

LONDON BOROUGH OF BRENT

MEETING OF THE EXECUTIVE
8th DECEMBER 2003

FROM THE DIRECTOR OF HOUSING SERVICES

FORWARD PLAN REF: HSG/03-04/

NAME OF WARD(S)

REPORT TITLE: HOUSING PARTNERSHIP HOUSING INSPECTION

For: Action

Above Below
Confidential Line

1. Summary

- 1.1 This reports formerly advises members of the result of the recent external inspection of Brent Housing Partnership and details actions that are required by the council as a result of that inspection.

2. Recommendations

- 2.1 To note the Inspectors report and rating given to Brent Housing Partnership and to congratulate the staff and board members of BHP for achieving the 3 star rating
- 2.2 To note BHP's action plan set out in appendix 3
- 2.3 To endorse the action taken as detailed in para 6.9 to address those recommendations specific to the council
- 2.4 To refer the report to Performance and Finance Scrutiny sub Committee
- 2.5 To note that Members will receive a further report detailing progress made in respect of such of the Audit Commission's recommendations as remain outstanding at the date of this report, including the outcome of BHP's service reviews.

3. Financial Implications

- 3.1** As a result of the positive inspection the council has been advised by ODPM that we will be awarded ALMO allowance which will enable the council to borrow a total of £33,750,000 for years 2003-5. This is 100% of the sum that was originally asked for when the council made its ALMO submission. It is also 10% higher than we had been initially advised we would receive.
- 3.2** This still leaves payment of the final years allowance to be made for 2005/6 this will be made conditional on satisfactory responding to recommendations made in the inspectorates report, re-verification of the ALMO's expected costs and other income and the outcome of the governments spending review in 2004. This last point would only apply if expenditure slipped and we required resources from 2006/7 financial year
- 3.3** If as is detailed within the report some of the services that BHP currently purchases from the council are terminated as part of BHP's SLA review there could be a detrimental effect on the council. The Audit Commission review recommends that the council undertake a risk assessment of the financial risk to the council. This is being done as part of the council's current budget preparation for 2004/5. The criteria being utilised are:
- What is the actual risk of losing work?
 - If work and therefore income is lost will the council be able to proportionately reduce its costs?
 - if not what are the residue costs ?
- 3.4** A "risk " figure will be contained in the 2004/5 budget .

4. Staffing Implications

- 4.1** There are no specific staffing implications arising from this report, although if the services currently provided to BHP by the Council are terminated there are likely to be staffing implications.

5. Legal Implications

- 5.1** The Council is not legally obliged to comply with the Audit Commission's recommendations, although there are practical reasons for doing so, as set out in the body of this report.
- 5.2** Insofar as it chooses to acquire services from providers other than the Council BHP is obliged to satisfy the principles of Best Value, as set out in the Management Agreement between BHP and the Council.

6. Detail

- 6.1** In July this year Brent Housing Partnership (BHP), the council's arms length company responsible for managing the council's housing stock were subject to an inspection by the Housing Inspectorate, which is part of the audit commission Best Value Inspection regime.
- 6.2** This was the second inspection of the council's Housing Management services, the previous inspection in 2001 had resulted in an award of 2 stars with promising prospects for improvement.
- 6.3** The latest inspection was of particular importance as to have access to the £45m of additional capital resources promised by ODPM as a result of establishing BHP, a fresh inspection of BHP was required and a minimum star rating of 2 had to be gained.
- 6.4** The inspection was also looking at not just at how well or otherwise BHP was in delivering Housing Management but also how itself was performing as an arms length organisation, its relationship with the council, governance issues etc.
- 6.5** Attached for members information appendix 1 is the summary of the report and a full copy of the report has been circulated to all executive members and also placed on the Housing /BHP website.
- 6.6** The Inspection has resulted in BHP being awarded a 3 star rating for performance with excellent prospects for improvement. This is the highest rating that could have been awarded in both categories and is the first 3 star award for any part of the council. This outstanding result has only been achieved by the hard and dedicated work of the staff of BHP.
- 6.7** The summary report gives details of the areas of particular strength, the report also details a number of areas where the audit commission wishes to highlight areas of good practice and innovation, this is attached as appendix 2 and details 25 specific examples.
- 6.8** Notwithstanding the excellent nature of the report, there are still areas where improvements can be made and the report again goes into these in some detail. The majority of these are for BHP to deliver themselves and they have produced a revised action plan to achieve this, see appendix 3. The legal status of BHP means that they can undertake most of the recommendations without needing to seek the council's authority, although as both the owner of BHP and also the council properties they manage the council does have a clear responsibility to ensure that the action plan is successfully implemented and that BHP complies with its legal obligations under the Management Agreement it has with the Council. This will be achieved via the now standard monitoring arrangements set up at both officer and member level.

6.9 There are also a small number of recommendations that are specifically directed at the council. These are:

- Works with BHP to improve external directional signage to its one stop shops and housing offices by March 2004
- Works with BHP to identify the causes of under reporting of racial harassment and domestic violence.
- Conducts a risk assessment with regard to the possibility that a number of the SLAs currently in place with BHP may be terminated following review.
- Ensures that properties that it retains in South Kilburn New Deal for Communities (NDC) area meet the DHS by the government's target date of 2010.
- Present this report to the appropriate council committee.

6.10 In respect of these specific points.

The better signage has already been planned and will be completed by the March deadline.

- Further work has been undertaken with BHP to more fully understand (a) whether there is under reporting of racial harassment and domestic violence, (b) if there is to identify an effective strategy to improve this. The executive have recently approved a racial harassment policy and a parallel policy has also been formulated by BHP. BHP have appointed a project officer to establish policy and procedure for dealing with domestic violence.
- The review of Service Level Agreements between the council and BHP is now underway as part of the budget making process the risk assessment is being undertaken. This looks at both the possibility of some services not being re-commissioned by BHP and if so the level of exposure to the council. The services currently subject to review and possibly facing termination are Human Resources, IT Support, Legal & Democratic Services, Community Safety and Pest Control.
- The South Kilburn Masterplan is nearing completion, one of its objectives will be to see whether all existing properties will meet the decent homes standard by 2010 a separate report is being considered by the Executive on this matter.
- It is recommended that this report also be considered by the finance & performance scrutiny sub committee.

6.11 The report or rather the result enables the council to resource BHP to achieve its primary long term objectives of bringing the council's housing stock up to the decent homes standard. Even with the financial resources this is a huge challenge and will require a high organisational skill and dedication to achieve. The progress will be monitored by the Housing Service and regular reports submitted to the executive and the Performance & Finance Select Committee. The external inspectors have confidence that BHP and the council have the organisation and commitment to achieve it. The tenants of the borough have an expectation that they will see the improvements achieved. If current standards are maintained there is no reason why these expectations cannot be achieved.

Background Information

Brent Housing Partnership Audit Commission inspection report July 2003.

Martin Cheeseman
Director of Housing