

1. Investment Performance contributed as the major cause of the deficit as the value of investments was considerably lower in the current economic climate than it had been three years previously. The Head of Strategic Finance stressed that this was true not only for the Hertfordshire CC administered fund but for all local authority pension funds.
2. Life Expectancy had increased. Current figures indicated that men lived for 21 years and women for 24 years after retirement.
3. The number of staff members contributing to the pension fund was falling which impacted on the annual amount payable into the fund. Currently Watford Council paid £2.89m in 2009/2010 and £2.948m in 2010/2011 into the pension fund. Reasons for this included outsourcing of services and staff opting out of the scheme as they considered that the pension was no longer value for money. The Head

of Strategic Finance added that the 'final salary' calculation for pensions could change to a 'career average' calculation.

It was noted that in order to reflect a potential reduction in staff numbers, the HCC Actuary had proposed that a 15.9% contribution on gross pay plus a lump sum payment of £1.12 m should be applied to the following three year period. Based upon current staffing levels contributing to the pension fund, this would require a 26.2% oncost on top of gross pay. The Head of Strategic Finance reminded the Panel that the current oncost rate was 26.8% (16.9% for current contributors, and 9.9% to meet past service deficiencies) so there would not be an immediate budget problem. This needed to be closely monitored during 2011/2012. The Council did have a £1m earmarked reserve that could be used if the 26.8% oncost did not generate a large enough payment.

In reply to a Member's question on opting out of pension scheme, the Head of Strategic Finance advised that where an employee had paid in for 20 years or more, the money would be frozen on existing pension rules and would maintain its value by the addition of an inflation factor. The Head of Strategic Finance advised that voluntary redundancies made sense so long as there was a financial payback within at least two years.

Looking to the future, the Head of Strategic Finance advised that the actuaries at HCC had not taken Lord Hutton's recommendations into account. They had recommended that local authorities employ a stabilisation policy whereby current rates remain largely the same for the following three years and then, at the next triennial review, to potentially add an increase of 1% in 2014/2015 but no further.

This increase had already been included within Watford's Medium Term Financial Strategy.

In reply to a question from a Member, the Head of Strategic Finance advised that WBC was locked into the HCC scheme with no option to leave. He said that he had asked for statistics on Local Authority pension funds investment performance and would circulate the figures to Members once they had arrived.

One Member noted the £1 million earmarked reserve and asked whether this was sufficient. The Head of Strategic Finance replied that this reserve could also be used for redundancy payments although part of this amount was already committed.

Members agreed that the recommendations of the actuaries should be accepted.

The Hutton Report:

The Head of Strategic Finance outlined recommendations in the Hutton report:

1. The Normal Pension Age be linked to the State Pension Age. This would mean that employees, currently able to leave at age 60, continue to work until 66/ 68 or leave earlier with a lower pension.
2. That career average pay be used to calculate pension entitlement rather than final pay as at present. It was not suggested that this move be retrospective, however, but staff would be able to 'bank' pension already accrued.

3. That employee contributions increase. The report suggested an increase of between 3% and 5%. Tax relief would be allowable on the first £50K of salary only .

In response to a comment from the Chair, the Head of Strategic Finance confirmed that pay in the public sector was currently 6% above that in the private sector. He expected, however, that the two year freeze would bring parity.

The Portfolio Holder advised that it was important to be mindful of the Council's obligations to pensioners and that there was a duty to encourage younger people to invest in pensions for their future.

RESOLVED -

1. that Budget Panel note the provisional results of the triennial revaluation of the Hertfordshire County Council and Watford Pensions Funds.
2. that Budget Panel endorse the response made by the Head of Strategic Finance that Watford will continue to levy an employers' contribution of 26.8% on top of gross pay for the next three years (this rate has applied since April 2009 and had no immediate budgetary implications). The yield from this on cost rate will need to be monitored throughout the three year period to ensure the total payment into the Pension Fund equates to the recommendations of the Actuaries.

BP51- **PLANNING AND TRANSPORT – VALUE FOR MONEY REPORT**
10/11

RESOLVED -

that this item be deferred until the June 2011 meeting.

BP51- **HARLOW VALUE FOR MONEY STUDY – LESSONS FOR WATFORD**
10/11

RESOLVED –

that this item be deferred until the June 2011 meeting.

BP52- **VALUE FOR MONEY STATUS REPORT**
10/11

RESOLVED –

that this item be deferred until the June 2011 meeting.

BP53- **FINANCE DIGEST JANUARY 2011 (MONTH 11)**
10/11

The Panel received a report of the Head of Strategic Finance who then explained relevant points within the report.

The Head of Strategic Finance advised that the Finance Digest had deteriorated in month 10 and reported on the major adverse variations in the month.

Development Control: He informed the meeting that the £80,000 reduction in fee income had only recently been reported. He suggested that it would be necessary to look at staffing levels to ensure that the department was not over-staffed.

Concessionary Fares: The Head of Strategic Finance reported that month 11 had deteriorated further and that the cost of journeys had increased by £197,000 compared to original estimates. He explained anomalies within the current system of government grants which did not recognise transport hubs such as Watford.

Benefits Service: Volumes of applications continued to increase and that it was essential that IT systems were able to cope with demand.

He advised that it was unlikely that there would be significant improvement in the year ahead (2011/2012) and that monitoring would need to be stringent in order to remain within budget.

The Panel then looked at the above variations in detail.

Development Control and Property Services:

The Portfolio Holder advised that more analysis was required on income in the area of Development Control. He noted, however, that it was difficult to manage cash flow when payments were irregular. He added that monitoring over a four year period would be sensible in order to quantify risks.

One Member advised that it would be wise to view the figures on an income/expenditure basis.

Another Member pointed out that Development Control and Property Services dealt largely with 'unknowns'. He added that risk management was not robust and consequently it was difficult to predict what would occur year-on-year.

The Portfolio Holder counselled that Development Control should have been examined more stringently and suggested weekly or monthly monitoring in the future.

The Head of Strategic Finance agreed that the situation with regard to Development Control should have emerged earlier. He noted, however, that the Council had been prompt at debt recovery where appropriate and advised that commercial rents debts, particularly in Charter Place, had fallen in recent months. He added that it would be necessary, during a period of short-term leases, due to Charter Place redevelopment, to determine how the effect of this would affect budgeted income.

The Portfolio Holder concluded by reminding the meeting that, despite the setback over Development Control income, these variations had been a relatively small part of the gross budget. (The Panel has subsequently been advised that

Development Control has made vacancy savings of £105k to meet both the shortfall in income and reduced volumes of applications and reflects excellent proactive management).

Concessionary Fares:

The Head of Strategic Finance and the Portfolio Holder explained difficulties inherent in the scheme whereby concessionary fares were funded. It was noted that Watford had been at a disadvantage and had suffered further through the withdrawal of the Government grant.

Revenues and Benefits Service:

In reply to a question from a Member, the Head of Strategic Finance advised that regular meetings were held with the Head of Revenues and Benefits. He informed the Panel that WBC had taken on extra temporary staff and had had to change to another software system. This had resulted in a degree of pressure on staff although he assured the meeting that the situation was improving with a considerable reduction in problems. It was anticipated that the next report would be good.

The Head of Strategic Finance advised that Council Tax arrears were carried forward to the following year and then followed up. He said that the recovery process had not been up-to-date and that reminders were not sent out on time. He reminded Members, however, that a new regime had been set in place and that the situation was improving.

Key Business Indicators

The Panel discussed the Business Indicators.

Capital Programme Section 106: In reply to a query on the Section 106 underspend, the Head of Strategic Finance advised that results for month 11 showed a 70% under spend but explained that a number of major projects had distorted the figures. He noted that whilst concern had been expressed that a proportion of Section 106 money had not been used, this money was still available.

A Member suggested that Scrutiny Committee could investigate this issue in order to discover how Section 106 money was managed.

The Portfolio Holder advised that part of the money had been ring-fenced for Play and Open Space use.

One Member suggested that Section 106 funds be used for improvements other than 'green' spaces such as the façade of the Palace Theatre and other areas in the public realm.

The Portfolio Holder advised that Section 106 income had decreased in the preceding two years and advised that this income and how it was utilised should be monitored.

ICT: Members of the meeting noted that the ICT review had demonstrated a low level of user satisfaction. The Portfolio Holder advised that a harmonisation process for both WBC and Three Rivers Council had been proposed. He noted

that under a new system, off-site working would be possible although this would entail problems with security.

RESOLVED –

that the review forecast be noted.

BP54
10/11

END OF YEAR REVIEW

The Panel received a report of the Partnerships and Performance Section Head.

The Scrutiny Officer gave a brief presentation on work which had been achieved throughout the year. This had included Service Prioritisation, which had dominated the work during the year, Value for Money and the Finance Digest. He asked whether the Panel wished to continue to work on these issues.

Members considered that it was imperative that Value for Money should be reviewed.

The Chair noted the input of the Budget Panel into Service Prioritisation and agreed that Value for Money should be included as a subject for review.

One Member advised that the Budget Panel had worked well and thanked the Head of Strategic Finance for the excellent reports provided. He said that these had led to well informed discussions resulting in positive outcomes in the area of Service Prioritisation. He noted other successful outcomes including the lack of increase in car parking permits. He noted that Council Tax increases had been built into the tax year 2011/2012 which was a significant contribution to the Budget process.

Another Member said that it would be wise to look at base budgeting and the work on Corporate Services and Service Prioritisation. He asked whether this would be a possibility.

The Head of Strategic Finance advised that Service Prioritisation was at stage 1 in the process and noted that the Budget Panel had asked how extra saving could be addressed under stage 2. He said that savings had been made through outsourcing and that this could be continued. He added that refuse and recycling had not been scrutinised but were part of the base budget. He agreed that Value for Money should be examined and advised that whilst Corporate Service would be deleted, other services had not been affected.

The Chair thanked members of the Panel for their contributions, excellent interchange of opinions and interest in proceedings. In addition he noted the excellent attendance of Panel members and thanked the Head of Strategic Finance, the Scrutiny Officer and the Portfolio Holder for their input.

RESOLVED –

1. that Value for Money be the subject of a review
2. that base budgeting be reviewed

Chair
Budget Panel

The meeting started at 7.00 p.m.
and finished at 9.05 p.m.

24/3/11

PART A

Agenda
Item: **4**

Report to: Budget Panel
Date of meeting: 22 June 2011
Report of: Executive Director Resources
Title: Corporate Process Improvement Programme

1.0 SUMMARY

1.1 This report informs the Budget Panel of the process put in place to identify further efficiency savings whilst either maintaining or improving current levels of service delivery.

2.0 RECOMMENDATIONS

2.1 That Budget Panel consider the attached report and provides feedback, where deemed necessary, to the Leadership Team.

Contact Officer:

For further information on this report please contact Tricia Taylor, Executive Director, Resources, telephone extension 8187, email tricia.taylor@watford.gov.uk

3.0 INTRODUCTION

- 3.1 The Leadership Team has been considering how further efficiency savings can be realised whilst at the same time seeking to identify and meet future customer requirements. This consideration has resulted in a Corporate Process Improvement Programme which will review the way Watford's corporate and supporting business processes can be optimised so that services can be delivered in a more efficient and effective way.
- 3.2 The attached report is comprehensive and does not need to be repeated within this brief introduction.

4.0 FINANCIAL IMPLICATIONS

The essence of the Corporate Process Improvement Programme is to look at how we provide services to the community and internally between services. For example, are we making best use of technology in order both to provide a 24 hour continuous service as well as reducing our cost base, are there better ways in which we could provide internal services such as printing and copying. Clearly any efficiencies we identify should result in a financial saving which can be utilised to help meet public expenditure reductions.

5.0 LEGAL IMPLICATIONS

Where any efficiencies identified require changes to contracts or procurement the council will need to follow its contract procedure rules.

6.0 POTENTIAL RISKS

These are adequately covered within the report.

Budget Panel

June 22nd 2011

Report of: Laxmi Curwen, Corporate Projects Section Head
Title: Update on Corporate Process Improvement Programme and Service Reviews
Nature of Report For information and appropriate comment

1.0 **SUMMARY**

- 1.1 This report sets out
- details of the Corporate Process Improvement Programme
 - provides an update on current service reviews
 - an update of quick wins that were identified in November 2010
- 1.2 In Feb 2011, Corporate Management Board agreed to set up a Corporate Process Improvement Programme, to transform the way the council works so it operates "lean" customer contact and other corporate processes that provide value for money and satisfy our customers. The projects in scope for this year and beyond are shown below.

Project	Service	Status	Sponsor	Proj. Mgr
Development Management Admin Review	Planning	Started	J. Custance	S. Jones
Data Cleansing	Planning	Started	J. Custance	S. Jones
Complete Academy Implementation	R&B	Started	D. Gardner	P. Adlard
Bartec	ES	Started	A. Gough	B. Beri
Change scanning solution in Dev Mgt	Planning	Started	J.Custance	S. Jones
Income Management & Cash-Receipting	ICT	Started	D. Gardner	E. Tiernan
Review of print, post and copy functions	Corporate	Started	T. Taylor	D. Negrello
Channel Shift	Corporate	Started	T. Taylor	L. Curwen
Harmonise payments processes in CSC	Corporate	Started	T. Taylor	Dimple Patel
Harmonise R&B processes in CSC	R&B	Not started	D. Gardner	tbc
Environmental Health process review	ES	Not started	A. Gough	J. Hoy
ES Admin Review	ES	Not started	A. Gough	tbc

Whilst some of these projects will relate to specific services, the methods and approaches could be leveraged across other areas and therefore considered to be beneficial to be part of a themed programme. Details of the role of the programme, who is involved and reporting arrangements, are covered in the main body and appendices of the report.

- 1.3 There are three service reviews taking place in Housing, Culture & Community and Licensing. All three projects are on track and work is progressing to ensure that outcomes of the reviews are known in time for budget planning for next year. Whilst these projects are being managed outside the Corporate Process Improvement Programme, any proposals resulting from these reviews that affect corporate or cross service working will need to be considered for implementation purposes by the programme.
- 1.4 The majority of the quick wins identified as part of the six week review project last year have been considered and many suggestions implemented. There are however a few outstanding actions (e.g. room booking process) which have been slightly delayed.

Contact Officer: For further information on this report please contact laxmi.curwen@watford.gov.uk (Ext 8191)
Report approved by: Tricia Taylor, Executive Director (Resources)

2.0 Background

2.1 In November 2010, the findings of a six week review of customer contact, corporate and other support processes reported to Leadership team that there were a number of areas that needed to be addressed. Some “quick wins” were agreed to be progressed by services by March 2011 and this is currently in progress. However other findings would need to be addressed in the medium and long term as they are expected to require more effort.

In December 2010, Leadership team agreed that the council’s portfolio of projects and programmes, which now includes the proposals resulting from service prioritisation, would be managed through a Programme Delivery Board being managed by the Corporate Management Board and that certain projects would form part of themed programmes. The theme of “customer contact” was identified and certain projects nominally allocated to this programme. During January 2011, discussions with Heads of Service took place to consider the extent to which there is overlap between service prioritisation proposals and proposals from the customer contact review and the resourcing requirements for certain projects.

Based on these discussions and further input at the Programme Delivery Board’s first meeting on 1st Feb 2011, it was agreed that the

- Customer contact theme would be extended and the programme renamed “Corporate Process Improvement” programme and its scope extended to include projects related to other corporate efficiency rather than just customer related ones.
- Simon Jones the consultant supporting the Head of Strategic Finance with service prioritisation would be extended for a period of 3 months till Sep 2011 to support certain projects
- A business process re-engineering consultant with expertise in “LEAN” thinking would be procured to support EHL review projects.

The use of external assistance is kept to a minimum with time limited contract periods. In every case a pay back period of within a twelve month duration is required. The “Lean Thinking” consultancy support is programmed to commence in July to support the Licensing Review. This report sets out what progress has been made in each of the areas above and provides a summary of the plan going forward. It also provides an update on what progress has been made against the quick wins action plans identified in November 2010.

3.0 Corporate Process Improvement Programme

3.1 The objectives of the programme

- To transform the way the council works so it operates “lean” customer contact and other corporate processes that provide value for money and satisfy our customers
- To identify and deliver cashable savings to contribute to the council’s Medium Term Financial Strategy.

The projects in scope for this year and beyond are in 1.2 and further details are in **Appendix A**. Whilst some of these projects will relate to specific services, the methods and approaches could be leveraged across other areas and therefore considered to be beneficial to be part of a themed programme.

In addition to projects shown, there would need to be a piece of work that would assess the impact on the CSC of some of the above work. It is proposed that this is an ongoing work that forms part of the programme and reviewed at agreed intervals as part of the programme plan.

The role of the programme, details of who is involved and reporting arrangements are described in **Appendix B**.

3.2 Update on projects in progress or planned

Planning projects

There are 3 projects taking place in Planning to improve current processes. Due to capacity constraints within the service, these projects are currently being managed by Simon Jones. To date, the following progress has been made.

- Changing Scanning provider. This project will procure a new supplier to scan planning applications which will reduce contract costs and provide improved service levels. A business case, which has been completed and approved, anticipates an annual contract saving of £20,000. Service Prioritisation plans identified a target of £10,000 pa. The Invitation to Tender was issued in May with a closing date in Mid June. The aim is to commence the new contract from October 2011.
- Data Cleansing. This project was set up to correct 21,000 errors made in plotting properties in Uniform from 1976 to date which currently creates additional work when completing searches. The business case for this project identifies annual savings of £19,830 (equivalent of 0.5 FTE).
- Development Management Admin Review. This project will involve identifying process improvements in work of planning staff within the Technical Admin team. An external facilitator has run a 2 day workshop to help the team identify process improvements. An action plan is being developed to implement recommended actions. It is anticipated that there may be a need to review roles within the team and training may also be required. There have been 2 voluntary redundancies within this team and it is expected that this review along with the project above will result in efficiencies that will allow all of cost of the now vacant posts to be released as savings from Full Year 12/13.

Environmental Services

- Bartec: This project will implement the waste collection software and hardware into the depot back office and in vehicles. The software will allow real time prompts of waste collections for the crews, monitoring in real time of completed rounds and automatic updates to the Customer Service Centre on any bins not collected. This will allow the council to provide more accurate real time information on missed bin queries and create a basis on which further improvements to the process could be considered. The project plan is currently being finalised and phase one of the system is expected to go-live in September 2011.
- Environmental Health Process Review: This project will review EH processes to address feedback raised as part of the customer contact review work done last year. It is not intended to be a full service review but an improvement project designed to make current processes more effective particularly in relation to customer contact. The project has not started yet but expected to start in the winter and completed this financial year.
- Environmental Services Admin Review: This project will review the admin roles and processes across the whole of Environmental Services. The project will start in April 2012, six months after the team is co-located at the Depot and take approximately three months to complete.

Shared Services projects

The following projects are important to Watford Council as they will enable us to deliver our customer contact processes more efficiently and effectively and realise the full benefits of shared services.

- Income Management and Cash Receipting system: This project, to replace Watford's existing system with a new harmonised system with Three Rivers, is well underway

and will be completed by October 2011.

- Complete Academy Implementation: This project involves moving the R&B Academy system at Three Rivers from UNIX to Windows platform. This is a pre-requisite to the next project. A project plan has been drafted and agreed with Shared Services Management team and work is due to start week commencing 11 April 2011 and complete by Aug 2011.
- Harmonisation of Revenues & Benefits processes in CSC This project involves harmonising R&B processes and enabling CSC to handle more queries and to the same extent across both councils. It will require, amongst other things, implementation of ABC integration software and E-Benefits forms which have already been purchased. The project will enable the full benefits of Shared Services to be achieved including service improvement and potential cashable efficiencies. The project has not started yet. However, the CSC staff are currently being trained in using the Academy system so they can start taking some queries from June (e.g. account enquiry, copy bill request, etc).

Corporate projects

- Harmonisation payments processes in CSC: This project will define and implement processes to enable the CSC to take the full range of payments by “card” via the telephone and face to face. Currently, with a few exceptions, customers have to be put through to the Cash Office for these payments and the CSC can’t take card payments face to face. With the implementation of new Income Management and Cash Receipting system the CSC could take payments across all service areas. This project has not started and is under discussion with Shared Services as it will have an impact on the Cash office workload.
- Review of print, post and copy functions This project will review current in-house provision, service delivery and costs of corporate print, copy, post arrangements (including courier services). It will investigate the future print and post requirements of the council and how these can be delivered in the most effective and efficient way. The review will be completed by August 2011.
- Channel Shift This project is to investigate the feasibility and benefits of shifting to more cost effective customer contact channels in order to deliver cashable efficiencies for the council and improve customer satisfaction. Some work has already started to analyse current transactions in the CSC and an initial meeting held with a provider of voice recognition software in order to inform the project planning. Feedback will be sought from customers as part of any proposals emerging from this project. The project will be completed by Dec 2011.

4.0 Projects that are reviewing whole service areas

4.1 In addition to the process review projects covered by the Corporate Process Improvement programme, there are three projects where an entire service area is being reviewed with the aim of identifying efficiencies and service improvement.

Project SP indicates if part of Service Prioritisation	Savings target	Project Manager and any external support	Status
Housing Review (SP)	£50,000 FY11/12 £150,000 FY12/13	Rachel Dawson (PM) Simon Jones	The project is on track. The review is nearing completion. Report to Cabinet/ Budget Panel in June. The aim is to implement the majority of the changes by end of March 2012.
Culture & Community Value for Money Review	Not specified	Gary Oliver (PM) Simon Jones	The project started in April 2011. A PID is being drafted and it is expected that a review report will be ready to fit in with budget proposals in the autumn.
Licensing Review (SP)	£42,000 FY12/13	Justine Hoy (PM)	The project is currently being scoped with the aim being to start the project in June and complete by October 2011.

5.0 Quick Wins update

5.1 In November, it was agreed by Leadership Team that we should maintain the momentum of the review and address some of the suggestions which were quicker to implement by the end of March 2011. Services developed their "quick win action plans" and lots of the suggestions detailed on these have already been completed by individuals within those services.

Listed below are some of the cross cutting improvements that have already been implemented:

- Electronic payslips have been introduced
- Across most services, there are no longer separate minute takers for meetings, unless there is an exceptional reason to do so
- Voicemail protocol is available on the intranet to improve consistency of how voicemail is set up
- A variety of scripts used by the CSC have been updated to incorporate suggestions made by services to resolve enquiries more effectively. Some FAQs have also been updated.
- Frequency of CSC reports reduced from daily to weekly
- 2 additional Customer Liaison Officers in services now have access to Lagan to make the complaints handling process easier

There are also lots more within specific service areas and others that are still being worked on like the suggestion to enable on-line booking of meeting rooms.

There have been some suggestions that have not been able to be taken forward, mainly due to statutory reasons but also other constraints that mean making the suggested changes would have other negative impacts. For example, it was not possible to improve the electoral registration form as it is a legal form that can not be changed.

Appendix A Summary of projects in Corporate Process Improvement Programme

Service	Project Name	Key Benefits	Financial Benefits £	Project Sponsor	Project Manager	Complete by**	Status
Planning	Development Management Admin Review	<ul style="list-style-type: none"> Efficiency Reduction in days taken to view online applications 	50,000 pa	Jane Custance	Simon Jones	June 2011	In progress
Revs and Bens	Complete Academy Implementation	<ul style="list-style-type: none"> TRDC staff can print to WBC print room Enabler of other R&B project shown below 	None	David Gardner	Phil Adlard	Aug 2011	In progress
Corporate	Review of print, post and copy functions	<ul style="list-style-type: none"> Service aligned to requirements and future proofed Efficiency 	tbc	Tricia Taylor	Danielle Negrello	Aug 2011	In progress
Planning	Data Cleansing	<ul style="list-style-type: none"> Improvement in data quality Efficiency – less time to do searches and correct data 	19,000 pa	Jane Custance	Simon Jones	Sep 2011	In progress
ES	Bartec	<ul style="list-style-type: none"> Real time updates on bin collection and reduction in call backs from customers Improved monitoring Targeted communications on recycling Efficiency 	tbc	Alan Gough	Bev Beri	Sep 2011	In progress
ES - ICT	Income Management and Cash-Receipting	<ul style="list-style-type: none"> Improved management control Increased credibility of transactions and processes Streamlined processes with more convenience for both Customer and Council Compliance with the latest legislative requirements 	None	David Gardner	Emma Tiernan	Oct 2011	In progress
Corporate	Harmonise payments processes in CSC	<ul style="list-style-type: none"> Customer service improvements Efficiency 	tbc	Tricia Taylor	tbc	Oct 11	In progress
Planning	Change scanning solution in Dev Mgt	<ul style="list-style-type: none"> Contract savings Improvement in turnaround times Reduction in time taken to view applications on line 	20,000 pa	Jane Custance	Simon Jones	Oct 2011	In progress
Corporate	Channel Shift	<ul style="list-style-type: none"> Efficiency Increased service availability for customers Improvement in customer satisfaction 	tbc	Tricia Taylor	Laxmi Curwen	Dec 2011	In progress
Revs and Bens	Harmonise R&B processes in CSC	<ul style="list-style-type: none"> Efficiency Service performance improvements 	tbc	David Gardner	tbc	tbc	Not started
ES	Environmental Health process review	<ul style="list-style-type: none"> More effective and efficient processes 	tbc	Alan Gough	Justine Hoy	tbc	Not started
ES	Admin Review	<ul style="list-style-type: none"> Efficiency 	tbc	Alan Gough	tbc	tbc	Not started

** For review projects, the end dates refers to the date by which the review will be completed not necessarily the implementation of the review findings

Appendix B Corporate Process Improvement Programme Role

Programme Role

- Define and agree with leadership team and members the vision and guidelines for key corporate processes
- Ensure the effective set up and delivery of all projects that relate to the improvement of corporate processes including those related to improvement in customer contact and back office processes such as document management and administration
- Ensuring alignment of projects to corporate vision
- Monitor progress of projects and provide regular updates to the Programme Delivery Board
- Resolve issues and escalate as required
- Ensure effective integration of service projects with corporate functions such as CSC, Print, etc
- Co-ordination with other projects/programmes where there is dependency
- Ensure sharing of best practice, skills and where practical resources so projects are delivered effectively and efficiently
- To monitor benefits realisation

Programme Members

The programme will be a temporary arrangement; initially from April 11 to March 12 but subject to extension, with the following roles

- Programme Sponsor (Tricia Taylor): Director sponsoring the programme
- Programme Manager (Laxmi Curwen, Corporate Projects Section Head): Day to day manager overseeing the programme. This will involve compiling an overview of projects, liaising with project managers to ensure scope, plans etc in place and ensuring projects work effectively together, setting up and maintaining programme role.
- Project Managers & Sponsors: Each project will have individual project sponsors, project managers and steering group/project boards who will be responsible for setting and up and delivering projects.
- Programme Steering Group: Group including Programme Sponsor, Manager, and other nominated individuals who together will ensure the programme maintains its role as set out above. The group includes
 - Customer Services Section Head (Danielle Negrello) to ensure effective integration on customer contact processes
 - Head of Revenues & Benefits (Phil Adlard) as the service which has the biggest customer interaction, scope for channel shift and also involvement with document mgt
 - Business Manager from ICT (Emma Tiernan) to ensure ICT integration
 - Representative from Environmental Services (Alan Gough) as another service with potential for channel shift.
 - Representative from Planning (David Noble) given there are 3 projects from Planning within the scope of the programme

Reporting

- The programme steering group will meet on a monthly basis.
- All projects within the scope of the programme will be asked to send a copy of their progress report on a monthly basis to the Programme Manager. Projects will continue to report progress to their sponsors and Steering Groups/Project Boards as they do currently.
- The Programme Manager will, on behalf of the Steering Group, and in-scope projects provide an overall written progress update to Programme Delivery Board on a quarterly basis, who will in update the Leadership team following the meeting as they do currently. The programme update will also include status on benefits realisation of these projects.
- Regular updates to all staff via intranet and Wats up on the programme and its progress will also take place, in addition to project specific communications which project managers will be responsible for.

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Budget Panel 22 June 2011

Harlow Value for Money Study

Introduction extract from:

ECONOMIC AND FINANCIAL OUTLOOK

David T Llewellyn

Loughborough University

Vienna University of Economics and Business

CASS Business School

Banking Stakeholder Group, European Banking
Authority

Consultant Economist, ICAP plc

Financial Context to Reducing Government Debt

Country	% increase in real incomes (after allowing for inflation) 1990 - 2010
United Kingdom	36.5
United States	32.9
Canada	32.0
Germany	29.3
France	23.1
Japan	18.4
Italy	17.1

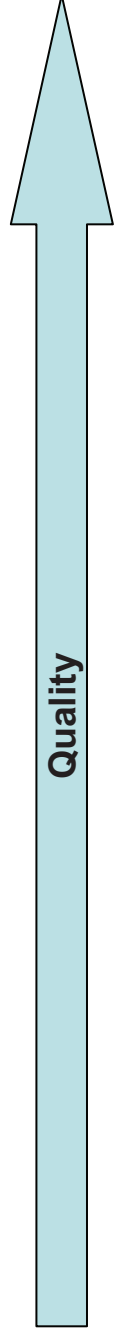
To quote Marx (and this is a true quotation):

“It isn’t so much that the hard times are coming but that soft times are going”



Cost / Quality Matrix

High cost, Low quality Poor value for money	High cost, High quality “Rolls Royce”
Low cost, Low quality “Stripped down”	Low cost, High Quality Good value for money



Harlow & Stevenage Comparison

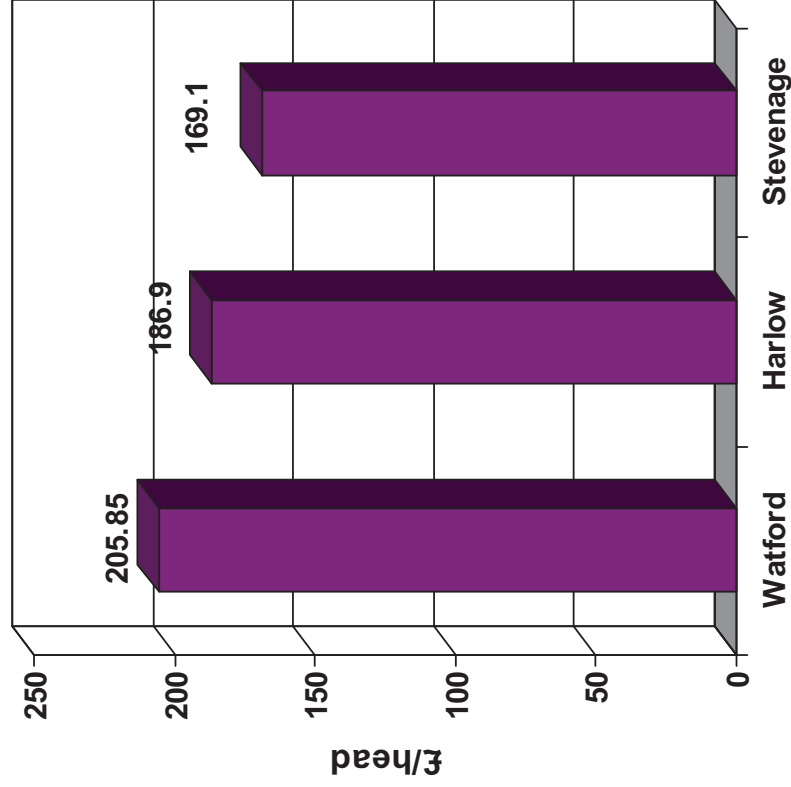
Council	Watford	Harlow	Stevenage
Population	83,800	80,600	81,000
CAA overall performance 2009	Well	Well	Well
Indices of deprivation rank (out of 354, where 354 is the most deprived)	203	121	191
JSA unemployment claimant rate	3.1%	4.9%	4.2%
Population density (pop'n/sq mi)	9,638.6	6,700.3	7,979.8
Ethnicity	83% White, 17% BME	92.5% White, 7.5% BME	92% White, 8% BME

Key Comparisons

The following slides detail some unit cost comparisons between Watford, Harlow & Stevenage in respect of the actuals for 2009-10. These have been taken from Harlow's own VfM study, for which the underlying cost information was sourced from RO and RA returns.

Revenue expenditure

Total net spend per head 2009-10



Revenue expenditure is made up of the following:

- Total service expenditure
- Housing benefit payments and HRA transactions
- Local tax collection and precept items
- Interest payable
- Capital charges accounted for in external trading accounts
- Capital expenditure charged to the GF Revenue Account
- Specific and special revenue grants
- Revenue funded from capital adjustment
- ABG
- Interest and investment income
- Capital charges accounted for in internal trading accounts
- External trading accounts
- Other - Bad debts, provision for repayment of principle, leasing and other small items

Revenue Expenditure

Total net spend breakdown

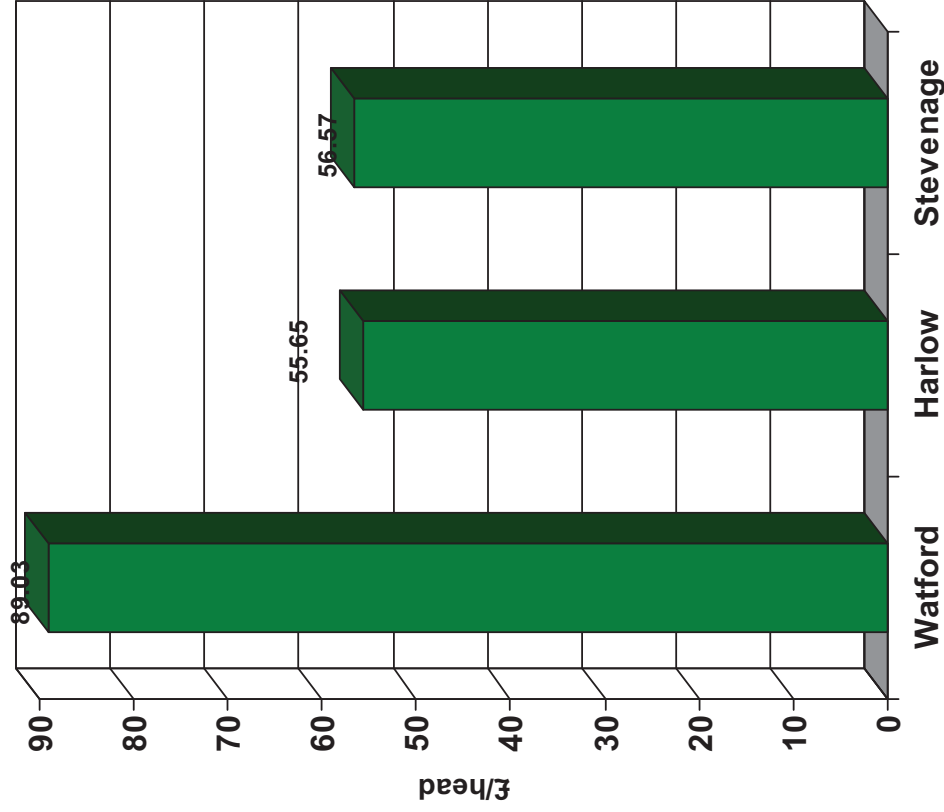
	Watford	Harlow	Stevenage
	£'000	£'000	£'000
Total service expenditure	25,106	16,661	15,091
Housing benefit payments and HRA items	28,428	33,186	29,356
Local tax collection and parish precepts	6,345	8,428	7,306
Interest payable	-	253	38
Capital charges accounted for in external revenue accounts	(2,458)	-	-
Capital expenditure charged to the GF revenue account	5	-	-
Specific and special revenue grants	(35,800)	(42,982)	(37,859)
Reversal of revenue funded from capital	(1,352)	(484)	-
Area Based Grant	(286)	(195)	-
Interest and investment income	(751)	(81)	(558)
Capital charges accounted for in internal trading accounts	-	(50)	-
External trading accounts	(2,063)	(34)	(229)
Other	76	362	544
TOTAL	17,250	15,064	13,689

Environment

Total net spend per head

Environment expenditure is made up of the following:

- Cemeteries, cremation, mortuary
- Food safety
- Environmental protection
- Private rented housing standards
- Health and safety
- Pest control
- Public conveniences
- Animal & public health; infectious disease control
- Licensing
- Crime reduction
- Safety services
- CCTV
- Land drainage
- Street cleansing
- Waste collection
- Trade waste
- Recycling
- Waste minimisation



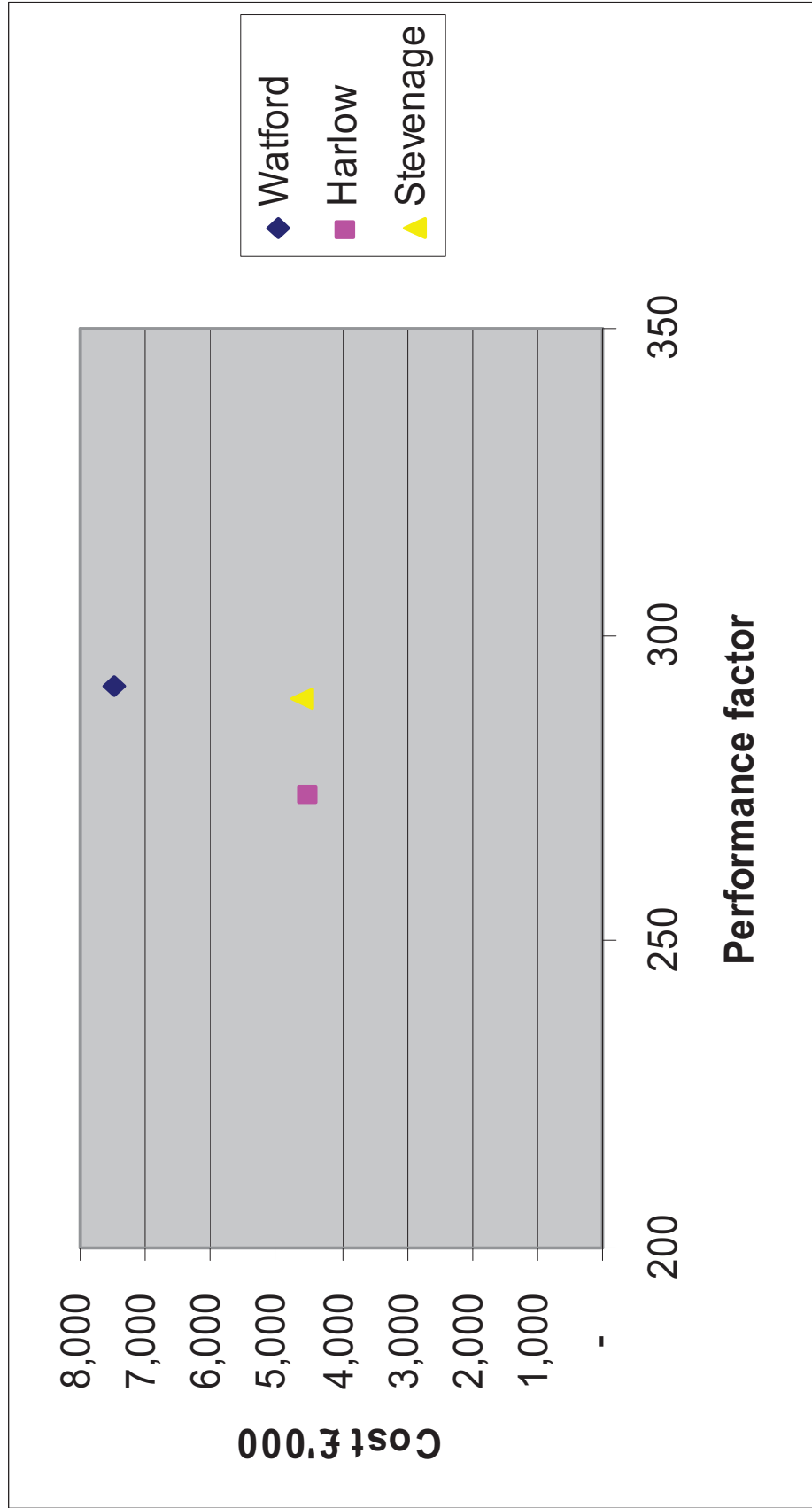
Environment

Total net spend breakdown

	Watford	Harlow	Stevenage
	£'000	£'000	£'000
Cemetery, Cremation, Mortuary	328	(217)	176
Food safety	202	211	202
Environmental protection	650	279	154
Private rented housing standards	352	125	-
Health and safety	228	-	-
Pest control	176	-	-
Public conveniences	124	186	162
Animal & public health; infectious disease control	73	346	659
Licensing	155	126	59
Crime reduction	264	708	435
Safety services	298	-	30
CCTV	46	8	-
Land drainage	-	-	56
Street cleansing	2,101	996	1,426
Waste collection	1,370	597	685
Trade waste	36	-	-
Recycling	1,058	1,120	515
Waste minimisation	-	-	23
TOTAL	7,461	4,485	4,582

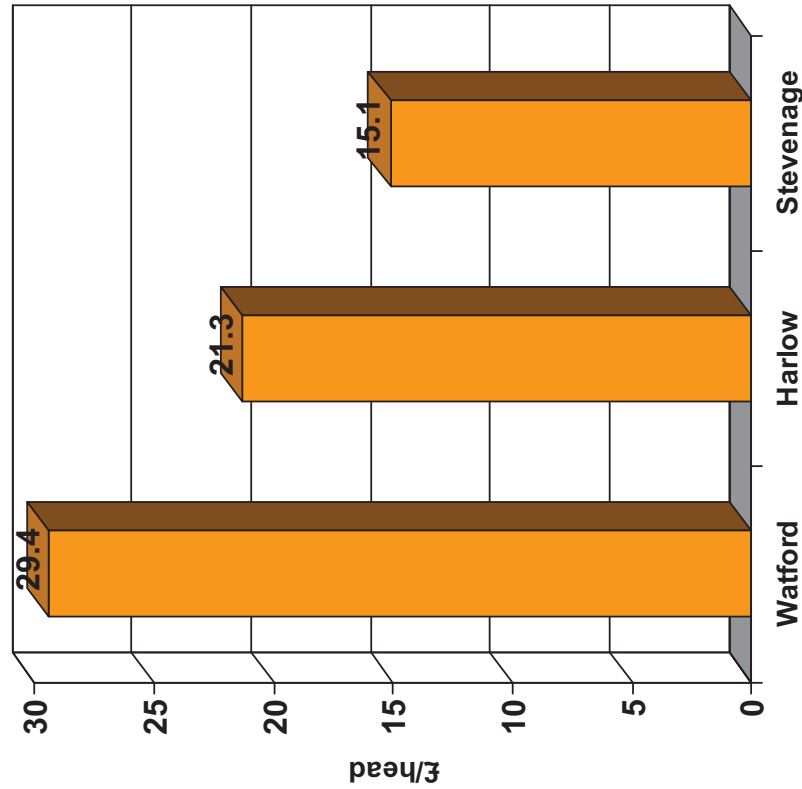
Environment

Cost vs quality comparison



Waste collection

Total net spend per head



Council	Watford	Harlow	Stevenage
No. households	36,283	33,375	33,164
Doorstep recyclables taken	Paper, plastic, glass, cans, aluminium, green waste, cardboard, empty aerosol, tetra packs, food trays	Paper, plastic, glass, cans, aluminium, green waste, cardboard, empty aerosol, foil	Paper, plastic, glass, cans, aluminium, green waste, cardboard
Outsourcing	No	Veolia waste contract	No
Hectares per authority	2,142	3,054	2,596
% Household waste recycled	34%	35%	29%
% satisfied with refuse collection	81%	78%	83%
% satisfied with doorstep recycling	80%	73%	72%

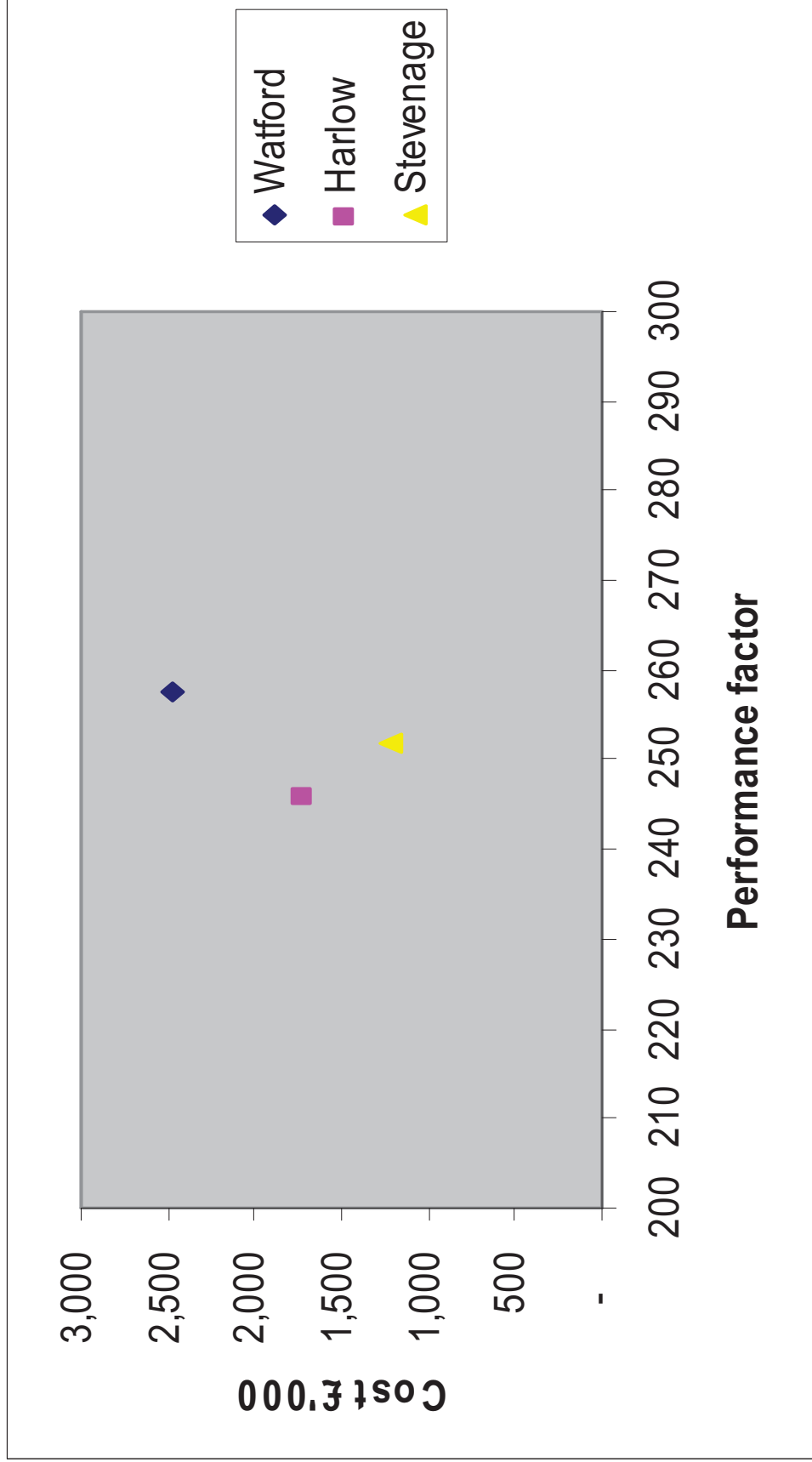
Waste Collection

Total net spend breakdown

	Watford	Harlow	Stevenage
	£'000	£'000	£'000
Street cleansing	2,101	996	1,426
Waste collection	1,370	597	685
Trade waste	36	-	-
Recycling	1,058	1,120	515
Waste minimisation	-	-	23
TOTAL	2,464	1,717	1,223

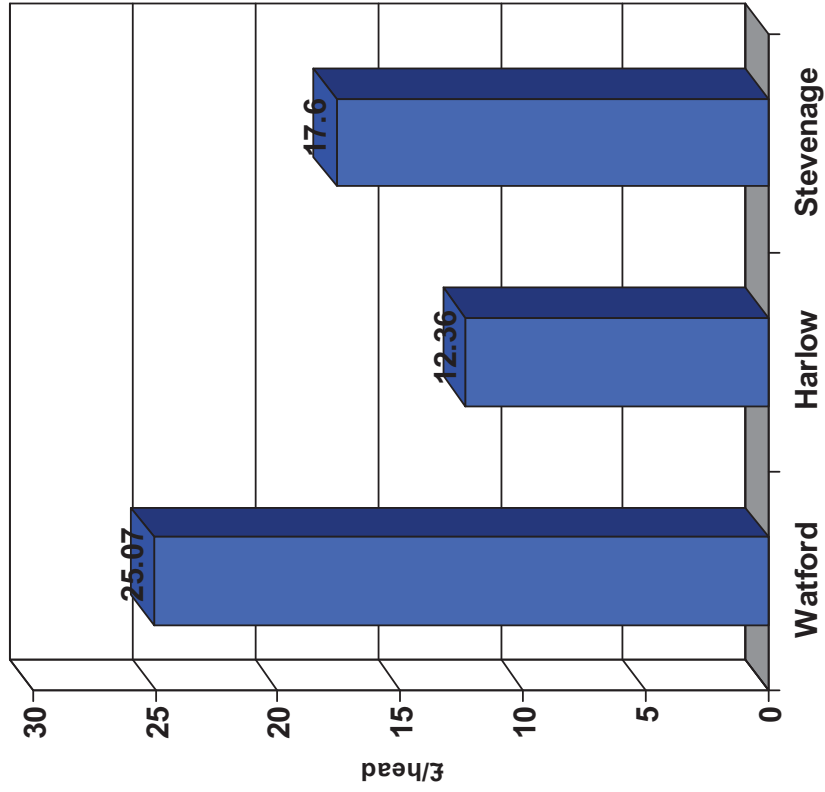
Waste collection

Cost vs quality comparison



Street Cleaning

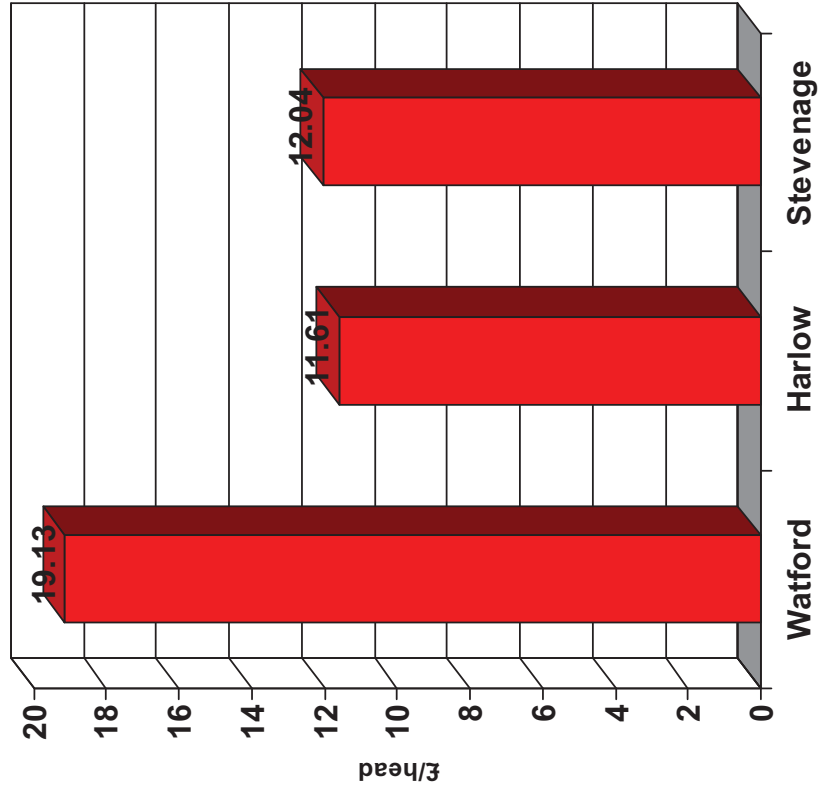
Net spend per head



Council	Watford	Harlow	Stevenage
No. households	36,283	33,375	33,164
Outsourcing	No	Veolia waste contract	No
Hectares per authority	2,142	3,054	2,596
%age who feel that rubbish / litter is a problem (Place Survey 08/09)	38%	40%	32%

Environment and Public Health

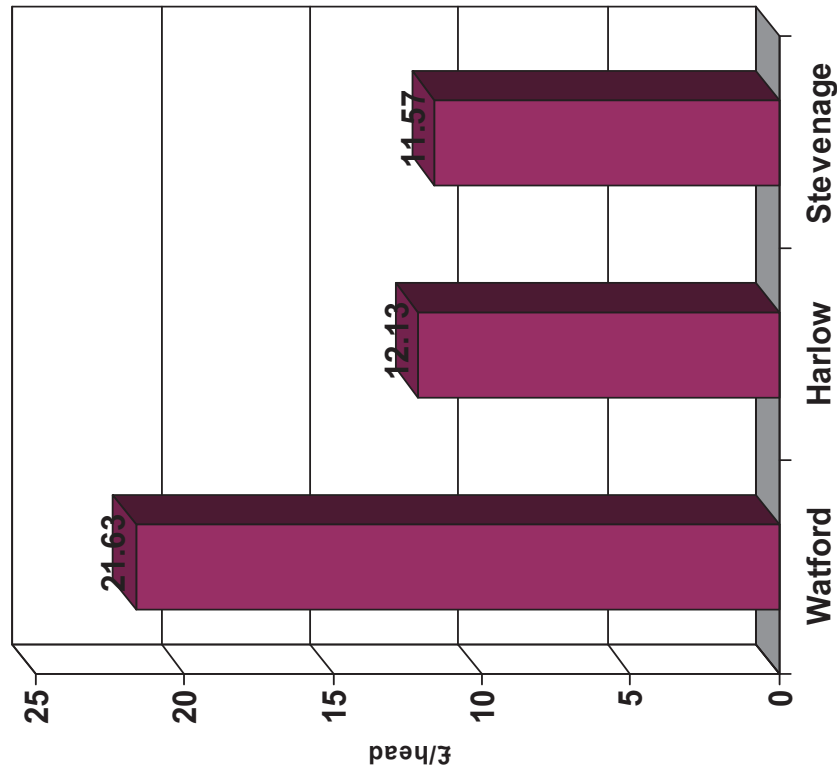
Net spend per head



Council	Watford	Harlow	Stevenage
No. households	36,283	33,375	33,164
Hectares per authority	2,142	3,054	2,596
Food establishments per 1'000 households	17.7	13.7	19.6

Planning

Net spend per head



Council	Watford	Harlow	Stevenage
Major applications (large scale in brackets)	17 (15)	11 (7)	11 (4)
Minor applications	184	79	82
Other applications	463	175	241
Total applications	664	265	334
Fee income	£294,000	£122,548	£165,697
New homes delivered (as % increase in current stock in brackets)	327 (1.44%)	209 (3.80%)	187 (2.40%)
% Major applications dealt with in a timely manner	94%	73%	45%
% Minor applications dealt with in a timely manner	93%	78%	79%
% Other applications dealt with in a timely manner	98%	86%	89%

Planning

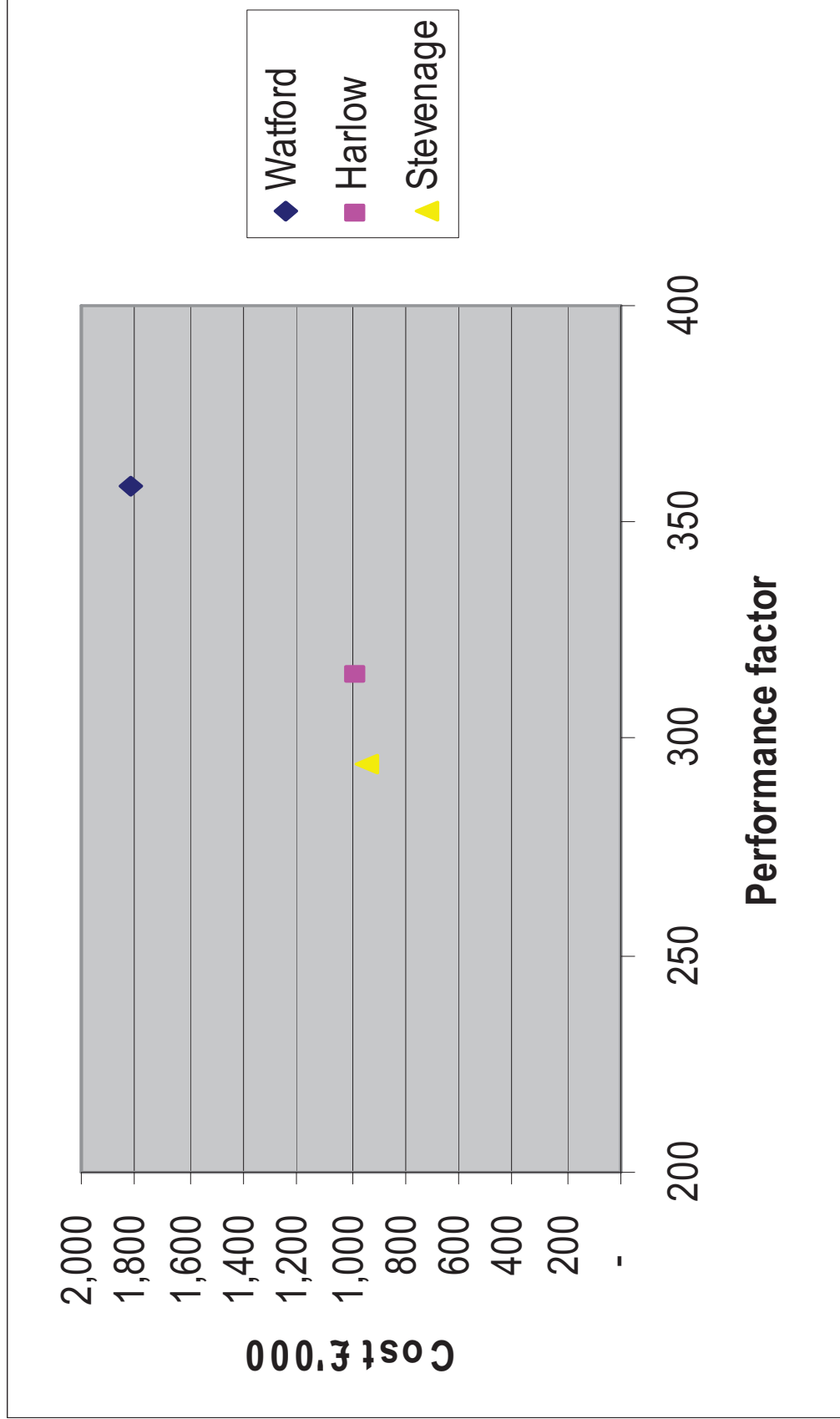
Total net spend breakdown

	Watford	Harlow	Stevenage
	£'000	£'000	£'000
Building control	328	217	176
Development control	202	211	202
Other planning policy	650	279	154
Sub-total*	1,813	978	937
Economic development	36	(1,439)	(1,646)
Community development	85	106	684
TOTAL	1,934	(355)	(25)

*Figure used for per head comparison in previous slide.

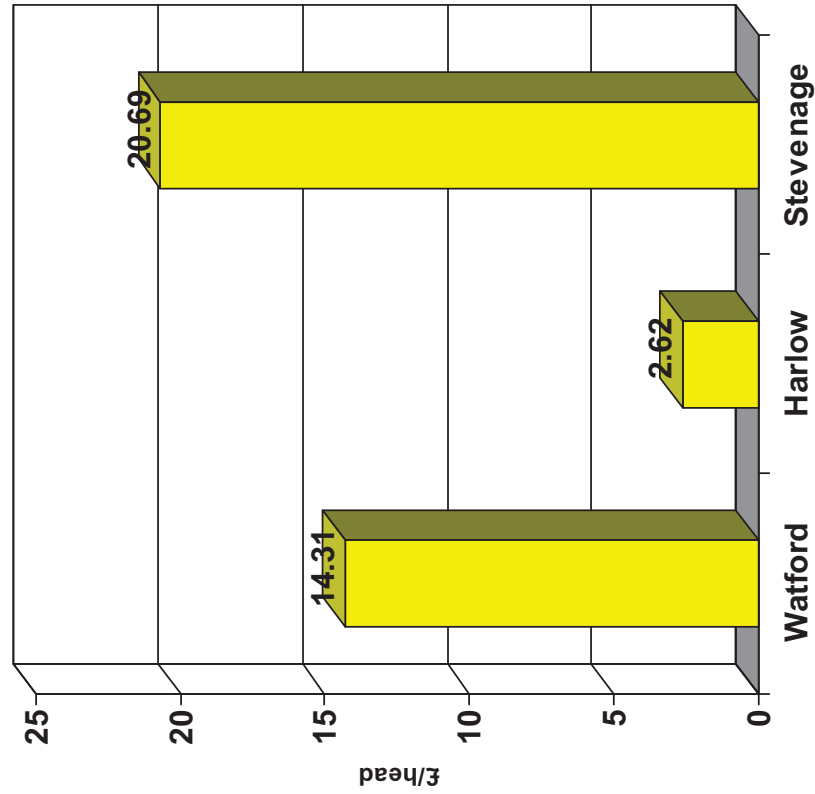
Planning

Cost vs quality comparison



Parking

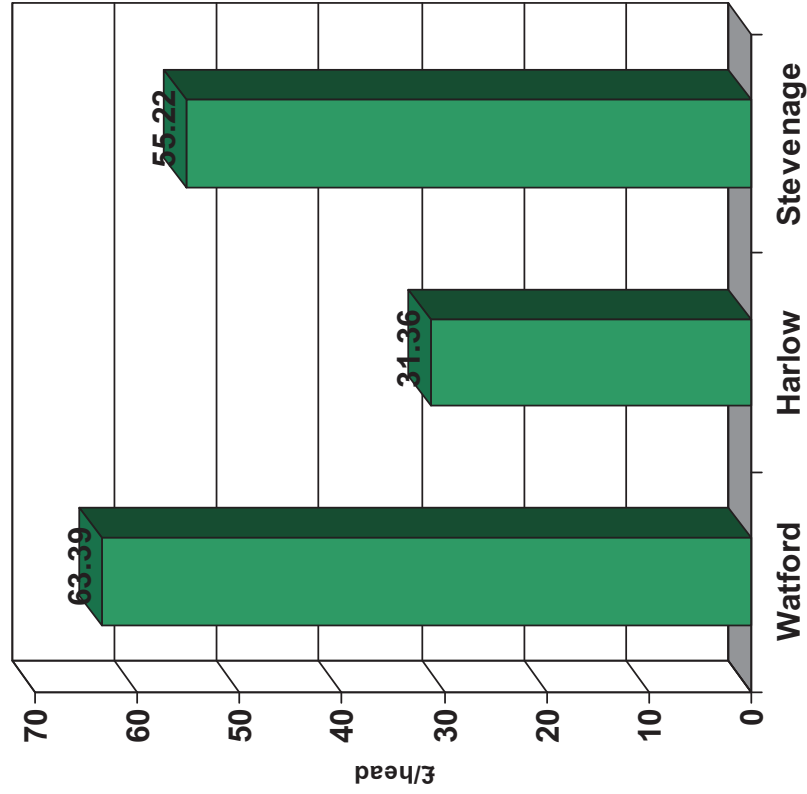
Net income per head



Council	Watford	Harlow	Stevenage
On street parking net income 2009-10	325,000	(1,000)	(73,000)
Off-street parking net income 2009-10	874,000	212,000	1,749,000
No. car parks	4	6	16
Car park charges	1hr: 50 – 60p 4hrs: £2.40	1hr: Free - £3.00 4hrs: 95p - £5.00	1hr: 50p - £1.00 4hrs: £3.00 - £5.00 (long stay £6 per day)
On-street pay & display per hour	£1.00 - £1.50	No data	60p for 30 min
CPZ first permit	£20	No data	N/a – No CPZs

Culture & Community

Net spend per head



Council	Watford	Harlow	Stevenage
Swimming pools	2	6	5
Athletics tracks	1	1	1
Grass pitches	77	28	18
Health & fitness suites	2	7	9
Sports hall	2	10	12
Museums & galleries	1	2	2
Theatres & concert halls	3	2	2
Parks	30	4	10
Green flag parks	3	1	1

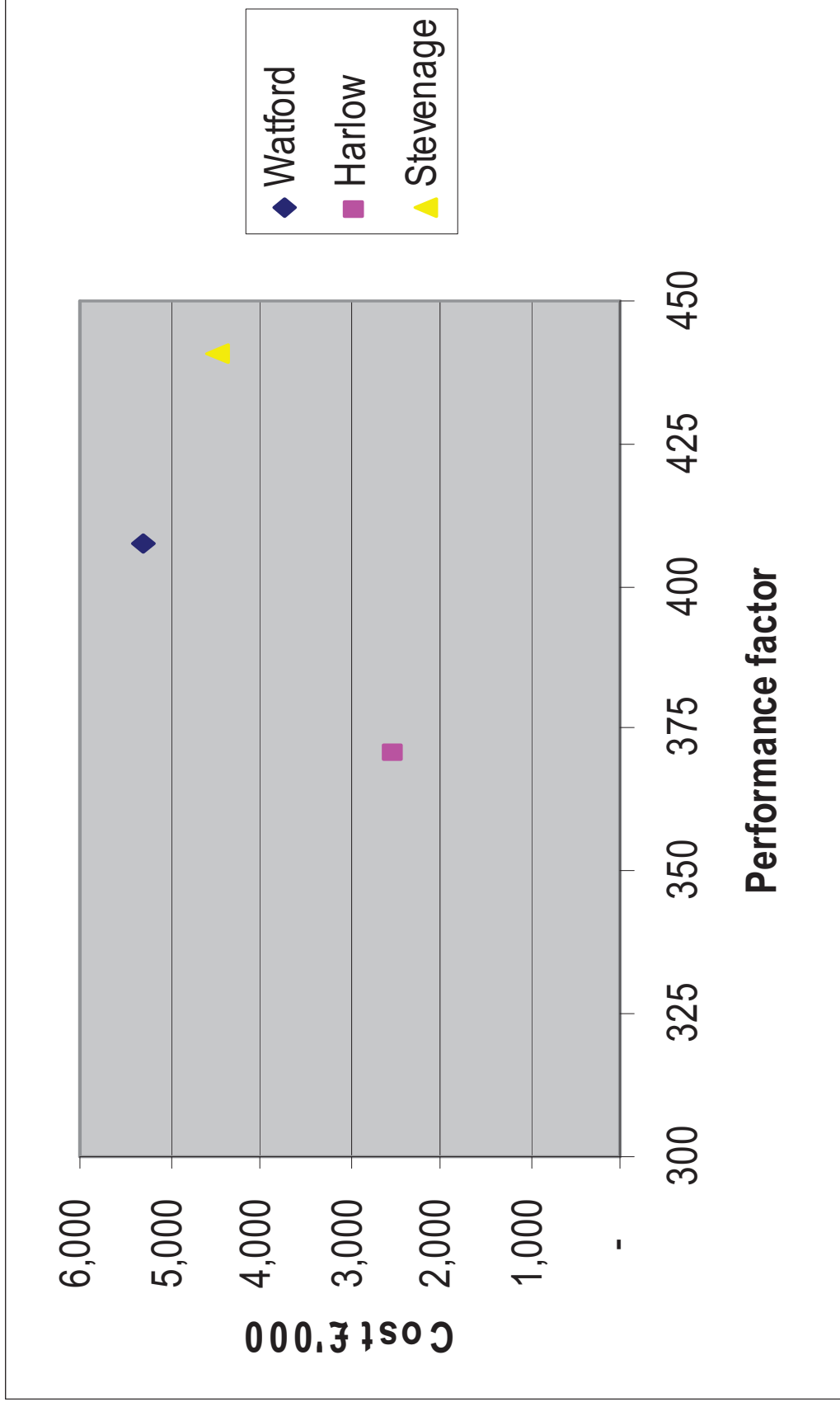
Culture & Community

Total net spend breakdown

	Watford	Harlow	Stevenage
	£'000	£'000	£'000
Arts development & support	208	60	22
Museums & galleries	330	260	409
Theatres & public entertainment	405	521	693
Community centres & public halls	1,241	-	243
Sports development & community recreation	904	296	-
Sports recreation facilities	45	275	1,093
Open spaces	2,179	1,116	2,013
	5,312	2,528	4,473

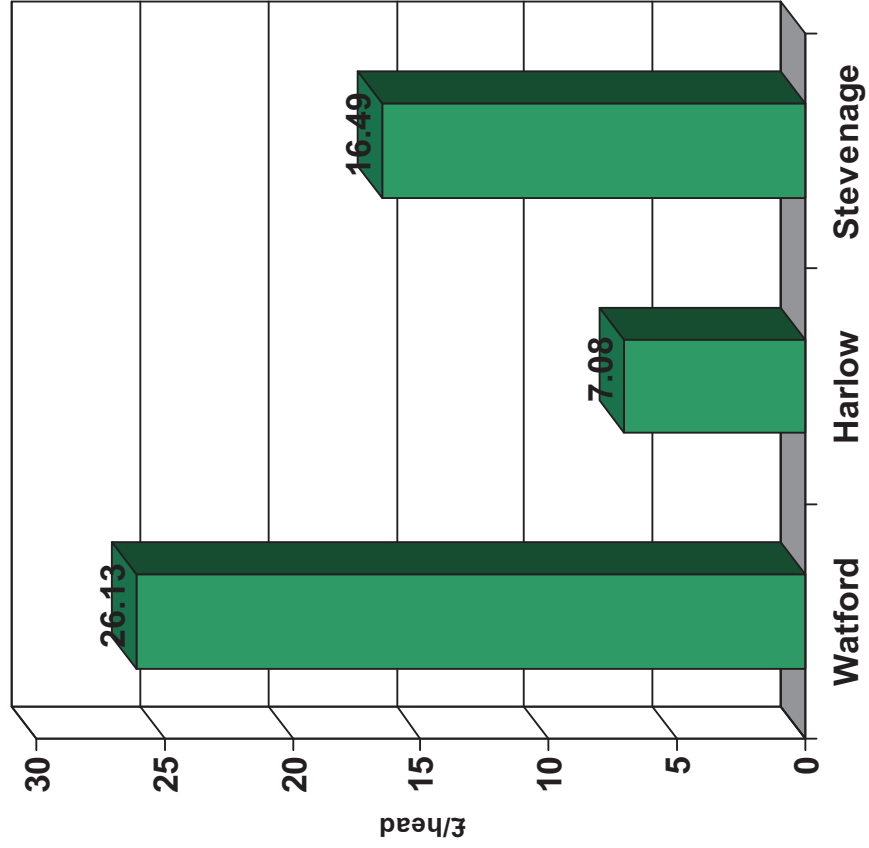
Culture & community

Cost vs quality comparison



Sport and recreation

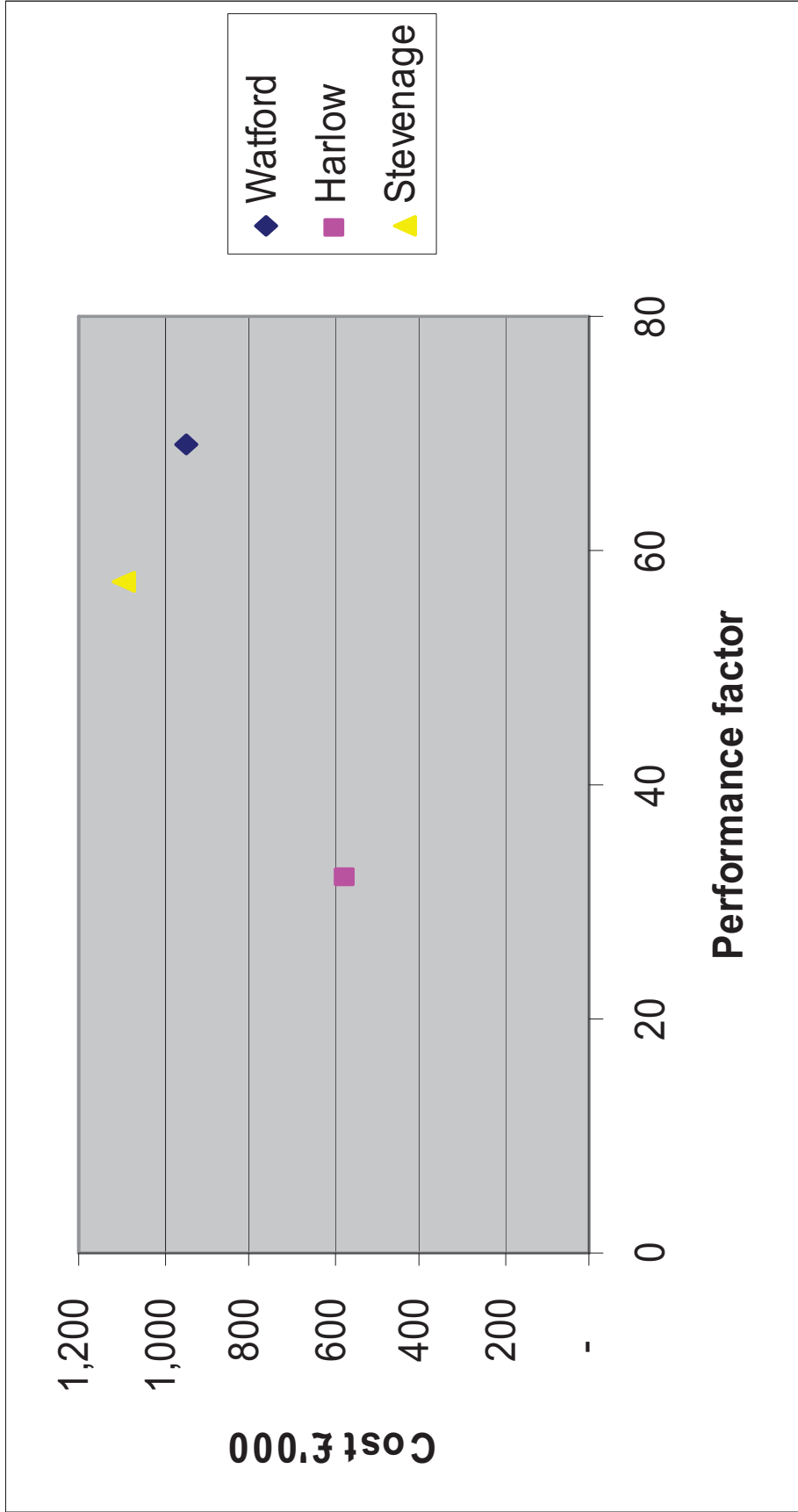
Net spend per head



Council	Watford	Harlow	Stevenage
Swimming pools	2	6	5
Athletics tracks	1	1	1
Grass pitches	77	28	18
Health & fitness suites	2	7	9
Sports halls	2	10	12
% satisfied with sports and leisure facilities	69%	32%	57%

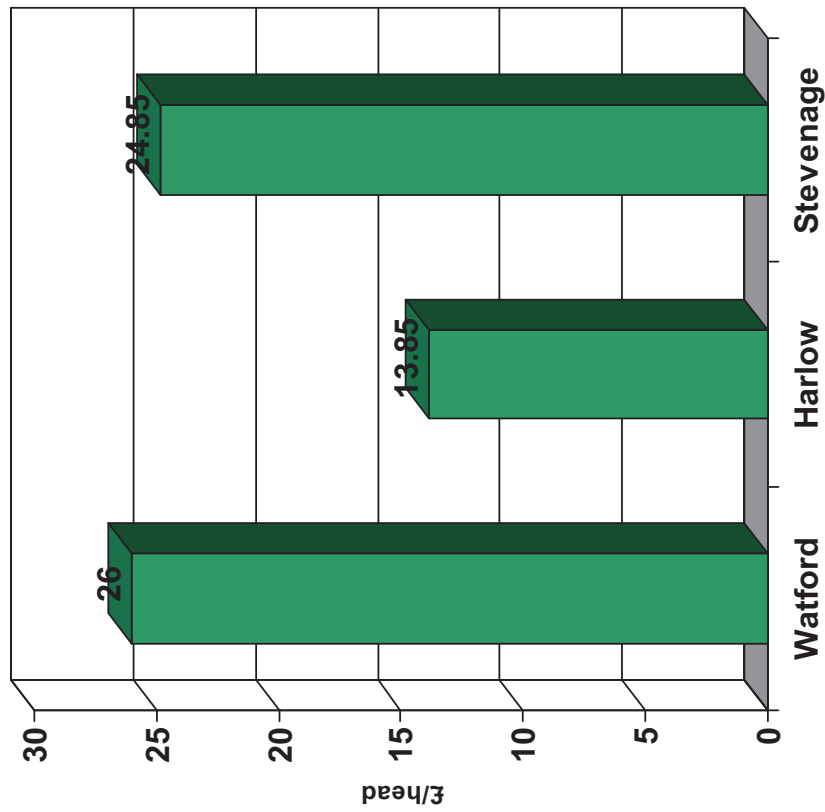
Sport and recreation

Cost vs quality comparison



Parks and open spaces

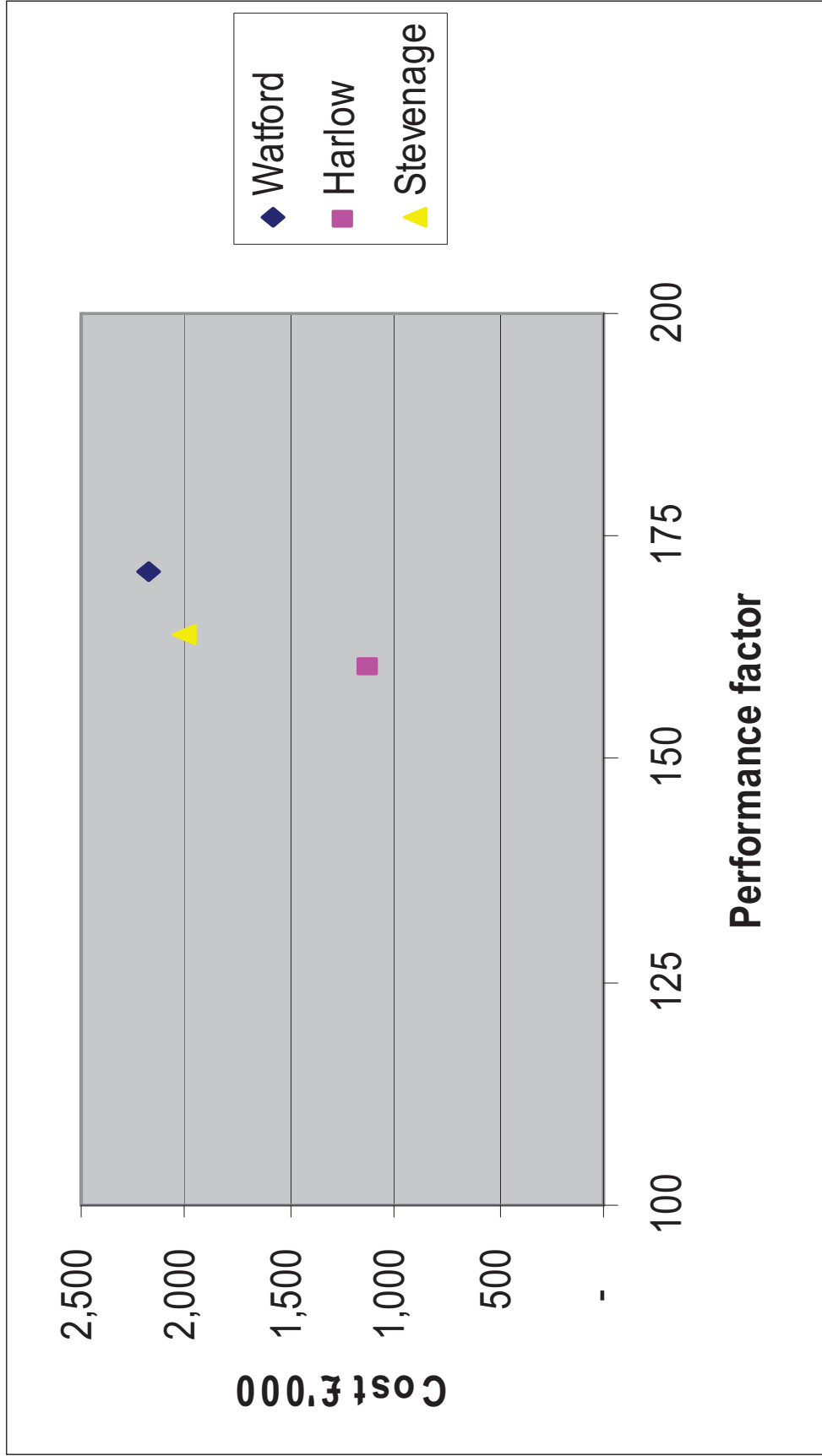
Net spend per head



Council	Watford	Harlow	Stevenage
Parks	30	4	10
Green flag parks	3	1	1
% satisfied with parks and open spaces (2008-9)	81%	72%	73%
% residents using parks and open spaces in last year (2008-9)	91%	89%	91%

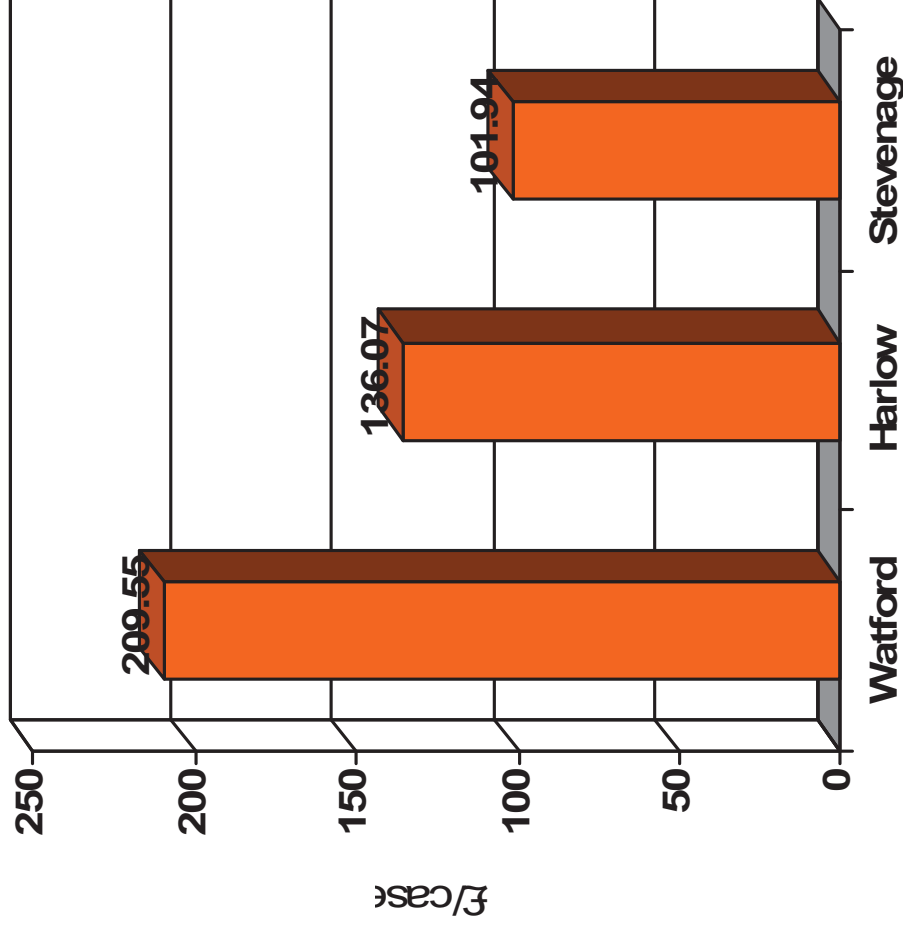
Parks and open spaces

Cost vs quality comparison



Benefits and tax administration

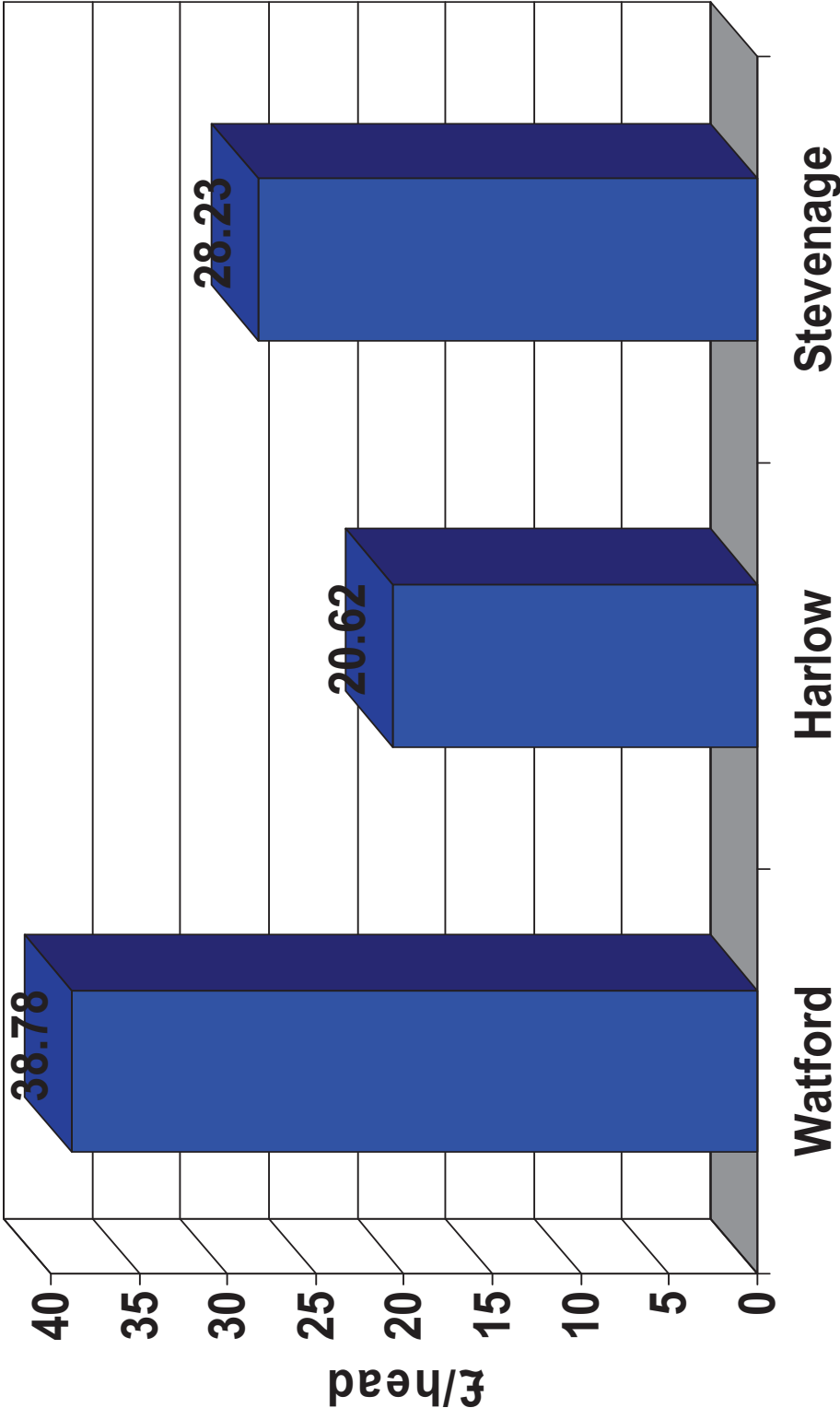
Net spend per case



Since these amounts relate to 2009-10, they do not account for the savings made as a result of moving to the shared service approach. A comparison of cost information for 2009-10 and 2011-12 suggest that the shared service approach has led to a 6% saving. Taking this into account, the unit cost for Watford would reduce to **196.97**.

Corporate & democratic core

Net spend per head



Harlow VFM: Further Analysis of Environmental Services Costs

Waste and Recycling

- Harlow/ Stevenage both have a fortnightly
- waste collection service.
- If we did the same our costs may be reduced
- by at least £250k with some properties not suited.
- Harlow co-mingle recycling
- Stevenage use one less loader for recycling

Waste and Recycling Cont'd

- Green Waste-Watford collect 35% more than Stevenage and 3 times more than Harlow. Watford provide unlimited collection and three rounds. If we reverted to two rounds—a saving of £125k could be possible, but recycling rate would fall.
- Watford vehicle maintenance costs look high—this is subject to a re-procurement at the present time—contract expires in March 2012.

Street Cleansing

- Street Cleansing—Watford only authority to provide a full 7 day service with higher frequencies. Watford score very well for lack of litter and detritus.
- Physical environment of Harlow & Stevenage very different to Watford with clear delineation between retail, leisure, residents etc. If Watford reduced frequency in Town Centre then a saving of £100k may be achieved.
- GENERAL ISSUE: Financial statistics across all three authorities were not consistent—this is a familiar theme for all benchmarking studies.

PART A

AGENDA

6

ITEM

Report to: Cabinet
Date of meeting: 6 June 2011
Report of: Head of Community Services
Title: Housing Value for Money Review Phase 1

1.0 SUMMARY

1.1 The Housing Value for Money Review aims to achieve savings targets of **£50,000** in 2011/12 and a further **£150,000** in 2012/13 as part of the Service Prioritisation Programme approved by Council.

1.2 This represents a significant reduction of the Housing Services revenue budget and will require a fundamental remodelling of the service. Implementation is scheduled as follows:

- Phase 1 in October 2011
- Phase 2 in April 2012.

1.3 This report summarises the Value for Money Review process and presents the key findings and recommendations relevant to achieving the Phase 1 savings proposals.

1.4 It also lays the foundations for work involved in identifying Phase 2 savings and suggests some guiding principles for the fundamental remodelling of the service which will take place as a result.

1.5 Phase 2 proposals will be presented to Cabinet for approval in Autumn 2011.

2.0 RECOMMENDATIONS

2.1 That Cabinet approves the Phase 1 savings proposals for 2011/12 as set out in Appendix A of this report.

2.2 That Cabinet approves the principles for identifying Phase 2 savings which will be reported in Autumn 2011.

Contact Officer:

For further information on this report please contact: Rachel Dawson, Housing Section Head telephone extension: 8902 email: Rachel.dawson@watford.gov.uk

Report approved by: Lesley Palumbo, Head of Community Services.

3.0 DETAILED PROPOSAL**3.1 Housing Value for Money Review Objectives**

- 3.1.1
- Establish what is currently delivered by the Housing Section and at what cost
 - Benchmark the scope, performance and cost of the services provided against other relevant authorities to determine whether it provides value for money
 - Identify longer term risks and funding implications for the service
 - Identify opportunities for improving value for money and achieving savings of £200,000 over 2011-13
 - Identify whether any services could be stopped or additional income generated
 - Put forward proposals for a redesigned service for approval by Cabinet

3.2 Review Process

- 3.2.1 In house project work and external consultancy support has included:
- Compilation of a baseline report (operating context, performance, costs)
 - Compilation of benchmarking information
 - Process mapping, time recording, customer contact analysis, staff ideas logs
 - Identification of quick wins and establishment of an implementation team
 - Joint workshops with Three Rivers District Council on scope for a shared service
 - External Health Check including documentation review, shadowing, case analysis, consultation with staff, stakeholders, members and service users, and analysis of service delivery, performance and costs against good practice elsewhere.

3.3 Headline context

- 3.3.1 The review is taking place at a time of unprecedented change within the public sector, the welfare system and the housing arena specifically. Demand for front line services and new policy development has increased even during the time span of the review.

3.3.2 Resources are reducing not only within the council but also within individual households' budgets and those of partner agencies. As an example, the Disabled Facilities Grant budget is heavily oversubscribed and households are being accommodated in Bed and Breakfast accommodation for the first time in a number of years as the council's temporary accommodation is full.

3.3.3 The pace of change is rapid, bringing opportunities as well as threats to the service. During the lifetime of the review a proposal from Herts CC has come forward to investigate the potential of a county wide shared Disabled Facilities Grant service and the CLG has launched a new triage model for customer advice and a new private sector licensing model both of which merit exploration in terms of how we reconfigure the service.

3.3.4 While savings must be made, it is within this context that proposals to remodel the service must be considered taking into account and mitigating against potential risks.

3.4 **Summary of the Housing Service**

3.4.1 Staffing comprises 20.5 full time equivalents within 4 teams:

- Homelessness Prevention and Housing Advice
- Housing Needs
- Private Sector Housing
- Strategy and Enabling

See Appendix B for the service structure chart.

3.4.2 The Housing Service provides a number of statutory services: administration of mandatory Disabled Facilities Grants, provision of housing advice, assessment of homelessness applications, provision of temporary accommodation, development of the Homelessness Strategy and Private Sector Renewal Policy.

3.4.3 Other activity within the service, while not mandatory in itself, makes the delivery of the statutory functions possible e.g. managing a rent deposit guarantee scheme, money advice and negotiation, partnership facilitation, strategy development and monitoring, facilitation of affordable housing.

3.4.4 Excluding capital grants, the largest cost to the service is staffing resources with a budget before savings for 2011/12 of £889,740 for salaries, local weighting, National Insurance and Superannuation. This is where the bulk of the savings will come from through implementation of Phase 2 of the review.

3.5 **Headline findings**

3.5.1 In addition to the in house project work carried out for the review, external consultants Campbell Tickell were appointed to carry out a health check of the current service and make recommendations for achieving the target savings.

3.5.2 Campbell Tickell are specialists in the social housing field, and were able to bring a detailed knowledge of the wider context as well as operational aspects of the service, having worked with over 400 clients including; Homes and Communities Agency, Tenant Services Authority, Housing Corporation, Communities and Local Government, Charity Commission, City, Borough and District Councils, National Housing Federation, national and local charities, and housing associations across the country.

3.5.3 In summary, their brief was to:

- Provide a health check and external challenge of service performance and the current model of service delivery and test the baseline, benchmarking and consultation findings against established good practice and alternative models. Make recommendations for change to achieve the target savings of £200,000 within the allocated timeframe
- Conduct consultation with managers, staff, stakeholders and service users in the context of all the activities carried out by the Housing Service.

3.5.4 Campbell Tickell conclude from their assessment of the service that to continue to deliver a good service and respond to the savings requirements “tweaking the current service model and structure will not be sufficient.... a transformational approach will be required”

3.5.5 The review has identified a number of areas where savings can be made but these cannot be achieved without some reduction and change in current service provision and subsequent risks. Those relevant to Phase 1 proposals are summarised in Appendix A of this report.

3.5.6 ***External Health Check Findings – Positives***

- The overall external assessment is that the service is a “well run operation with committed management and staff providing a range of good quality services”
- Housing has motivated and knowledgeable staff, good communication, strong management, enthusiasm for change, accessible service
- There is considerable good practice already in place, with a positive approach to partnerships
- Service users are generally positive
- There is a low level of complaints
- Councillors are also positive about the current service and the experience and skills of staff.

3.5.7 ***Areas for improvement***

- The service is “not sufficiently flexible or adaptable to meet the needs of the fast moving and changing environment of the future where more must be delivered with less”
- There is a lack of knowledge of good practice elsewhere, and a need

to strengthen skills in relation to managing Service Level Agreements with partner organisations

- There is minimal service user involvement and service user feedback and equalities information are not used systematically to shape the service
- The Housing service is not sufficiently linked to the wider council agenda
- There is a lack of SMART and challenging performance targets
- The process of Disabled Facilities Grants and homelessness applications is considered too long by service users

3.5.8

Risks

- Continuing increased demand for services e.g. rise in contacts for advice, homelessness applications and provision of temporary accommodation
- Additional time resource required to support families living in B&B
- We are supplementing baseline budgets with CLG homelessness grant to fund core services e.g. rent deposit guarantee scheme, which may not continue after 2012/13
- County funding has ended for the full time Care and Repair Caseworker
- Funding from Hertsmere for 0.5 of shared Tenancy Liaison Post will end in December 2011
- The joint working required with colleagues in Housing Benefit and the difficulties there have been with performance were flagged up as a risk to outcomes on the service

3.5.9

Benchmarking headlines

An in house benchmarking exercise was carried out and evaluated by the external consultants with further information added. The consultants have advised that accurate benchmarking is difficult to achieve and should be treated as an indication of performance only. Also, the information is necessarily based on 09/10 figures when pressures on homelessness performance for example were significantly less. Indications within these limitations are:

- In 09/10 WBC had good performance on the number of cases where homelessness was prevented, but at a higher than average cost per case
- The effective prevention of homelessness work with the majority of cases meant that most actual homelessness applications were from households who were later accepted. This is considered good performance and practice
- WBC was a mid range performer when comparing the number of cases where homelessness was prevented against the number where homelessness could not be prevented and where a duty was accepted by the council
- We were comparatively high cost in relation to Choice Based Lettings and the housing register (impact of high cost per let as we have a

comparatively low number of relets)

An established benchmarking set on Disabled Facilities Grants and strategy/enabling is not currently available

3.6 **Proposed savings 2011/12**

3.6.1 The external consultants made a number of recommendations for Phase 1 which are analysed in Appendix C.

3.6.2 These have been considered alongside proposals put forward by the Housing Team for achieving efficiencies and actual cost savings. Proposals have been evaluated according to the following criteria:

- Whether they would achieve bankable cost savings
- The amount of resource necessary to implement them
- The level of interdependency on other departments, agencies or services
- Whether implementation could be secured within the necessary timescales
- The risk and benefits to the service of implementation
- The need to cover the statutory service functions and increase resilience within a small team
- The need to respond to a changing policy and operational context

3.6.3 The resulting proposals with accompanying rationale and risks are attached at Appendix A. A number of quick wins have also been identified which can be found at Appendix D.

3.7 **Phase 2**

3.7.1 Remodelling the service to achieve the larger cost savings will result in a different Housing Service delivered by fewer staff. It is likely to include reductions in some areas and different methods of service delivery which will increase efficiency.

3.7.2 Potential changes to service delivery which are being explored in terms of feasibility and impacts include:

- The role of increasing self service for housing register applicants through user friendly web based housing options provision. This is being investigated in partnership with other authorities within Herts Choice Homes
- Changes to the daily drop in service for housing advice and whether an appointment based system would result in efficiency gains
- Adoption of the CLG toolkit for housing advice and homelessness which will assist with a more structured, time efficient approach to

customer service and advice

- An analysis of Band E of the housing register and the question of whether to continue accepting and processing these applications (3,272 applicants out of 4,500 on the register)
- The potential for sharing aspects of the service with Three Rivers District Council
- The Herts CC feasibility study for a shared Disabled Facilities Grant service across the county
- The benefits of adopting new models of licensing properties within the private sector as part of a Social Lettings Agency approach to both permanent and temporary accommodation. This is being investigated in partnership with other authorities through Herts Choice Homes.

3.7.3 In order to achieve the savings while as far as possible mitigating the strategic and operational risks at a time of increased demand, the following principles will inform the proposals:

- Reductions in staffing resource will be spread across both strategic and operational functions
- The service will seek where possible to reduce management resource in order to maintain an adequate level of front line cover
- The potential for outsourcing or sharing aspects of the service where implementation can be achieved quickly will be considered in order to facilitate management reductions
- Current roles will be reviewed and activities redistributed where necessary to balance workloads within reduced resources
- Impact on vulnerable customers will be considered as an integral part of the review

3.7.4 The impact on the viability of the service and pressures on remaining staff will be analysed as part of the recommendations, along with the risks of incurring costs where preventative action is curtailed.

Phase 1 proposals will be reported to Budget Panel on 22 June 2011 as part of the programme of Value for Money work across the council.

Proposals for Phase 2 will be reported to Cabinet in Autumn 2011 in order to enable sufficient time for the necessary staff, service user and partner consultation around impacts on the service, redundancy notices and selection for remodelled posts to take place for implementation in April 2012.

4.0 IMPLICATIONS

4.1 Financial

4.1.1 The Head of Strategic Finance comments that the Council is required to make £1.8m and £942k of efficiency savings in 2011/2012 & 2012/2013 in order to meet central government funding reductions. The housing service is required to contribute £50k and £150k towards these corporate targets. This is an extremely challenging agenda across the council and particularly in areas such as housing where demand for services is likely to increase.

This comprehensive VFM review has however indicated that a degree of 'transformation' and smarter working can enable the 'more for less' concept to be achieved. If the proposals within this report are approved then the Phase 1 requirement of £50k of efficiencies will be achieved.

Failure, corporately, to achieve budgetary targets will result in the Council's reserves / balances to be accessed. This can, however, only be a short term expedient as permanent savings would need to be identified at some point.

4.2 Legal Issues (Monitoring Officer)

4.2.1 The Head of Legal and Property Services comments that the savings proposals will have a significant effect on resources and carry a level of risk, there needs to remain adequate resources to meet the council's statutory duties relating to housing nominations, homelessness, the administration of Disabled Facilities Grants and development of strategies. It will also be necessary to have regard to the impact on equalities (attached at Appendix E) when considering any proposals for savings.

4.3 Equalities

4.3.1 An equality impact assessment of the Phase 1 proposals is attached at Appendix E. This concludes that there is likely to be low level impact during Phase 1 amongst people with the protected characteristics under the Equalities Act 2010 and mitigating measures are proposed.

4.4 Potential Risks

The risks to achieving the savings within the given timescales are:

Potential Risk	Likelihood	Impact	Overall score
<i>Development of on line form delayed</i>	2	3	6
<i>Withdrawal from Orchard delayed</i>	2	3	6

Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.

4.5 **Staffing**

4.5.1 The only proposal directly relating to staffing in Phase 1 is the deletion of the Partnership Support Officer post. This is vacant at present and therefore does not have an impact on existing staff. Detail of staffing impacts will be examined in the future cabinet report on Phase 2.

4.6 **Accommodation**

4.6.1 There will be no impact on accommodation.

4.7 **Community Safety**

4.7.1 There will be no impact on Community Safety other than a reduced capacity to engage in partnership projects through deletion of the Partnership Support Officer Post

4.8 **Sustainability**

4.8.1 There will be no impact on sustainability issues.

Appendices

- A Year 1 recommended savings
- B Current Service Structure Chart
- C Analysis of Campbell Tickell recommendations
- D Summary of quick wins
- E Equalities Impact Assessment

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report:

Housing Value for Money Review Project Initiation Document (PID)
Housing Value for Money Review Phase 1 Report
Campbell Tickell Report
Baseline Report
Benchmarking Report

File Reference

None

APPENDIX A

Recommendations

For implementation in 2011/12

Proposal	Overall savings	Savings 11/12	Savings 12/13	Rationale	Risks
STAFFING: IMMEDIATE IMPLEMENTATION					
Delete Partnership Support Officer Post 0.5 FTE	£18,137	£18,137	0	Vacant since summer 2010. Work absorbed by Housing Section Head and Housing Strategy Manager. Not frontline post. No redundancy costs.	Capacity to engage in proactive partnership work is depleted, there is an opportunity cost where we have less ability to lever in partnership engagement and funds. Resource issues where other (higher graded) staff are taking on this work in addition to existing duties. Support to Housing Strategy Manager post will need to be considered as part of Phase 2 restructure.
ADMINISTRATIVE EXPENSES: IMMEDIATE IMPLEMENTATION					
Overtime, travelling and mileage, medical assessments (homelessness)	£6,400	£6,400	0	Overtime: The majority of this overtime budget reflected peak workload during implementation of Choice Based Lettings. System is now established. Reconfiguration of budgets	Overtime: Pressure on the service is increasing and there will be no contingency to fund overtime for officers, peaks will have to be managed through flexi-time which does

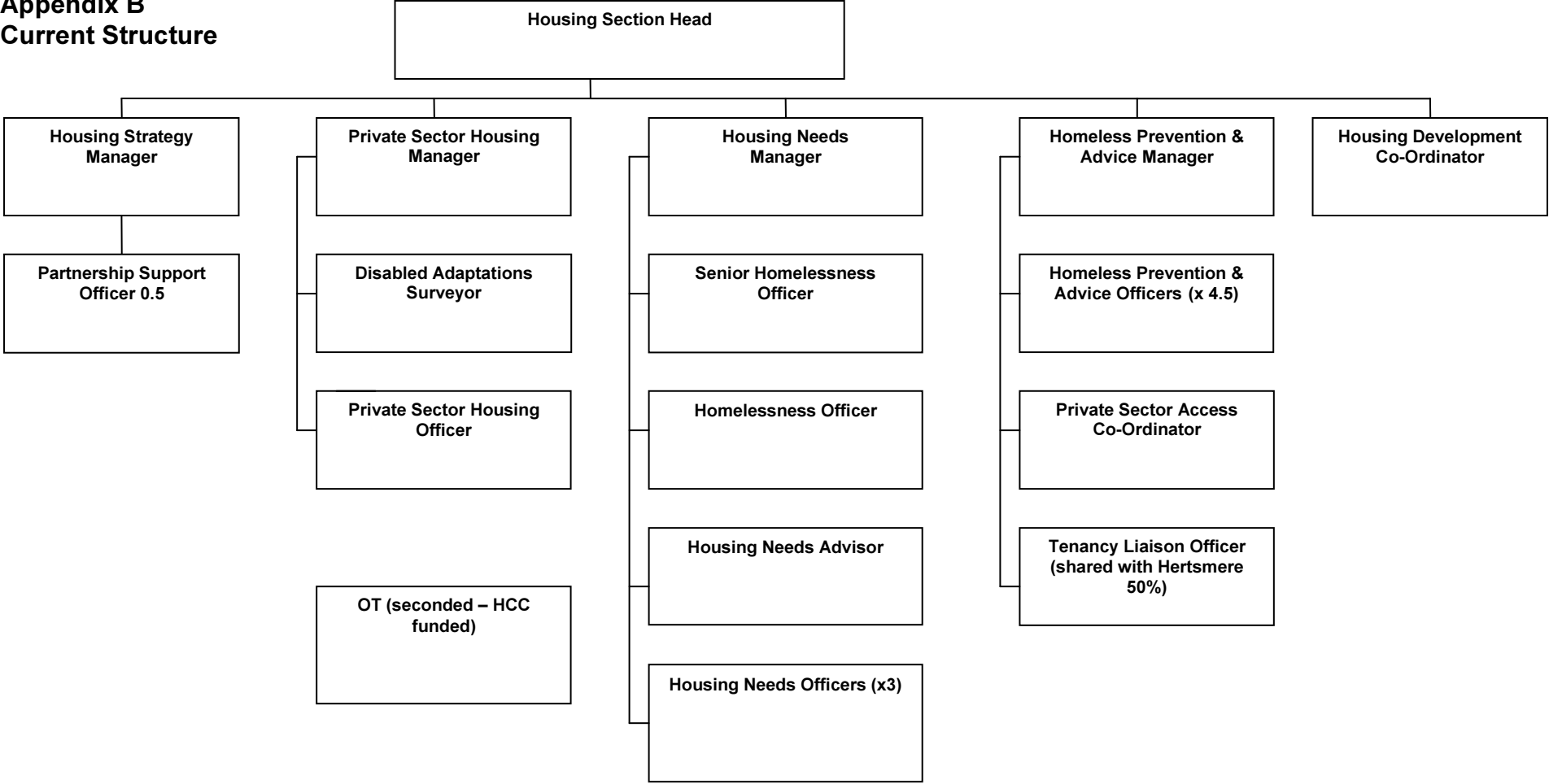
				<p>relating to out of hours will enable this saving to be achieved. Where additional hours are required in order to meet peaks in workload, this will be managed through flexi time arrangements.</p> <p>Travel: Essential meetings tend to be in Broxbourne, Hertsmere, Stevenage. Capacity to attend these will be reduced with fewer staff.</p> <p>Medical Assessment: Still leaves £2,700 which enables some growth in the number of cases compared to 10/11. Changed working practices and training of staff to carry out basic assessments in house should enable cost reduction.</p>	<p>not increase capacity.</p> <p>Travel: Travelling costs (fares) are likely to increase. Watford is not an attractive venue for partnership meetings due to parking issues and not central in Herts. Particular projects or working groups can require travel depending on how they are managed and where the host authority is located, this is unpredictable.</p> <p>Medical Assessment: Onus is on the council to provide evidence to support homelessness decisions, risk of legal challenge if not adequately assessed. With increasing homelessness, there could be greater pressure on this budget than in the past. Public sector cuts</p>
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					are leading GPs to charge for providing information previously given at no cost.
Strategy Implementation, grants and contributions	£5,150	£5,150	0	<p>Work funded through this budget e.g. landlords forum, newsletter, contributions to partnerships, strategic training/seminars could be funded through CLG Homelessness Grant.</p> <p>This has been used as Watford's contribution to running costs of the London Commuter Belt and its new iteration as a Hertfordshire Consortium. This could be funded from CLG homelessness grant</p>	<p>This is the whole budget. Opportunity cost if pressure on homelessness grant means we cannot allocate funds to this area and we are not able to pay our share of partnership projects which benefit Watford. We will not be able to purchase any relevant research studies etc to inform our strategic work and will have to reduce attendance at training/seminars where fees are payable.</p>
FUNCTION SPECIFIC: IMMEDIATE IMPLEMENTATION					
Hostel repair budget	£5,000	£5,000	0	Capital works have taken place in hostels, should result in fewer day to day repairs and replacements. This will leave £62,500 covering York House plus 6 x 4/5 bed hostels.	Repairs are essential due to health and safety requirements and to meet homelessness duties (demand on rooms means repairs cannot be delayed). The need to expand hostel places could result in more pressure on this budget which will cover a

					greater number of units. Higher occupancy and turnover could result in higher wear and tear.
Payments to Private Sector Landlords	£6,000	£6,000	0	This funds the payments made to landlords under the Rent Deposit Scheme and has been significantly subsidised by payments from the CLG grant. In order to make this saving, a greater share of the CLG grant will need to be allocated to fund the entire cost of these payments which are unpredictable.	Use of private sector properties is likely to increase as social housing resources diminish and demand increases. The rent deposit guarantee scheme is the main homelessness prevention tool and assists in relieving pressure on the council's temporary accommodation and costly Bed and Breakfast. Housing Service is investigating the potential for income generation and cost savings in this area as part of wider service redesign.
NON STAFFING: PROJECT REQUIRED FOR IMPLEMENTATION					
Introduce online housing application form and withdraw paper applications	£2,000 from baseline budget (actual saving anticipated £8,000 through negative	£2,000	0	Online form will reduce requirement for printing and posting out hard copy forms. Print costs approached £10,000 in 2010/11. Budget was significantly overspent last year so while only securing a small saving from the baseline	Joint project within Herts Choice Homes, implementation date not solely in control of WBC.

	growth)			budget this will also contain a situation which would ordinarily have necessitated a growth bid.	
Withdraw from Orchard computer system (now replaced)	£12,000	£8,000	£4,000	Access to live system (where fee is payable to WCHT) is no longer required.	6 month notice period under the SLA, potential for shorter period to be negotiated, end date will determine whether overall saving needs to be reprofiled by £1-2,000 into 2012/13.
	£54,687	£50,687	£4,000		

**Appendix B
Current Structure**



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Appendix C Assessment of Campbell Tickell Recommendations

The consultants made the following recommendations for implementation in 2011/12:

Consultant recommendation	Rationale/dependencies	WBC analysis/commentary
Partnership Support Officer (vacant). Delete this half post.	Changes to the amount of information collected and reported, some empowerment of partners to lead partnership activity and improved internal working reduce the need for this role.	This will be included in Phase 1 proposals. However the risk to note is that this will have an adverse impact on partnership working which levers in resource and opportunity to assist with council objectives. Building partner capacity to lead activities as suggested opposite requires intensive resource from the council which will not be available.
Private Sector Manager (Interim) and Housing Strategy Manager (Interim). Explore the possibility of a combined role which can focus on understanding the whole housing market and developing appropriate actions.	This may be dependent on the reduction of operational management responsibilities through the transfer of Disabled Facilities Grant management and administration to a third party and the re-allocation of strategic and partnership working actions to relevant postholders.	The council is participating in work with partner authorities to investigate the feasibility of reducing operational management responsibilities by sharing services. This will not be concluded in time to realise savings in 2011/12. Preferred option would be to consider all management functions as part of the wider restructure in Phase 2.
Money advice service - a limited service is offered by the Prevention and Advice Officers. Produce an advisory note to give to clients.	Reducing the officer time in discussing individual cases enabling resources to be focussed on access to private sector housing.	Use of written information to be investigated as part of new ways of working but will not generate a cost saving in itself, particularly in the light of increases in applications and client contact.
Housing Needs Officers – reduction by one post.	In the event of removing Band E from the Housing Register (and potentially transferring social housing tenants) capacity would be created within the Housing Needs Team.	The Localism Bill will be implemented in November 2011 and includes proposals which give authorities flexibility to restrict access to the housing register. A thorough analysis would need to be carried out of advantages vs risks and a political decision would need to be made on any policy change. This will not be achievable in time for implementation in 2011/12. Preferred option would be to consider all functions and workloads as part of the wider restructure in Phase 2.

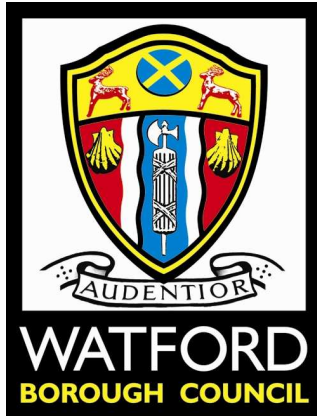
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Appendix D Summary of Quick Wins Activity

Task	Actions
Use online as the main way of applying for housing	Herts Choice Homes (HCH) were looking at improve the current form but the cost was around £15,000. It would cost the same to completely redesign the form. HCH have agreed it is better to completely redesign the form so it looks the same as the paper form and therefore more user friendly. HCH have the budget so there would be no further cost to the council. Meetings are being set up to look at specification, then Locata would need to design the form, all councils would need to test the form, there would then need to be a plan for phasing out paper forms, including support to applicants on our self service computers
End the use of Orchard	Notice to be given to WCHT
Review Homeless Storage Options	May be an invest to save option/rechargeable option for the future.
Remove leaflets from CSC housing application packs	Done
Review the need for and content of welcome packs sent by Locata	HCH are looking at reducing the size posted out or the possibly of not posting out packs and using text or email. Need to include enough information to ensure applicants are correctly informed so avoiding the need to contact us.
Pre book visits	New system in place.
Use email and text more often	Emails can be sent but don't show in journal so no record of contact. HCH coordinator is working with Locata to see how sent emails through Locata can show in notepad like letters.
Homeless standard letter	CLG Toolkit which includes standard letters to be adapted for WBC use.
Review housing register form	Need to ensure documents requested are clear and questions are relevant.
Provide more information about housing demand and properties	Agreed this is a good idea but at the end of the financial year so a full year's can be produced. Also want to produce a map showing where the properties have been over the last year.
Log minimum info on Locata the day the forms come in.	To be examined.

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Appendix E



ASSESSMENT OF IMPACT OF SAVINGS PROPOSALS

Service

Community Services

Title of policy, function or service

**Housing Value for
Money Review Phase 1**

Lead officer

Rachel Dawson

People involved with completing the EIA

Housing Service

Type of policy, function or service:

Existing

New/Proposed

1. BACKGROUND AND CONTEXT

Background

This assessment considers the potential effects, both positive and negative, of the savings proposals resulting from Phase 1 of the Housing Value for Money Review on the people in the groups or with the characteristics protected in the Equalities Act 2010. These are:

1. Age
2. Disability
3. Gender Reassignment
4. Pregnancy and maternity
5. Race
6. Religion or belief
7. Sex (gender)
8. Sexual Orientation
9. Marriage and Civil Partnership

The assessment also considers how we can achieve the positive effects and reduce or mitigate the negatives.

What is the Housing Value for Money Review?

The Housing Value for Money Review aims to achieve savings targets of £50,000 in 2011/12 and a further £150,000 in 2012/13.

This is part of the process of Service Prioritisation undertaken by Watford BC in response to a reduction in formula grant of 16.8% in 2011-12 and 12.7% in 2012-13. Across the council, this means that £5 million of savings need to be found.

In order to make savings of this level, fundamental remodelling of the service will be required. This will be undertaken within Phase 2 of the project and a separate Equalities Impact Assessment carried out.

Proposals for Phase 1 savings have been identified through in house work with staff and partners and an external health check commissioned from consultants which included service user and stakeholder consultation.

The many suggestions for achieving efficiencies and cost savings have been tested against key criteria and a shortlist for Phase 1 selected on the basis of:

- Whether they would achieve bankable cost savings
- The amount of resource necessary to implement them
- The level of interdependency on other departments, agencies or services

- Whether implementation could be secured within the necessary timescales
- The risk and benefits to the service (including service users) of implementation
- The need to cover the statutory service functions and increase resilience within a small team
- The need to respond to a changing policy and operational context

It is considered that Phase 1 suggestions can be implemented without a detrimental effect on vulnerable service users. This will also be a key consideration for the more extensive savings required in Phase 2.

What are the savings proposals?

1. Delete Partnership Support Officer Post 0.5
2. Savings from overtime budgets
3. Reduce travelling expenses and car mileage
4. Delete Strategy Implementation and Contributions budgets
5. Reduce Medical Assessment (Homelessness) budget
6. Reduce Hostel Repair Budget
7. Delete payments to private sector landlords budget
8. Introduce online housing application form
9. Withdraw from Orchard IT system

How will the policy support the general Equality Duty to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
2. Advance equality of opportunity between people who share a protected characteristic and those who do not
3. Foster good relations between people who share a protected characteristic and those who do not.

The savings proposals will still allow adequate capacity within the service to support the general Equality Duty. There is no impact on frontline services staff resourcing within Phase 1. The changes which will impact on the way in which housing applications are submitted and assessed will be implemented and monitored carefully in order to ensure that those with the protected characteristics can continue to access the service.

How will you put your policy/savings into practice?

Once approved, a separate implementation plan will be put in place and monitored for the Phase 1 activities.

What barriers are there?

The implementation plan will need to take account of the capacity of officers who are experiencing increased pressure on day to day service delivery at present. A number of the proposals rely on the co-operation of partner agencies which will need to be negotiated.

What existing information/data do you have?

The following information gives an indication of the profile of Housing Service customers and the issues that need to be considered when assessing the impact of our savings proposals. It is clear that women, BME communities and those with children or who are pregnant as well as those with a disability have particularly high representation in various aspects of our services. A profile of the wider Watford community is included as Appendix A of this document.

Housing services data relating to client profile

During the year from 1st April 2010 to 31st March 2011 there were 251 households who were provided with assistance by housing advice and homelessness prevention staff that successfully prevented or relieved homelessness. Of these:

- 40 (16%) were men, 126 (50%) were women, and 85 (34%) were couples
- 1 (<1%) was aged 16 to 17, 47 (19%) were aged 18 to 24, 197 (78%) were aged 25 to 64, and 6 (2%) were 65 or older

In 2010/11 there were 186 households in mortgage difficulties and threatened with repossession that approached the council.

- Ethnicity data is available for 107 (57%) of these households whose profile is as follows: White 74 (40%), Asian or Asian British 27 (14%), and 6 (3%) Black or Black British

There were 145 homelessness decisions made during 2010/11 of which 84 (58%) were for White British households and 61 (42%) were BME

117 of these were accepted as being owed the main homelessness statutory duty of which 66 (56%) were White British and 51 (44%) were BME. A further breakdown of these households shows that:

- 5 (3%) were aged 16 or 17, 46 (39%) were 18 to 24, 58 (50%) were 25 to 44, 6 (5%) were 45 to 59, 1 (<1%) was 60 to 64, and 1 (<1%) was 65 to 74. There were none 75 or over.
- The majority either had dependent children (76, 65%) or included a pregnant

woman (28, 24%)

- 7 (6%) of households had a member with a mental illness or disability

At 31st March 2011 there were 86 households living in temporary accommodation.

- 48 (56%) were White British, and 38 (44%) BME
- 76 had children or an expectant mother

At the 31st March 2011, there were a total of 4,432 households registered on the Housing Register. Of these:

- 2,438 (55%) were White British and 1,648 (37%) were BME
- 123 (3%) were aged 16 to 19, the majority, 3945 (89%) were between the ages of 20 and 59, and 364 (8%) were 60 or over.
- 27 (>1%) were disabled
- 1982 (45%) were male, and 2450 (55%) were female
- Data relating to religion and to sexual orientation is collected, but both questions have large numbers of households that do not provide an answer.
 - Religion: Christian 320 (7%), Muslim 95 (2%), Hindu 16 Buddhist 2 Jewish 7 other 10 (all <1%), none 121 (3%), 432 (10%)
 - Sexual orientation: Bi-sexual 10 (<1%), Homosexual 10 (<1%), Heterosexual (13%), prefer not to say 411 (9%), no data 3415 (77%)
 - Disabled Facilities Grants – the council received 92 referrals in 2010/11, approved 46 grants and 39 adaptations were completed of which 26 (39%) were for clients over 60 and 5 (13%) were for children

2. Potential effects of proposed policies:

1. Delete Partnership Support Officer Post 0.5 FTE
2. Delete overtime budgets (Strategy and Enabling, Prevention and Advice)
3. Reduce travelling expenses and car mileage (Strategy and Enabling)
4. Delete Strategy Implementation and Contributions budgets
5. Reduce Medical Assessment (Homelessness) budget
6. Reduce Hostel Repair Budget
7. Delete payments to private sector landlords budget
8. Introduce online housing application form
9. Withdraw from Orchard IT system

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The table below summarises potential positive effects and the groups or characteristics to which they relate:

Potential positive effect	Relevant proposed policy(ies)	Affected group or characteristic	Ways to deliver the positive effect
Cost savings on non front line aspects of the service, so reducing impact on vulnerable clients	1, 2, 3, 4, 9	All	Implement these proposals rather than sourcing all savings from front line service delivery.
In addition to the cost saving, reducing the Medical Assessment	5	Age, disability	Ensure Housing staff are adequately trained to assess

budget will necessitate further training for housing officers to carry out basic assessments for standard cases, leading to enhanced level of in house knowledge and improved level of advice from the outset about housing implications of individuals' medical conditions.			housing implications of the more basic/standard medical conditions.
Cost saving on hostel repairs to be achieved at the same time as capital works which will enhance quality of accommodation offered.	6	Pregnancy and maternity in particular	Ensure programme of capital works is delivered so that temporary accommodation is of a higher standard of repair and fewer reactive maintenance issues arise.
Faster processing of applications, less cumbersome paperwork, less cost to customers who currently pay postage to return application forms.	8	All	Ensure online form is user friendly (good basis of consultation on this through the service user group).
N/A as neutral impact to withdraw from Orchard, alternative system in place.	9	All	Continue to develop new system to ensure quick access to client records and data monitoring capacity.

The next table summarises potential negative effects and ways in which they can be removed or mitigated:

Potential Negative Effect	Relevant proposed policy(ies)	Affected group or characteristic	Ways to mitigate the negative effect
Reduced capacity to lead proactive partnership work which historically has benefited specific client groups by targeted approaches and leveraging in joint funding.	1	All but particularly disability, race e.g. those with no recourse to public funds.	Ensure gaps in capacity are identified and key workstreams absorbed within roles designed in Phase 2 restructure wherever possible.
Fewer resources to joint fund partnership projects including strategic initiatives to improve service and housing provision in the longer term, reduced funding for private sector initiatives	4,7	All but particularly pregnancy/maternity as many households in priority need under the homelessness legislation are within this group.	Ensure funding for key work areas is allocated from CLG homelessness grant e.g. joint landlord forum with Three Rivers District Council.
Risk of reduced capacity to assess medical applications as part of housing register/homelessness	5	Particularly age, disability	Ensure more targeted use of referrals to chargeable service for assessment through staff training and prioritising which need external assessment.
Reduced capacity to carry out repairs/replacements which are	6	Particularly pregnancy/maternity	Adequate funding retained to ensure properties are safe to

not a health and safety risk			occupy. Completion of capital works programme will ensure higher standard of repair within properties from the outset.
Some clients may need assistance to utilise online form initially and may not have computer access at home.	8	All Some groups, such as older people and those with learning difficulties may be disproportionately affected	Update Herts Choice Homes Inclusion and Access Policy to take account of this change. Ensure assistance available for clients and support agencies. Carry out another audit of availability of free computer access (e.g. library). We have already joint funded an additional PC in the customer service centre. 93% of clients bid online by choice, suggesting widespread availability. We can monitor where abortive applications are abandoned in order to improve specific web pages. Introduce email confirmation as receipt. Small no. of paper forms will still be available.

3. CONCLUSION AND NEXT STEPS

Have any changes been made to the proposed savings as a result of this assessment?

Equalities issues were already taken into account prior to the savings proposals being put forward. We have identified the need for a formal monitoring process to be set up to ensure the impacts of these changes are kept under review after implementation and adjustments made as necessary while keeping within the boundaries of the savings identified.

Who have you consulted?

The Value for Money Review process has involved consultation with staff within the Housing Service and other colleagues across the council in addition to interviews with partner agencies, interviews and workshops with officers in other authorities who are also providing a housing function, a briefing for elected members and telephone surveys with service users.

Is further consultation planned?

No further consultation is planned for Phase 1 of the review. Further consultation will be carried out for Phase 2 as this involves more extensive remodelling of the service with the potential for greater impact.

If you are not in a position to go ahead what actions are you going to take?

In the event that the savings proposals are not approved or not possible to achieve within the given timescales, alternative options will need to be put forward for approval and implementation.

How are you going to monitor the policy, function or service, how often and who will be responsible?

The performance of the service will continue to be monitored by Housing GMT and the Portfolio Holder for Housing through the quarterly review process every 3 months.

Approved by:

Date:

Appendix A

The Annual Monitoring Report 2009-10 contains information about the population of Watford, based primarily on the 2001 Census. The extracts below contain information about some of the groups or characteristics covered by the equality duty :

Age and Gender of Population

WATFORD	Total Resident Population	Males	Females
All Ages	79,726	39,227	40,499
0-4	5,117	2,570	2,547
5-9	5,305	2,651	2,654
10-14	5,053	2,585	2,468
15-19	4,380	2,191	2,189
20-24	5,004	2,373	2,631
25-29	7,206	3,556	3,650
30-34	7,528	3,822	3,706
35-39	7,093	3,706	3,387
40-44	5,783	3,032	2,751
45-49	4,807	2,424	2,383
50-54	4,781	2,370	2,411
55-59	3,871	1,985	1,886
60-64	3,249	1,618	1,631
65-69	2,866	1,373	1,493
70-74	2,587	1,168	1,419
75-79	2,177	864	1,313
80-84	1,480	534	946
85-89	936	297	639
90 and over	506	102	404

Watford's population is 49 per cent male and 51 per cent female, broadly in line with the male/female ratio in the East of England and across England as a whole.

Watford has a relatively young population, with a significantly larger percentage than the national average of people who are aged 25 to 44 (34.6% in Watford compared with 29.3% of England as a whole). Children under 15, at 19.4%, make up a higher proportion of the population than people aged 60 or over, at 17.3%, which is contrary to the county and national trend. The average age for Watford is 36.7 years as opposed to 38.6 years in England and Wales.

Ethnicity

The non-white proportion of Watford's population has increased from 10% in 1991 to 14% in 2001, which is higher than the national average of 9% and reflects Watford's broad mix of cultures.

People identifying themselves as Asian or Asian British amount to 8.2% in Watford, as compared with 3% overall in Hertfordshire. People identifying as Black or Black British total 2.7% in Watford as compared with 1.2% in Hertfordshire as a whole.

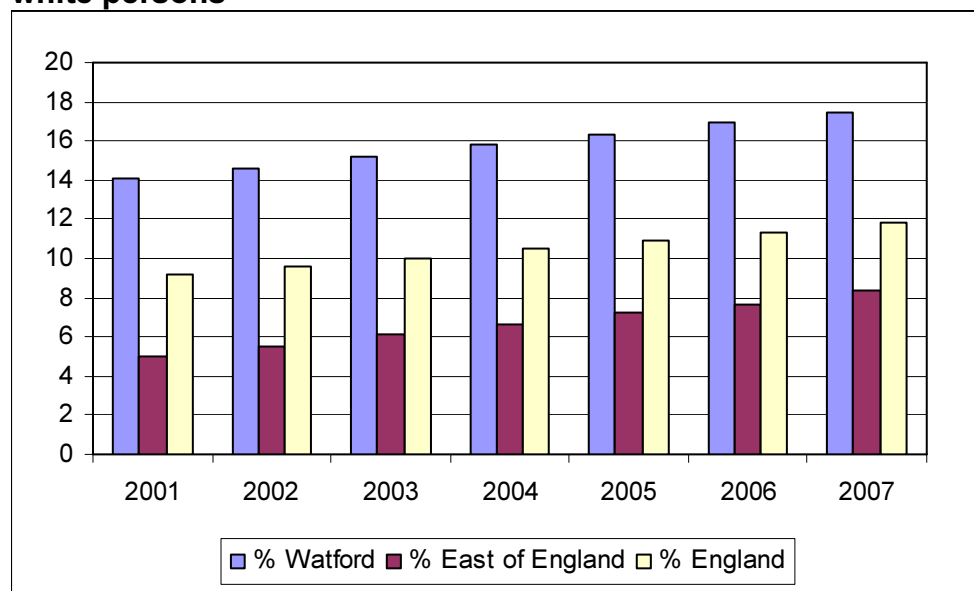
Ethnic Composition of Resident Population in percentages

	WATFORD %	HERTS %	ENGLAND %
White	86.0	93.7	90.9
White Irish	2.9	1.7	1.3
Mixed	2.1	1.4	1.3
Asian or Asian British	8.2	3.0	4.6
Indian	2.4	1.6	2.1
Pakistani	4.6	0.7	1.4
Bangladeshi	0.3	0.3	0.6
Other Asian	0.9	0.4	0.5
Black or Black British	2.7	1.2	2.1
Caribbean	1.5	0.6	1.1
African	1.0	0.5	1.0
Other Black	0.2	0.1	0.2
Chinese/Other Ethnic	1.1	0.8	0.9

Source: Figures sourced from Office for National Statistics 2001 Census

The Office of National Statistics has produced estimates on how ethnicity of the population has changed since the 2001 census and the chart below illustrates the non-white proportion. These are experimental statistics only.

Figure 2: Resident Population Estimates by Ethnic Group (Percentages) Non-white persons



Source: Office for National Statistics estimates updated 14 Sep 2009, compiled by Planning Policy, Watford Borough Council, extracted 27 May 2010.

Disability

The 2001 Census did not ask about disability but 11,321 people stated they had a “limiting long term illness”.

Religious beliefs

Of those who indicated their religion in the 2001 Census, 66.4% indicated a Christian background. The second largest religious group was Muslim, indicated by 6.1%.

Marriage and Civil Partnership

In Watford, the 2001 census shows:

- 47.7% of people aged 16 and over in households were living as a married couple
- 12.1% of people were co-habiting
- 25.4% were single (never having been married)
- 14.9% remaining were not living in a couple, being widowed, divorced, separated or married to somebody not resident in the household

In 2006, 797 marriages took place in Watford and 794 in 2007.

In 2001, 114 people in Watford aged 16 and over (0.18% of 62,145 people) stated that they were living together in a same-sex couple

The Civil Partnership Act came into force on 5 December 2005 in the UK – the first day couples could give notice of their intention to form a civil partnership. The Act enables same-sex couples, aged 16 or over to obtain legal recognition of their relationship.

Figures show that 116 civil partnerships were formed in Hertfordshire in 2007, 92 in 2008 and 74 in 2009 (the figure for 2009 is provisional).

Pregnancy and maternity

The average completed family size for women born in 1964 in England and Wales and completing their childbearing in 2009 was 1.9 children per woman. This compares with their mothers' generation, represented by woman born in 1937, who had an average of 2.4 children.

The UK has relatively high fertility levels compared with many European countries. The conception rate in England and Wales for 2009 has risen to 80.9 conceptions per 1000 women aged 15-44, from 79.9 in 2008. Between 2008 and 2009 conception rates increased in all age groups apart from those aged under 25.

The under 18 conception rate decreased by 5.9 per cent, from 40.7 conceptions per 1000 women aged 15-17 in 2008 to 38.3 in 2009 (figures for 2009 are provisional).

There has been a long term rise in the proportion of conceptions occurring outside a legal partnership. In 2009 conceptions outside a legal partnership accounted for 57 per cent of all conceptions in England and Wales, whereas it was 42 per cent in 1989.

The under 18 conception rate in Watford for 2007-09 (provisional) was 27 per 1,000 females, higher than the county average of 24.7 per 1,000, but lower than the regional average (31.9 per 1,000) and the national average (40.2 per 1,000) (ONS statistics – rates for 2009 are provisional)

2008 stats at county level	Herts	E of E	England
Percentage of conceptions to all women outside marriage	49%	54%	56.2%
Percentage of conceptions to all women terminated by abortion	19.2%	18.9%	21.9%
Percentage of conceptions o/s marriage leading to maternities	63.7%	66.4%	63.2%
Percentage of conceptions o/s marriage terminated by abortion	32%	29.4%	33.1%

We do not currently have data on sexual orientation or gender reassignment. This is a data gap that will be looked at corporately.

Housing Service Budget 2011/12

Before the initial £50,000 savings are deducted, operating costs from 2011/12 budgets are as follows:

Expenditure	
Employees	£871,400
Premises	£48,340
Transport	£8,470
Supplies and Services*	£536,690
Income	-£392,120
Grants	-£225,670
Total	£847,110

*includes spend of CLG homelessness grant of £186,050

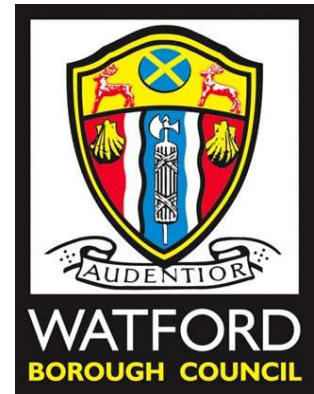
This does not take account of capital budgets e.g. for disabled facilities grants or of depreciation/amortisation or support service charges.

It is important to note that the service supplements baseline budgets with CLG homelessness grant to fund core services e.g. rent deposit guarantee scheme, severe weather plan for rough sleepers, additional staff resources and project costs to tackle particular aspects of homelessness prevention.

The grant has been nationally agreed as part of Local Services Support Grant (LSSG) award for 2011/12 and 2012/13 at £281,000 each year for homeless prevention but corporately agreed for expenditure of £186,050 for homeless prevention in 2011/12 . The Council will identify the figure for homeless prevention for 2012/13 as part of budget setting for 2012/13.

Rachel Dawson
Housing Section Head
31.05.11

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Housing Service Value for Money Review

Executive Summary

EXECUTIVE SUMMARY

1. These are times of unprecedented change in local government generally and in housing policy in particular. Local authorities face a complex operating environment, having to respond strategically to policy proposals and initiatives which have been outlined in broad brushstroke but with as yet only limited detail. In the coming months and years, as changes to funding, welfare and housing are implemented, frontline services are likely to face increasing demand. Organisations like Watford Borough Council, which have a statutory duty to provide many of their services, face a dual burden of fewer resources and greater demand.
2. In January 2011, Campbell Tickell was appointed to work with Watford Borough Council to undertake a value for money review of its Housing Service. The aim of the review has been to inform the redesign of the Housing Service to achieve £200,000 cost savings to be introduced over a two year period (the first £50,000 annual budget savings in 2011/12 and a further £150,000 annual savings in 2012/13). This represents a total reduction of around 20% in the Housing Services revenue budget.
3. The Council's principal housing functions are:
 - Setting housing strategy;
 - Meeting housing need and planning for future housing need;
 - Facilitating delivery of affordable housing
 - Preventing homelessness, including via the private rented sector;
 - Discharging statutory homelessness duties;
 - Provision of temporary accommodation;
 - Managing the housing register;
 - Meeting mandatory duties in relation to disabled adaptations; and
 - Monitoring delivery of Watford Community Housing Trust (WCHT) tenant promises and the ongoing relationship with the Trust as a main provider of housing in the Borough.
4. This review has been conducted between January and March 2011. The main activities have involved:
 - Documentation review;
 - Interviews with Housing Service managers and staff, and interviews with non-Housing managers;
 - Onsite observations of service operations, and file checks;
 - A service users consultation exercise;
 - 'Challenge workshops' with managers and with staff;
 - Interviews with external stakeholders;
 - A Member briefing;
 - An assessment of the effectiveness of the Service;
 - Identification of best practice examples elsewhere and comparison of WBC's performance with other authorities;
 - Review of all the information and impressions obtained; and

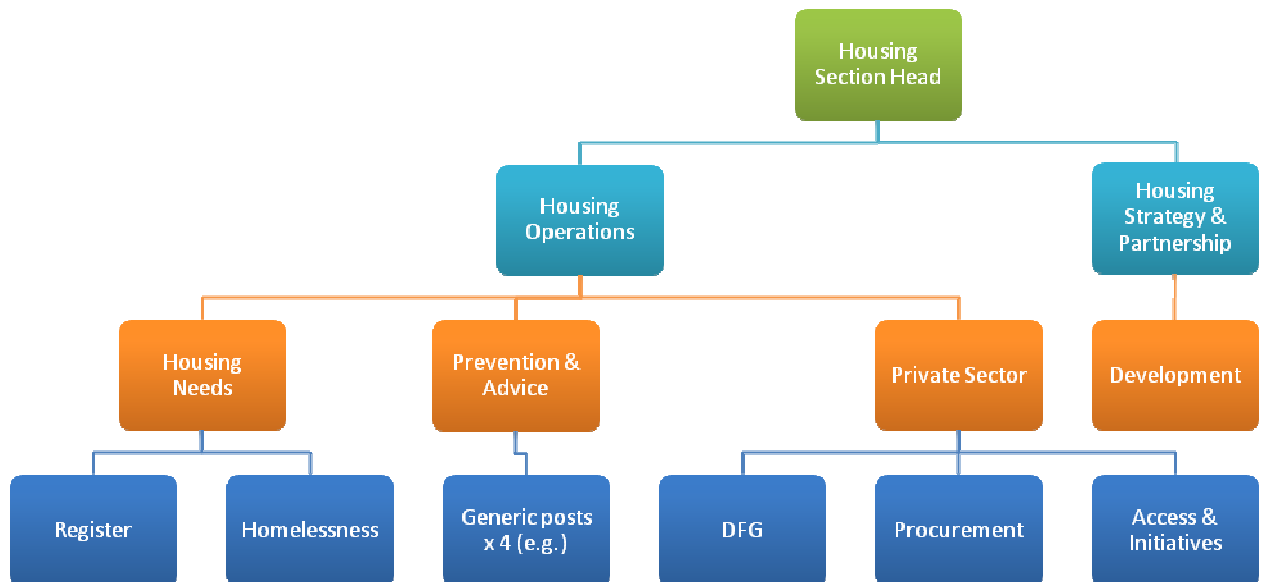
- Preparation of draft and final reports of this review.
5. Our overall assessment is that Watford's Housing Service is a well run operation with committed management and staff providing a range of good quality services, despite the challenges of the present operating environment. There are many elements of good practice already in place. However, the Service is traditional in its structure and approach. While delivering a solid service based on the previous agenda, it may not be sufficiently flexible or adaptable to meet the needs of the fast moving and changing environment of the future, where more must be delivered with less. If Watford is to continue delivering a good service and at the same time respond positively and proactively to the financial agenda, then reductions in the staffing establishment are necessary. From our interviews with staff, they were clear that there appeared to be organisational capacity within the service. It is clear that 'tweaking' the current service model and structure will not be sufficient going forward and a transformational approach will be required.
 6. Having examined the Housing Service in as much detail as practical in the time available, and tapped into the views of staff, Members, service users and external partner organisations, we have set out a range of options and recommendations for the Council to consider. These comprise a mix of specific proposals for implementation, particular areas for further investigation, and other options.
 7. Most immediately, the Service needs to achieve its savings targets. Given that some 80% of the Service's budget is staffing, this can only be done through a reconfiguration of roles within the Service.

Recommendations and options

8. Alongside our policy and practice recommendations, we recommend for 2011/12, certain adjustments to the Housing Service staffing structure. Taken together, these are capable of generating annual revenue savings in the region of £90k.
 - (a) Partnership Support Officer (vacant) – delete this half-time post;
 - (b) Private Sector Manager (Interim) and Housing Strategy Manager (Interim) – combine these roles;
 - (c) Reduce the number of Housing Needs Officer posts by one.
9. We then set out two alternative options for structure changes for implementation in 2012/13. The first should be capable of generating total potential savings annual revenue savings in the region of £84k.
 - (a) Tenancy Liaison Officer (shared post with Hertsmere BC, who are proposing to withdraw their funding share) – delete this post;
 - (b) Disabled Facilities Grants – explore transfer of management and administration of the DFG to a third party provider;
 - (c) In the Homelessness Prevention and Advice Team, reduce by one the number of Prevention and Advice Officers.

- (d) In the event of deciding to set up a social lettings agency (see below), aim to transfer officers working around private sector housing to the new agency, and potentially also prevention and advice activities.
10. The second option would involve a more fundamental recasting of the Service. The aim would be to allow more time to understand the impact of the changing environment and make sure that the new structure can support the transformational change approach required for the Housing Service.

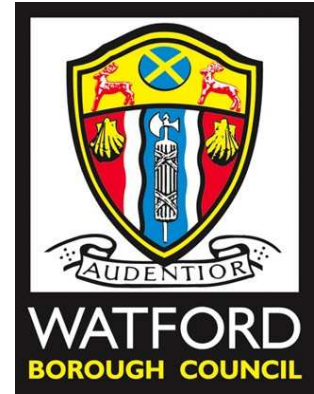
The principle here would be to separate operations from strategy, commissioning and partnerships. It would reduce the number of managers more. It would also increase management capacity inasmuch as the Team Leaders would deal with operational issues, freeing up the Managers to deal with policy, strategy, partnerships, performance and clienting. The outline structure would be as follows.



Our indicative calculations indicate that this would bring down the establishment annual revenue cost to approximately £680k. Together with other savings achieved from our recommendations, we believe this would deliver the savings required of the Service.

11. Moving beyond staffing structure, key recommendations to support the change of approach required as part of a refocused housing function and staff structure would be as follows.
- Ensure Mayoral priorities are aligned to and supported by the new structure.
 - Review the potential for further shared services with Three Rivers DC, but also being alive to the potential for working with other authorities.
 - Review the HARI partnership and rationalisation of officer resources, with the aim of achieving more effective working at strategic level.

- (d) Ensure close working with WBC's strategic, policy and communications functions to join up housing actions to corporate work programmes.
 - (e) Review the approach to the strategic commissioning of the voluntary sector in housing, e.g. direct Council funding to CAB to deliver housing outcomes.
 - (f) Explore options to establish a social lettings agency, to work with the Council and private landlords, offering landlords a range of tenancy management and advice services, while ensuring the provision of quality accommodation in the private rented sector. Options for the agency could include establishing it jointly with Three Rivers DC, or with one or more local housing associations. The source of set-up funding could be the New Homes Bonus (see (g) below).
 - (g) Explore options for using the new Homes Bonus, which we believe is likely to generate an annual income of £420,000 for WBC over six years.
 - (h) Carry out an Equalities Impact Assessment to minimise risks of successful legal challenge under the Equalities Act 2000.
 - (i) Ensure ongoing training and support for staff and managers to equip service to cope with increased pressure and changing priorities.
12. Our principal recommendations in the arena of service delivery and operations are as follows.
- (a) Review the Housing Register, with a view to removing Band E, bearing in mind that such applicants could never realistically expect to achieve housing through this route.
 - (b) Review how residents are accessing services with a view to a single access point to avoid duplication, also enabling a triage system to be supported.
 - (c) Streamline the prevention and advice service by reducing the number of drop-in days available and prioritising those in most need. Introduce an appointment system for service users not in emergency need.
 - (d) Consider an integrated Borough wide strategy for hostel provision.
 - (e) Review the operation of Disabled Facilities Grants for WCHT residents in order potentially to save the Council £10,000 for each such DFG.
 - (f) Recoup the cost of payments made on the rent deposit guarantee scheme.
 - (g) Investigate ways to increase revenue, e.g. charging for storage and damage related to Rent Deposit Scheme or Temporary Accommodation; repayment of improvement grant; outsource inventory scheme.
13. There is in addition a number of other recommendations that we make, which we propose for implementation as resources allow, rather than being treated as immediate or high priority.



Housing Service Value for Money Review

Benchmarking extract

APPENDIX 10 – COMPARING COST AND PERFORMANCE

Summary messages

From the comparison WBC carried out with similar organisations, we may draw the following conclusions (more detailed information can be found in the sections below this summary):

- The Housing Service performs well in relation to cases of homelessness prevented; nevertheless, when adding in cost information from the earlier exercise it appears that the service is also higher cost.
- The Borough has one of the highest levels of acceptance as homeless compared to homelessness decisions; however, we feel that this is not necessarily a negative indicator as it means less time is spent investigating homeless decisions where the household is not owed a duty. Ideally the aim would be to have a low level of homeless decisions per 1,000 of the population and a high level of acceptances where a decision was necessary.
- Watford is a mid-range performer in relation to the ratio of cases prevented to cases accepted.
- A comparatively high proportion of prevention/relief of homelessness is via the private sector guarantee scheme (as opposed to people remaining in their current home) – this may present challenges in the future as changes to benefits come into force and the comparative figures for 10/11 show a different situation with far fewer properties becoming available for the scheme.

In respect of benchmarking against the cost of the service, we may made the following conclusions (more detailed information can be found in the sections below this summary):

- Looking at the service as a whole, Watford has a higher cost than other organisations in the benchmarking sample. This figure may be distorted by the presence of CBL and housing register salaries, which are not included in the benchmarking sample.
- Watford has lower quartile performance in relation to prevention of homelessness per 1,000 households. However it was noted above that when comparisons were made with a selected group of peer organisations, performance was much stronger. It may be that the organisations in the benchmarking sample (Bristol, Medway, Exeter, Northampton, Swindon and Crawley) share fewer characteristics.
- Watford has a higher cost per successful prevention than the comparator group. This is consistent with Watford's own peer benchmarking.
- Watford has mid-level performance in terms of enabling people to remain in their existing home. This is consistent with Watford's own peer benchmarking.
- The ratio of successful preventions to homelessness acceptance is 4.5:1 in Watford, compared to a median of 7:1 across the benchmarking group. This is consistent with Watford's own peer benchmarking which showed the Council at mid to low performance.

- Watford performs strongly in relation to the proportion of homelessness decisions accepted, although it are mid-level in terms of homelessness decisions taken per 1,000 households.
- In relation to CBL and the housing register, Watford is a comparatively high cost service, though economies of scale are a significant factor in determining costs of the overall service. For an organisation like Watford which lets a comparatively small number of properties, this may be a significant factor in the comparatively high cost-per-let figure.
- The number of lets per full time employee is low compared to others.

Watford Housing Service carried out a cost and performance benchmarking exercise, which consisted of two parts. The first was a comparison on the costs of the service, the second comprised a survey to 15 local authorities requesting a range of performance data. The following sections relate to our review of these exercises.

CIPFA cost benchmarking

Cost benchmarking with the Chartered Institute of Public Finance and Accountancy was carried out before all cost information had been submitted by Watford for 2009-10. Although some Boroughs had submitted cost information, at the time of the exercise it was not possible to compare against Watford's costs. Because of this, the exercise was of limited value at the time it was carried out.

It is also not clear what criteria were used to set the cost. In the table below we have included an estimated figure for the net cost of prevention based on 2009-10 spend on prevention and advice, excluding central costs such as office accommodation, IT services, etc.

Local authority	Number of households	Net cost of prevention	Cost of prevention per 1000 households
Bedford	59,597	£474,388	£7,960
Bromley	125,866	£1,722,477	£13,685
Broxbourne	34,933	£25,573	£732
Redbridge	92,288	£730,755	£7,918
Watford	32,350	£262,844	£8,125

At the time of the benchmarking exercise it was, however possible to compare costs for 2008-9. Cost information was presented for temporary accommodation, homelessness prevention, administration and support.

Prevention, administration, support & other costs

The information presented covers net expenditure in the above areas. It would be useful for this information to be presented in a format which enables more precise comparison, for example as a cost per 1,000 households, or per 1,000 of the population. Without this information, the data lacks essential background.

Without a comparison against this or, for example, an idea of how many cases are successfully prevented, it is difficult to draw meaningful conclusions from this information. While it is possible to say, for example, that Watford spent less on homelessness prevention in 2008-9 than Bromley, this does not account for the potentially different levels of demand on services, staff levels, or the relative 'success' of the interventions employed. We appreciate that it can be challenging to obtain meaningful benchmarking information, however some additional information would vastly improve the usefulness of the data presented. It is positive that Watford are aware of the limitations of the data, and the fact that the report does not attempt to draw conclusions from net expenditure alone is positive.

Temporary accommodation

The report looked at the cost of temporary accommodation. It would be useful for figures on income and expenditure to be presented in relation to the number of households housed in temporary accommodation. Another way of determining relative cost may be to present income received from temporary accommodation as a percentage of expenditure on that accommodation. The authorities with the highest spend on temporary accommodation (Redbridge and Croydon) are also those which make a profit from the service, receiving 11% and 22% more in income than expenditure. Watford is running a close to 'break even' service; in the context of the other authorities in the benchmarking group, this could be considered good performance. Other authorities cover as little as 17% of their expenditure with income received from temporary accommodation.

Local Authority	TA - Total expenditure (£)	TA - Total income (£)	Income as % expenditure
Bromley	1,635,721	954,762	58.37%
Broxbourne	452,115	170,467	37.70%
Croydon	6,108,000	7,444,000	121.87%
Redbridge	32,867,086	36,483,936	111.00%
Rushmoor	26,624	4,528	17.01%
Three Rivers	9,853	3,659	37.14%
Tunbridge Wells	358,359	235,650	65.76%
Watford	392,583	384,979	98.06%

WBC benchmarking exercise

15 authorities were contacted to take part in a benchmarking exercise. From the information presented we note that 5 authorities completed the questionnaire. In our experience it can be challenging to encourage people to participate in benchmarking exercises; the pressures many local authorities face in the current environment is likely to make this even more challenging.

One way of encouraging people to take part in such exercises is to offer a report to all participants at the end. If WBC did not offer to provide a report on this occasion, it may be worth considering this offer for future benchmarking exercises.

We agree with the approach of seeking to benchmark against authorities with a similar profile, in terms of location, size and having outsourced housing stock. It may also be useful to think about benchmarking in an 'aspirational' sense against authorities that Watford feel are top performers. Although we would not suggest that Watford should aspire to replicate another authority, it may be useful in terms of target setting and locating Watford's housing services on a spectrum of performance.

It is worth noting that the separation of performance information from cost information makes it difficult to judge the value for money of services in comparison to other Boroughs. We would encourage a more integrated approach which seeks to understand the cost of providing a service (e.g. cost per successful prevention; cost per homelessness decision, etc.).

Homelessness decisions, acceptances and temporary accommodation

Watford performs well in comparison to the benchmarking sample in relation to cases of homelessness prevented (preventing or relieving 3.96 cases per 1000 of the population). It may be that there is also a hidden figure in respect of prevention, as young people will be referred to Hertfordshire Young Homelessness for prevention. When comparing against cost, the table from 2008-9 also shows that Watford spent more on prevention than any of the other Boroughs for which comparable data is available. Although the comparison runs across different years, we might expect to see a higher cost associated with more effective prevention (for example Three Rivers spent the least out of the sample on prevention in 2008-9 and had the lowest proportion of prevention per head of population).

Watford also have a comparatively high level of homeless decisions per 1000 of the population. This suggests that – despite positive performance in terms of prevention – there are a comparatively high number of cases that are not prevented.

The Borough has one of the highest levels of acceptance as homeless. 72% of those who present as homeless are accepted, compared to 41% in Three Rivers. There could be a number of reasons for this – it may be that, as the report suggests, there are some unnecessary acceptances. However it may also be that effective housing advice means that some of those who would not be eligible for acceptance are not presenting to the Council in the first place. In terms of acceptances per 1,000 of the population, the report quotes a high figure of 2.1, however our calculations show that performance is in fact 0.89 acceptances per 1,000 of the Borough's population. This is still comparatively high.

In terms of the ratio of cases prevented to cases accepted, for every case accepted, Watford prevents 4.5. This constitutes median performance when compared with the benchmarking sample.

Local authority	Prevention to acceptance ratio
Rushmoor	12.5 : 1
Stevenage	7.7 : 1
Tunbridge Wells	4.6 : 1
Watford	4.5 : 1
Three Rivers	2.5 : 1
Welwyn Hatfield	1.5 : 1

Watford's rent deposit scheme is a large contributor to the prevention/relief of homelessness in the Borough. The scheme accounts for almost 40% of cases prevented. In comparison to the other benchmarking authorities only Three Rivers relied more heavily on this type of scheme. The proportion of cases relived by debt advice and mortgage arrears intervention were significantly smaller for all authorities. In Watford these schemes accounted for around 7% of homelessness prevention.

Although the value of claims under the deposit scheme were £26,000, the cost per case housed in this way is around £206. This is significantly lower than the cost of a homelessness case. Watford's performance in relation to other Boroughs is middling – Welwyn Hatfield and Tunbridge Wells in particular had a relatively low proportion of claims on their bond scheme. It should be noted, however, that reliable information on claims may take some time to filter through, as landlords will not be claiming on a bond unless there is a breach of the agreement.

The figures around acceptances in temporary accommodation may require further probing. Some authorities in the benchmarking group have housed more people in temporary accommodation than they have accepted as homeless. This is likely because the figure for people in temporary accommodation is a rolling number, whereas the figure for acceptances is an annual figure.

Housing register

The benchmarking report notes that there is wide variation between authorities in the proportion of people on the housing register in reasonable preference. This may be explained by some Councils no longer registering those who would be in the lowest band (i.e. no identified need to move). Although there would not necessarily be an obvious value for money implication, it may be that:

- There would be fewer applications to process (for example if people were aware that they would have no chance of being registered if they had no identified need to move) – this would free up staff time;
- There would be a reduction in calls regarding people's position on the housing register;
- There would be reduced administration in terms of processing change of circumstances.

Although removing the lowest band on the housing register could be considered an artificial way of lowering numbers, it may result in some savings internally. As other Boroughs have decided to take this action, it may be that they have useful lessons to share in terms of the costs and benefits of the approach.

Benchmarking against other sources

In 2010 Shelter published the report *Value for Money in Housing Options and Homelessness Services*. This report was based on a cost and performance benchmarking exercise based on data from 6 local authorities (Bristol; Medway; Exeter; Northampton; Swindon; Crawley). The housing options and homelessness services were broken down into 3 parts:

- Housing options and homelessness prevention
- Homelessness assessment
- Conclusion of duty

While it is not possible to accurately compare Watford with the performance of these authorities across all indicators, the sections below seek to make comparisons where the data allows.

It is important to note that benchmarking in this way is notoriously difficult, with organisations arranging budgets and teams in different ways. In this case, the Shelter cost comparison sought to remove some distorting elements by removing overheads such as IT and office accommodation from their calculations. In terms of cost, they only looked at:

1. Direct costs (for example charges for rent deposit/guarantee schemes); and
2. Staff costs (it is not clear whether this included solely salary costs, or whether it also included, for example, pension contributions, expenses and other associated staff costs, therefore comparisons in this area should be treated with caution).

Overall cost of the service

It is difficult to split out the cost of the homeless prevention and advice and statutory homelessness investigations from the overall costs of the housing service (for example, the housing needs team perform many more functions than just the investigation of homelessness decisions). When looking at the overall cost of the services, taking a conservative view and only accounting for staff salaries, WBC has a higher cost per 1,000 properties than other Boroughs in the benchmarking report.

WBC overall costs per 1000 households	
Staff salaries for homelessness prevention & advice	£241,290.32
Staff salaries for housing needs	£220,189.17
Number of households in Watford*	34,000
Staff cost per 1000 households	£13,573

*Based on CLG projections of households at 2011 (projected from the 2001 Census)

Across the benchmarking sample, median spending per 1,000 households was £7,978. There may be several reasons for the disparity:

- The housing needs team contains staff costs for other activities, for example running the CBL scheme;
- It has not been possible to adjust for deprivation, while the benchmarking report did make some adjustments for deprivation.

It may also be the case that WBC simply do have a higher staff cost for the activities carried out.

Prevention

Watford successfully prevented 9.3 cases of homelessness per 1,000 households in 2009-10. This is around lower quartile performance when compared with the benchmarking group in the Shelter report:

- Upper quartile: 10.5
- Lower quartile: 9.4
- Median: 10.1

In relation to the cost of prevention, Watford's performance is consistent with lower quartile performance when compared to the other benchmarked authorities.

WBC prevention & advice costs	
Successful preventions 2009-10	316
Staff costs for homelessness prevention & advice*	£262,844

WBC prevention & advice costs	
Cost per successful prevention	£832

**Staff costs are based on the removal of central charges for example office accommodation, IT services, HR services, etc. to enable an accurate comparison with other providers.*

Shelter noted the following performance:

- Upper quartile performance: £479 per successful prevention
- Lower quartile performance: £830 per successful prevention
- Median performance: £642

Even taking into account staff salaries as the only cost, WBC would have a cost of £764 per prevention, still placing them towards lower quartile performance. The other benchmarked organisations typically had a ratio of 2/3 staff costs to 1/3 direct costs on their prevention activities. WBC's ratio is much more heavily skewed towards staff costs, with only 2.3% accounted for by payments to landlords. This is likely because some of the costs of housing people in the private sector are contained within a different budget. However this would mean that – if some of the direct costs of preventing homelessness by housing people in the private sector are not included in these initial calculations – the cost per prevention would be even higher.

In 2009-10 the prevention and advice service enabled 35% of those requiring intervention to stay in their own homes. In comparison to the benchmarking group from Shelter's report, this is median level performance, with the upper quartile performers enabling 41% to stay in their own homes, and lower quartile performers enabling just 26% to stay in their existing home.

It may be useful to collect more detailed information on the reason the household was able to remain in their existing accommodation. This may include:

- Debt advice, resolution of HB problems, social sector/private sector/mortgage arrears resolved;
- External mediation;
- Conciliation and internal mediation;
- Sanctuary scheme;
- Illegal eviction/harassment .

Results showed that the benchmarked authorities secured a median of 7 successful preventions for every unsuccessful prevention (i.e. an acceptance). Watford achieves around 4.5 preventions for every acceptance (316 successful preventions in 2009-10 compared to 70 homelessness acceptances).

Homelessness decisions

The split of budgets makes it difficult to obtain the cost of making a homelessness decision. This is because costs for the homelessness officers are contained within the overall housing needs budget (i.e. this budget also accounts for the cost of housing needs officers).

A rough impression can be gained from looking at the budget allocation for statutory homelessness for 2010-11 (£125,360) and the number of homelessness decisions taken in 2009-10 (97 decisions). From this calculation the cost per decision was £1,292. This figure, however, is only derived from the cost of investigation, not the many associated costs of accepting a household as homeless.

Although comparing across two different years produces a somewhat imperfect calculation, the cost of investigation is significantly higher than for Shelter's benchmarking group:

- Upper quartile performance: £300
- Lower quartile performance: £447
- Median: £375

One possible reason for the higher cost – aside from the problem of comparing over two years - could be the inclusion of non-staff costs within the 2010-11 budget. The inclusion of, for example, central service charges would inevitably distort the cost.

Interestingly, the report notes that there is a general trend towards a more generic approach to the completion of homelessness assessment work, where one officer carries out prevention and advice work, then continues with cases where homelessness cannot be prevented rather than passing the client on to a separate team.

WBC perform comparatively strongly in relation to the proportion of homelessness decisions accepted (72%). Upper quartile performance for this measure is based on a high proportion of decisions being accepted – this is because a low proportion of decisions would mean wasted time in terms of investigation. Ideally for benchmarking purposes you would want to see a low number of homelessness decisions, with a high proportion of acceptance – meaning you would only be making decisions on cases likely to be owed a duty.

- Upper quartile performance: 75%
- Lower quartile performance: 44%
- Median: 57%

Watford makes just under 2.9 homelessness decisions per 1,000 households. This compares to upper quartile performance of 2.2 and lower quartile performance of 3.2 with a median of 2.5 decisions per 1,000 households (however it should be noted that Watford's figure has not been adjusted for deprivation, therefore performance may be higher than stated). Overall, in comparison to this benchmarking group Watford is

performing relatively well in terms of the number of decisions it makes and the proportion accepted.

It may be useful to record the average length of time taken to complete enquiries and issue a decision, as this may be a useful area on which to benchmark.

Temporary accommodation

Watford accepted 52 households into temporary accommodation in 2009-10. This equates to 1.5 placements per 1,000 households. Compared to the other authorities in the Shelter report, this is median performance (upper quartile, 1.1; lower quartile, 1.7).

Choice Based Lettings and Allocations

A report for the West London Housing Partnership contains benchmarking information for 19 local authorities (Brent, Crawley, Ealing, Greenwich, Hackney, Harrow, Hammersmith and Fulham, Hillingdon, Hounslow, Islington, Kensington and Chelsea, Lambeth, Newham, Northampton, Redbridge, Southwark, Sutton, Waltham Forest and Westminster. The benchmarking covered choice based letting schemes and allocations. Costing data was based on employee costs and direct costs (i.e. it did not include the cost of central services, office accommodation, etc.)

The key efficiency cost indicator is the average cost per let. For WBC it is difficult to identify this cost because the Housing Needs team contains within it a number of officers whose work is outside the scope of CBL and allocations. For the purpose of benchmarking, we have removed the cost of homelessness searches, for example, and calculated staff salaries based on removing an amount proportionate to the number of staff engaged in homelessness duties. Although this is an imperfect measure, it enables us to produce an indication of cost and performance solely for housing register/needs and the CBL service.

WBC housing register/needs & CBL costs	
FTE	5.45 (housing register/needs, 3.85; CBL, 1.6)*
Lets 2009-10	355
Cost of the service**	£248,545
Cost per let	£700
Lets per FTE	65

**This figure is taken from the Value for Money Review of the Housing Service Baseline Paper, p.13*

***Based on removing charges for central services and office accommodation, and a portion of salaries proportionate to the number of FTE engaged in homelessness duties; costs include SLA fee from WCHT for administration of the housing register.*

Cost per let

- Upper quartile performance: £345
- Lower quartile performance: £576
- Median: £401

Those authorities with a higher throughput of lettings per year tend to be those which have a lower unit cost per let. Economies of scale therefore seem to be a significant factor in determining costs of the overall service. For an organisation like Watford which lets a relatively small number of properties when compared with other Boroughs, this may be a factor in their comparatively high cost-per-let figure.

In terms of lets per employee, however, Watford also falls near lower quartile performance, as can be seen from the figures below:

- Upper quartile performance: 113
- Lower quartile performance: 70
- Median: 78

Costs can be broken down further, to look at the employee cost per let, and medical assessment cost per let.

	WBC	Upper quartile	Median	Lower quartile
Cost per let	£700	£380	£424	£591
Employee cost per let*	£450	£271	£377	£516
Medical assessment per let	£4.15	£10.79	£16.48	£21.25

**Employee costs based on estimated staff salaries excluding a proportion based on numbers of homelessness officers*

Watford is performing highly in terms of the cost of medical assessments per let. This may be due to officers being able to determine medical priority in some cases, rather than sending cases out to a specialist company for assessment. In terms of employee cost per let Watford is performing between the median and lower quartile, however this figure in particular should be treated with some caution as it is based on estimated staffing costs.

The table below looks in more detail at the staff performance in each aspect of the service:

	WBC	Upper quartile	Median	Lower quartile
Cost per let	£700	£380	£424	£591
Lets per housing register/needs employee	92	213	116	90
Lets per CBL employee	222	353	221	187

WBC is consistent with other providers in having more housing register/needs employees to CBL employees (although these are not separate employees per se, this division of labour is taken from the employee allocation exercise carried out as part of the service prioritisation exercise for the Housing Service, see *Value for Money Review of the Housing Service Baseline Paper*, p.13). This is reflected in a higher number of 'lets per employee' for CBL employees as the overall number of lets is divided among fewer people. In terms of performance, however, the number of lets per person for housing register/needs employees is comparatively lower than CBL when compared to the benchmarking group.

Considerations for future benchmarking

In the future, it may be instructive to produce a robust assessment of:

- Presentation of cost and performance information, to enable a cost per prevention/cost per assessment calculation
- Separation of homelessness and CBL/housing register costs to enable accurate comparisons with other providers
- The average cost of prevention per case vs the average cost of homelessness assessment per case
- The average cost of prevention per case vs the average cost of homelessness acceptance per case
- Information on appeals against homelessness decisions
- Information on satisfaction with the service or performance against targets

We think it would be very useful to understand the sort of savings that are made through successful prevention. Shelter estimates that minimum cost savings per successful prevention (compared to acceptance, where the household is placed in temporary accommodation) are in the range of £1,300 to £7,700.

Shelter estimates that typically almost 10% of tenancies secured via rent deposit schemes either fail part way through the minimum term required or are not renewed at the end of it. It may be useful, as the scheme continues over time, to collect information on the proportion of tenancies which fail – either part way through the tenancy or at the end of the term.



DRAFT

Housing Service

Benchmarking information

1. Summary

1.1 This report highlights some of the key messages from the initial benchmarking study carried out at the outset of the Housing VfM Study, combined with further available CIPFA cost stats (for 2009-10) and elements of the analysis done by Campbell Tickell.

1.2 The combined benchmarking centres on the comparisons with the following 14 authorities:

- Harlow
- Rushmoor
- Broxbourne
- Hertsmere
- Stevenage
- Three Rivers
- Welwyn Hatfield
- Tunbridge Wells
- Spelthorne
- Bexley
- Bromley
- Croydon
- Redbridge
- Bedford

1.3 These authorities were chosen on the basis of comparability with Watford in respect of the following criteria:

Criteria	Comparators
Geography	Herts districts
Out sourced HRA	All
Ethnic mix	London Boroughs
Population size	Harlow, Rushmoor, Broxbourne, Hertsmere, Stevenage, Three Rivers, Spelthorne, Welwyn Hatfield, Tunbridge Wells
Central London commuter	Harlow, Spelthorne, Bedford, Outer London Boroughs
Population density	Stevenage, Rushmoor, Bexley, Bromley, Croydon, Redbridge

1.4 The sample selection has enabled comparability with Watford on these criteria, though it is not possible to find a reasonably sized group that compares against all criteria. Most authorities in the group do however compare on a few criteria rather than just one.

2. Key messages

2.1 Cost benchmarking

2.1.1 In terms of the updated CIPFA cost information for 2009-10 (which compares actual results for local authorities as submitted within RO forms), Watford ranks as the 6th most expensive, and is 12% higher than the average of spend per head of population (see 3.1).

2.2 Performance benchmarking exercise

2.2.1 Watford's rent deposit scheme appears to be significantly outperforming other Councils who have returned the questionnaire in respect of homelessness cases prevented. However, it is slightly underperforming against internal KPIs. (see 4.1).

2.2.2 Watford performs second best for number of homelessness cases prevented or relived per head of population. It also has the most acceptances per head, demonstrating the greater need for accommodation temporary housing compared with the others. However, the greater acceptances do not translate to a high level in TA (see 4.2).

2.2.3 In terms of amount of decisions that are accepted as homeless, Watford is amongst the highest. This suggest that Watford may want to look at the acceptance process to see if there are any unnecessary acceptances that add to a strain on temporary accommodation and the housing function generally. This is however not necessarily a negative indicator as it means less time is spent investigating homeless decisions where the household is not owed a duty (see 4.2).

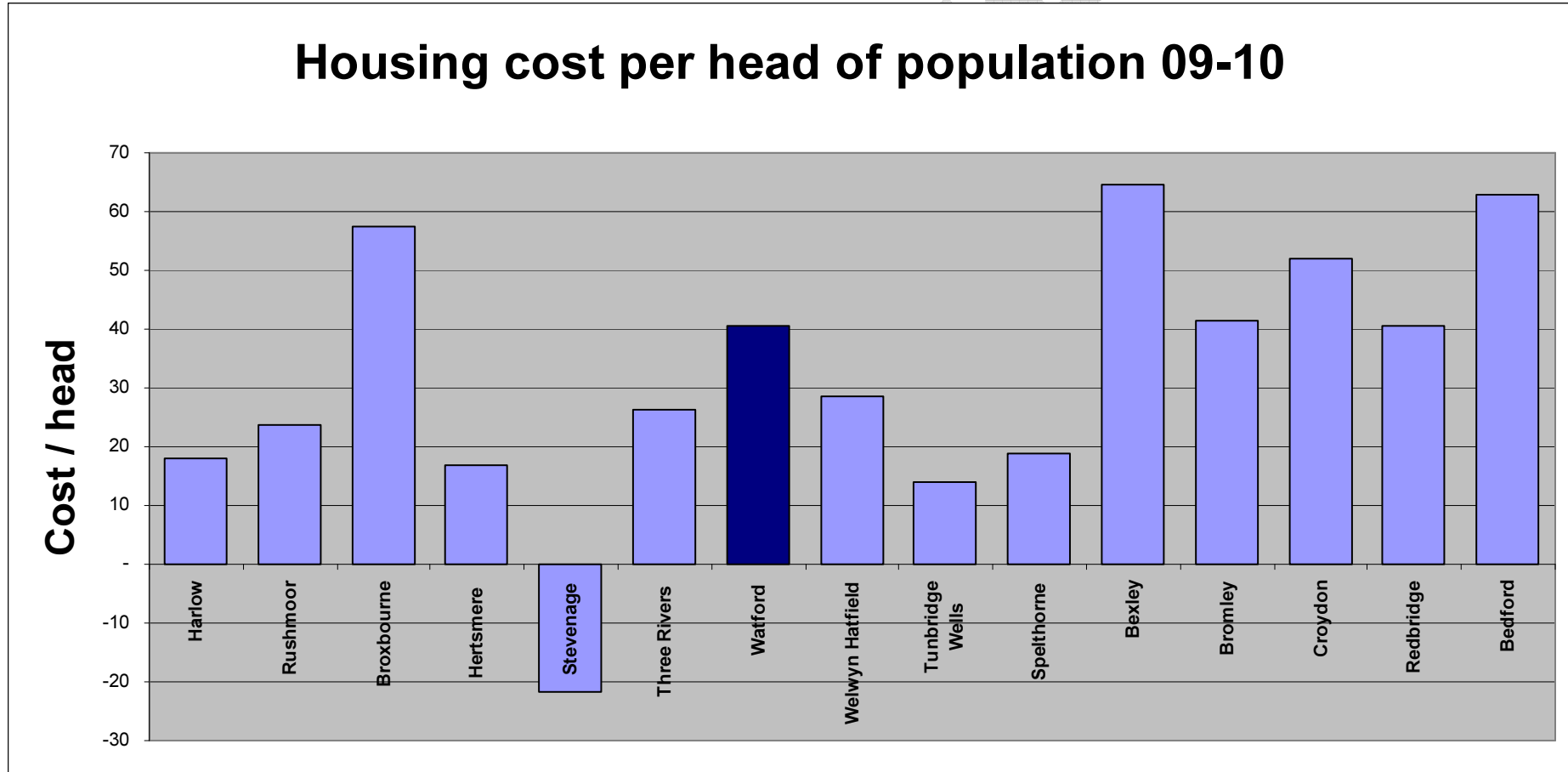
2.2.4 There is a marked variation in the amount of housing register classed as in reasonable preference, with the lowest at 14% and the highest at 75%. Watford has the second lowest level of the sample at 22%. It is unclear why this is, although it will partly be due to different approaches being adopted by some councils. Watford currently add all applicants to the housing register, regardless of category, whereas some other councils have decided to not add those in the lowest 'E' category in order to streamline the process (see 4.5).

2.2.5 From the population statistics we can see that Watford has a high proportion of the population on the register. This is a reflection of the more urban nature of Watford and means that Watford will be under greater cost pressure within its housing function (see 4.5).

2.2.6 A comparatively high proportion of prevention/relief of homelessness is via the private sector guarantee scheme (as opposed to people remaining in their current home) – this may present challenges in the future as changes to benefits come into force and the comparative figures for 10/11 show a different situation with far fewer properties becoming available for the scheme.

3. CIPFA cost benchmarking

3.1 Unit cost comparison



3.2 Watford ranks as the 6th most expensive, and is £4.49 or 1% higher than the average of £36.18. This average figure ignores Stevenage, which showed a profit on Housing for 2009-10.

3.3 Breakdown of costs as per RO forms for 2009-10 **NOTE THAT THESE INCLUDE HOUSING BENEFIT ADMINISTRATION IN ADDITION TO HOUSING**

	Harlow	Rushmoor	Broxbourne	Hertsmere	Stevenage	Three Rivers	Watford	Welwyn Hatfield	Tunbridge Wells	Spelthorne	Bexley	Bromley	Croydon	Redbridge	Bedford	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Housing Strategy, Advice and Enabling	(56)	617	3,872	704	349	339	979	893	465	-	5,392	237	1,045	1,041	220	
Housing Advances	-	30	-	-	-	-	-	6	-	1	(78)	307	248	6	(80)	
Private Sector Housing Renewal:																
Administration of Financial Support for Repairs and Improvements	-	187	193	40	3	705	852	625	(392)	-	2,510	1,613	1,592	-	1,301	
Other Private Sector Housing Renewal	-	-	-	-	-	-	-	-	-	-	-	-	64	693	25	
Homelessness:																
Other Nightly Paid, Privately Managed Accommodation	-	-	-	-	-	-	-	-	-	-	-	-	-	(499)	-	
Private Managed Accommodation Leased by the Authority	-	-	-	-	-	-	-	-	-	25	(1,197)	-	-	-	-	
Hotels	-	-	127	-	-	-	(28)	-	(8)	-	90	-	-	-	-	
Bed and Breakfast Accommodation	198	19	-	13	277	-	-	-	77	6	878	(324)	357	115	-	
Private Managed Accommodation Leased by RSLs	87	-	148	-	4	-	-	-	-	-	-	-	(776)	-	-	
Directly with a Private Sector Landlord	-	-	-	-	-	314	-	-	37	-	-	-	-	(4,636)	-	
Accommodation within the Authority's Own Stock (non-HRA)	-	-	-	-	-	-	-	-	-	249	(16)	-	-	-	-	
Other Temporary Accommodation	-	11	-	-	-	-	-	-	-	-	-	-	1,173	-	-	
Administration	573	131	25	318	-	-	453	319	598	-	569	120	1,515	3,664	137	
Accommodation within RSL Stock	-	-	-	-	-	-	-	-	11	693	-	-	-	-	-	
Prevention	-	95	326	-	-	-	-	-	-	-	-	2,235	7	729	958	
Support	-	-	-	-	-	-	-	-	-	-	-	120	-	345	-	
Housing Benefits:																
Rent Allowances Discretionary Payments	-	51	(3)	-	(18)	-	-	-	-	(7)	-	83	175	-	-	
Non-HRA Rent Rebates - Discretionary Payments	-	-	-	-	-	-	-	16	-	-	-	-	-	-	-	
Rent Rebates to HRA Tenants Discretionary Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	80	-	
Housing Benefits Administration	696	874	497	795	(469)	970	1,152	1,369	712	790	3,008	3,449	2,822	3,559	2,527	
Other Council Property (Non-HRA)	-	157	-	(201)	(1,905)	-	-	-	11	(12)	-	644	(49)	6	114	
Housing Welfare:																
Supporting People	(49)	-	-	-	-	-	-	-	-	-	3,420	4,383	9,574	5,576	4,743	
Other	-	-	-	-	-	-	-	-	-	-	-	-	113	197	-	
Total housing service	1,449	2,172	5,185	1,669	(1,759)	2,328	3,408	3,228	1,511	1,745	14,576	12,867	17,860	10,876	9,945	
Population	80,600	91,100	90,200	98,900	81,000	88,100	83,800	112,800	107,600	92,600	225,900	310,200	342,800	267,700	158,000	
Cost per head	17.98	23.84	57.48	16.88	(21.72)	26.42	40.67	28.62	14.04	18.84	64.52	41.48	52.10	40.63	62.94	

3.4 A limited number of authorities also completed the CIPFA Temporary Accommodation and Homelessness questionnaires for 2009-10. Key information from these returns is as follows:

3.4.1 Temporary accommodation

Local Authority	Total expenditure	Total income	Net expenditure	No. Households provided with TA at 31.03.10
	£	£	£	No.
Bedford	179,400	-	179,400	36
Bromley	858,582	(655,042)	203,540	489
Broxbourne	423,639	(222,601)	201,038	27
Redbridge	30,483,767	(35,412,253)	(4,928,486)	2,173

3.4.2 Homelessness

Local Authority	Prevention - net expenditure	Number of persons employed in homelessness prevention	Admin - net expenditure	Number of persons employed in homelessness admin	Support - net expenditure	Number of persons employed in homelessness support	Other - net expenditure	Total prevention, admin, support and other - net expenditure	Total net expenditure on homelessness (including capital charges)
	£	FTE	£	FTE	£	FTE	£	£	£
Bedford	474,388	12.5	140,633	No data	-	No data	-	615,021	794,421
Bromley	1,722,447	37.0	90,516	2.0	90,516	2.0	-	1,903,479	2,107,019
Broxbourne	25,573	4.0	215,508	2.0	(5,266)	1.0	-	235,815	462,531
Redbridge	730,755	No data	3,734,213	104.0	346,143	No data	-	4,811,110	29,645

4. Benchmarking exercise

4.1 5 of the 15 authorities responded to a request for benchmarking information. There responses are summarised below.

Authority name	Watford	Welwyn Hatfield	Tunbridge Wells	Three Rivers	Rushmoor	Stevenage
Population	79,726	97,553	104,030	82,848	90,987	79,715
Population density (pop'n per km ²)	3,722	753	314	930	2,330	3,070
Ethnicity white	79%	89	94	87	92	91
Ethnicity BME	21%	11	6	13	8	9
No of FTEs	21.36	Not given	12.40	11.34	16	Not given
No visits for face to face homelessness / housing advice (<i>annual</i>)	TBC	817 initial face to face visits. (This does not include revisits).	838		5000 seen at our Housing Options drop in service	Not recorded separately
No homeless cases prevented or relieved (<i>annual</i>)	316	213	203	108	499	315 in total
No. homelessness decisions (<i>annual</i>)	97	369	81	107	50	75
No. acceptances (<i>annual</i>)	70	145	44	44	40	41
No. acceptances per 1,000 population	2.1	0.145	0.96		0.4	0.5
No. acceptances in Temporary Accommodation	52	102	26	75	8	As at 31 st March 2010 = 54
Average time in Temporary Accommodation (<i>in weeks</i>)	21	12 weeks	5.43 B&B	20		Not recorded, but most households in TA (not emergency) approx 7 – 9 months
Temporary Accommodation bedspaces as at 1 April 2009	184	127	37 properties	2 voids	16 – units which are leased therefore they are also full other wise we have to pay a void	22 emergency bedspaces. Overall TA bedspaces not recorded
Costs per bedspace (management, repairs, equipment)	£1,632		Not currently available		Nil	n/k
Income from temporary	£330,452		Not currently available		Nil	n/k

Authority name	Watford	Welwyn Hatfield	Tunbridge Wells	Three Rivers	Rushmoor	Stevenage
accommodation (rents and charges)						
Do you run a private sector rent deposit scheme? <i>(If yes, please also give brief details)</i>	Yes	Yes – for people who are threatened with homelessness and likely to be priority need. We offer a deposit guarantee.	Yes	Yes – We guarantee one months deposit for rent arrears or damage	Yes – one month's rent deposit for arrears or damage is guaranteed.	Yes. We offer assistance mainly to those in priority need. We offer tenancy deposits, rent in advance and tenancy deposit guarantees. We also offer landlord incentives, e.g. fast tracking housing benefit claims, carrying out inventories, help with legal paperwork etc
No. new cases on deposit scheme	134	34	68	80	63	96
No. homeless cases prevented/relieved via deposit scheme <i>(annual)</i>	126	34	68	77	57	57
No. landlord claims under deposit scheme <i>(annual)</i>	26	3	3	12		57
Value of claims (£'000)	26	2	4	73		Average claim = £513
No. cases prevented/relieved via debt advice, mortgage arrears intervention or rescue	23	4	1	3	10	10
No. on housing register as at 1 April 2010	3,776	3,139	2,355	2,768	2,800	4,689 – homeseekers only, not including transfer applicants
No. in reasonable preference as at 1 April 2010	842	2,044	680	1030	2110	636
No. nominations to RSL dwellings	355	215	363	210	404	123
No. grants for private sector renewal assistance <i>(including</i>	1,112	7	8	65	PRIVATE SECTOR	209

Authority name	Watford	Welwyn Hatfield	Tunbridge Wells	Three Rivers	Rushmoor	Stevenage
DFG)						
No. enquiries / applications for DFGs	87		150/ 83	37	PRIVATE SECTOR	380
No. grants completed	42	38 (private sector only. Not including council stock)	97	40	PRIVATE SECTOR	n/k but 185 applications approved
Annual spend on DFGs (£'000)	537	360	646	400	PRIVATE SECTOR	373
No. additional RSL dwellings - social rented	110	2	18	0	169	68
No. additional RSL dwellings - intermediate	0	0	0	0	8	3
No. additional RSL dwellings - shared ownership	49	0	6	0	120	13

4.2 Performance per head of population

	Watford	Welwyn-Hatfield	Tunbridge-Wells	Three-Rivers	Rushmoor	Stevenage
No homeless cases prevented or relieved / 1,000 population	3.96	2.18	1.95	1.30	5.48	3.95
No. homelessness decisions / 1,000 population	1.22	3.78	0.78	1.29	0.55	0.94
No. acceptances / 1,000 population	2.1	0.145	0.96		0.40	0.50
No. acceptances in Temporary Accommodation / 1,000 population	0.65	1.05	0.25	0.91	0.09	0.68

4.3 Homeless prevention and decisions

Authority name	Watford	Welwyn Hatfield	Tunbridge Wells	Three Rivers	Rushmoor	Stevenage
Population	79,726	97,553	104,030	82,848	90,987	79,715
No visits for face to face homelessness / housing advice (<i>annual</i>)	No data	817	838	No data	5000	No data
No homeless cases prevented or relieved (<i>annual</i>)	316	213	203	108	499	315
No. homelessness decisions (<i>annual</i>)	97	369	81	107	50	75
No. acceptances (<i>annual</i>)	70	145	44	44	40	41
No. acceptances per 1,000 population	2.1	0.15	0.96	0.53	0.4	0.5
No. decisions per 1,000 population	1.22	3.78	0.78	1.29	0.55	0.94
%age visits resulting in decision	No data	45%	10%	No data	1%	No data
%age preventions arising from visits	No data	26%	24%	No data	10%	No data
% acceptances per decision	72%	39%	54%	41%	80%	55%

4.4 Temporary accommodation

4.4.1 We can compare the relative percentages of acceptances using temporary accommodation and also make some estimation on the demands on temporary accommodation from the level of acceptances.

Authority name	Watford	Welwyn Hatfield	Tunbridge Wells	Three Rivers	Rushmoor	Stevenage
Population	79,726	97,553	104,030	82,848	90,987	79,715
No. acceptances (<i>annual</i>)	70	145	44	44	40	41
No. acceptances in Temporary Accommodation	52	102	26	75	8	54
Average time in Temporary Accommodation (<i>in weeks</i>)	21	12	5.43	20	No data	35
Temporary Accommodation bedspaces* as at 1 April 2009	184	127	111	No data	48	No data
<small>*Bedspaces estimated if no. units only given.</small>						
TA bedspace requirement for acceptances (assuming average of 2 per acceptance)	102	204	52	150	16	108
Theoretical bedspace capacity	80	(77)	59	No data	32	No data
%age acceptances in TA	74%	70%	59%	170%	20%	132%

4.4.2 Three Rivers and Stevenage have an annual level of homeless acceptances that exceeds the TA bedspace provision. Of the remaining councils, Watford has the most pressure on temporary accommodation. Please note however, that It is difficult to judge whether the 09/10 data is representative for all councils, and therefore any conclusions drawn from the data must bear that in mind.

4.4.3 An attempt was made to calculate capacity in temporary accommodation, but this was severely hampered by acceptance data not including bedspace requirements and some council not defining the number of bedspaces within their TA units. Therefore this data is of little use, though an exercise could be performed to calculate capacity for Watford on more accurate basis.

4.4.4 The data also show that the time spent in Temporary Accommodation by applicant is one of the highest in Watford. The VfM review should look at ways in which this might be reduced to reduce the associated costs of maintaining the properties.

4.5 Housing register

Authority name	Watford	Welwyn Hatfield	Tunbridge Wells	Three Rivers	Rushmoor	Stevenage
Population	79,726	97,553	104,030	82,848	90,987	79,715
No. on housing register as at 1 April 2010	3,776	3,139	2,355	2,768	2,800	4689
No. in reasonable preference as at 1 April 2010	842	2,044	680	1030	2110	636
%age of population on register	4.7%	3.2%	2.3%	3.3%	3.1%	5.9%
%age on register in reasonable pref	22%	65%	29%	37%	75%	14%

- 4.5.1 The above table shows that there is a marked variation in the amount of housing register classed as in reasonable preference, with the lowest at 14% and the highest at 75%. Watford has the second lowest level of the sample at 22%. It is unclear why this is, although it will partly be due to different approaches being adopted by some councils. Watford currently add all applicants to the housing register, regardless of category, whereas some other councils have decided to not add those in the lowest 'E' category in order to streamline the process..
- 4.5.2 From the population statistics we can see that Watford has a high proportion of the population on the register. This is a reflection of the more urban nature of Watford and means that Watford will be under greater cost pressure within its housing function.

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*PART A

AGENDA
ITEM

7

Report to: Budget Panel
Date of meeting: 22 June 2011
Report of: Legal and Democratic Section Head
Title: Budget Panel Work Programme 2011/12

1.0 SUMMARY

- 1.1 This report sets out the draft work programme for 2011/12. The Scrutiny Committee is asked to review the programme and consider additional items it wishes to include during the year.

2.0 RECOMMENDATIONS

- 2.1 That Budget Panel agrees the draft work programme for 2011/12.

Contact Officer:

For further information on this report please contact: Sandra Hancock,
Committee and Scrutiny Officer
telephone extension: 8377 email: legalanddemocratic@watford.gov.uk

Report approved by: Jason McKenzie, Legal and Democratic Section Head

Appendices

Appendix 1 – Draft Work Programme 2011/12

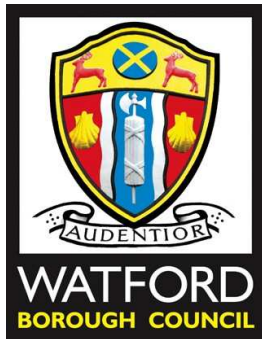
Background Papers

Report and Minutes – Annual Council 25 May 2011

File Reference

None

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MEMBERSHIP 2011/12

Councillor Jagtar Dhindsa (Chair)
Vice-Chair to be elected at first meeting
Councillors Shirena Counter, George Derbyshire, Sue Greenslade, Rabi Martins,
Malcolm Meerabux, Tony Poole, Steve Rackett, Mark Watkin

Budget Panel Work Programme 2011/12

BUDGET PANEL – PROGRAMME OF WORK 2011/12

INTRODUCTION

The work programme of the Budget Panel is a live document which will be managed throughout the year. Items may be added or deleted as the year progresses at the discretion of the Panel.

The Panel's work programme is based on:

- i. Reviewing spending priorities.
- ii. Value for money
- iii. Budget proposals and fees and charges
- iv. Examination of the Medium Term Financial Plan

HOW DO I RAISE AN ISSUE?

If you would like to raise an issue with the Budget Panel, please contact

Sandra Hancock, Committee and Scrutiny Officer

Telephone: 01923 278377

Email: legalanddemocratic@watford.gov.uk

Meeting 1 – 22 June 2011
Committee Room / 7.00 pm.

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS
Committee Membership (Committee and Scrutiny Officer)	Update on membership of the Budget Panel		Verbal update	
Election of Vice-Chair (Committee and Scrutiny Officer)	To elect a Vice-Chair for the Panel			
Corporate Process Improvement Programme (Corporate Projects Section Head)	To seek Budget Panel's views of the process put in place to identify further efficiency savings whilst either maintaining or improving current levels of service delivery.		Report	
Value for Money – Housing Review (Housing Section Head)	To receive the report to Cabinet.			
Value for Money – Harlow Study (Head of Strategic Finance)	To consider what conclusions should be drawn from the exercise.			
Work Programme (Committee and Scrutiny Officer / Head of Strategic Finance)	To agree the rolling work programme		Report and draft work programme	

Meeting 2 – 18 July 2011
Committee Room / 7.00 pm.

AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS
Training				
Service Prioritisation Review (Head of Strategic Finance)	To monitor the service priorities efficiency savings for 2011/2012		Report	
Finance Digest (Head of Strategic Finance)	To review the Revenue and Capital Budget forecast out turn for 2011/12 as at Month 3			
Medium Term Financial Strategy (Head of Strategic Finance)	To be reviewed in the light of the 2010/2011 Final Accounts			
Finance Outturn for 2010/11 (Head of Strategic Finance)	Comparison of Final Accounts with the Finance Digest monitoring processes			
Review of CPZ (Head of Strategic Finance/ Planning and Development)	A reference from Cabinet to consider the ongoing balance of the Reserve			
Work Programme (Committee and Scrutiny Officer)	Monitor the rolling work programme and amend as required		Report and latest work programme	

Meeting 3 – 27 September 2011 <i>Committee Room / 7.00 pm.</i>				
AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS

Meeting 4 – 25 October 2011 <i>Committee Room / 7.00 pm.</i>				
AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS
Draft budget 2012/13 (Head of Strategic Finance)	To consider the draft budget and forward any comments to Cabinet			
Fees and Charges 2012/13 (Head of Strategic Finance)	To consider the proposed fees and charges for 2012/12			

Meeting 5 – 29 November 2011 <i>Committee Room / 7.00 pm.</i>				
AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS

Meeting 6 – 11 January 2012 <i>Committee Room / 7.00 pm.</i>				
AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS

Meeting 7 – 8 February 2012 <i>Committee Room / 7.00 pm.</i>				
AGENDA ITEM AND REPORT PROVIDER	REASONS FOR INCLUSION ON AGENDA	EXPECTED OUTCOMES	REQUIREMENTS	FOLLOW UP / PROGRESS

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