

IN SAFE HANDS

Councils that keep hold of their homes can match the performance of the best housing associations and arm's-length management organisations, says **John Conway**

So the future for council housing is a choice between stock transfer, private finance or arm's-length management? Well, not quite.

Of course, much attention has focused on those councils which have chosen to transfer their homes to housing associations or who are setting up arm's-length management organisations. A surprisingly large number of local authorities, however, have opted to continue as direct providers of affordable homes, following their stock option appraisals.

At Kettering we believe that there are clear arguments in favour of retaining our 3,900 homes. Council housing continues to meet a local need by providing rented housing at a reasonable price within a booming housing market.

Our homes are well maintained and managed, with more than 90 per cent of the housing stock already meeting the decent homes standard and significant improvements in our performance as a landlord over the last three years. Most importantly, our customers clearly want us to continue as their landlord – market research has shown that 82 per cent of tenants want to stay with the council.

Following stock option appraisal, local authority landlords are still a significant force in the provision of affordable homes. What then does the future hold for us? By retaining our stock, are we missing an opportunity to achieve higher levels of performance and customer service?

We shouldn't delude ourselves that tenants' desire to stay with the council is always a positive vote for the local authority – often it's more about fear of the unknown. However, I do believe that councils can retain stock and transform themselves into top quality customer-focused organisations.

Tenants, councillors and officers at Kettering are all determined that retention should prove to be a positive choice and a springboard to better services for our customers. The cabinet member for housing James Burton articulated the mood when he told our tenants' forum: 'Retention is not going to be a no change option.'

Next Steps for Housing is our programme for change. Our first step was to tackle hot spots within the organisation where performance was poor or where there were serious capacity issues. We took immediate action to reduce rent arrears and address anti-social behaviour. Our capacity to engage in the Milton Keynes & south midlands growth agenda was strengthened through the establishment of a housing strategy team.

Having addressed the hot spots, the next step was to work with our staff in reviewing each service area. It quickly became clear that we needed to move away from a traditional style of housing service that used generic

housing officers in reactive, fire-fighting roles.

We are now moving to a more strategic service model. This is more forward-looking, has a greater focus on the needs of customers and their neighbourhoods, and incorporates partnership working as a matter of routine. In housing management, for example, neighbourhood managers, backed up by a customer service centre and specialists in anti-social behaviour and rent arrears, now take the lead in providing services. A similar approach is being introduced to our housing needs and maintenance teams.

The restructure has been the most difficult and painful stage of Next Steps for Housing. We wanted to appoint the best people to our new jobs. We were not just looking for candidates with the right technical skills or experience, but people with the right values – team players with a customer focus. All vacancies were advertised externally and applicants completed a series of psychometric tests, role plays and presentations, as well as conventional interviews.

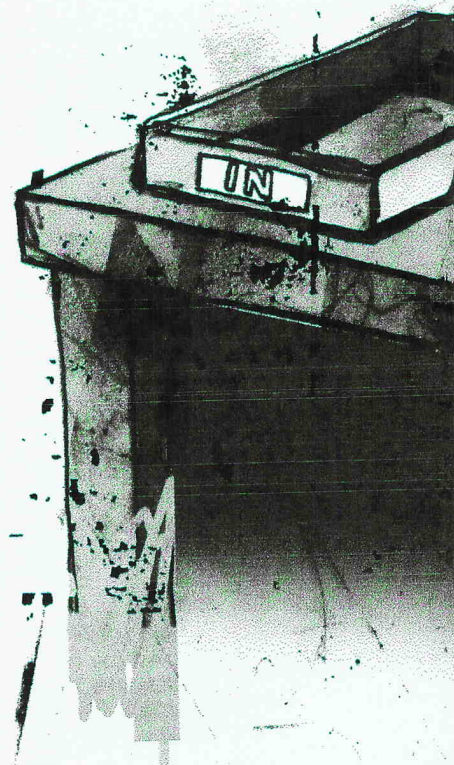
Good housing professionals are thin on the ground, so an important part of Next Steps for Housing is our graduate trainee programme – modelled on a similar initiative developed by our planners. Three trainee housing managers have joined us and are now starting degree courses and a practical training programme. This is a big investment for a district council but we believe that such a programme is crucial for our long-term success.

The involvement of staff in Next Steps for Housing has been critical – generally, they have appreciated the need for change and, through their active involvement, helped to shape the proposals. However, people were concerned about how the changes would affect them personally. Inevitably, some members of staff, whose skills and experience did not equip them for our new ways of working, have left us. More happily though, our new structure has provided opportunities for many other staff to flourish.

We are moving fast in implementing Next Steps for Housing. The reorganisation is nearing completion and our new team members are taking up their posts. Some benefits from our reorganisation are already being realised:

- the cost of core housing management services has been reduced by more than £180,000 per annum and savings are being reinvested to meet priorities such as customer service, anti-social behaviour and estate improvements;
- rent arrears are now £330,000, down from £670,000 in 2001; and
- affordable housing completions are up from 18 units in 2003/04 to 150 this year and 300 new homes are in the pipeline for 2006/07.

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At Kettering we have a 'one team, one council' philosophy with a strong emphasis on working together across services. Other strengths include a focus on performance management and a passion for customer service.

These strengths complement and support our ambition to build a high-performing housing service and we are therefore able to achieve better outcomes for customers by working closely with colleagues across the council and learning from their experiences.

In the long term, most change programmes are doomed to failure because they concentrate on the mechanics of reorganisation and ignore the human aspects and the need to follow-through. We are therefore planning to maintain the momentum of our reorganisation through the final stage of Next Steps for Housing – a long-term service improvement programme. This will involve staff at all levels in the

service, and will address service planning, devolution of budgets, staff development, performance management and business systems.

So can stock retaining councils transform themselves into high-performing, customer-focused landlords? The early evidence from Kettering is promising. If stock disrepair and financial viability are not issues then, in my view, it is entirely possible for stock retaining local authorities to reach the same levels of performance as the best ALMOs and transfer associations.

But you do need to be strategic, open-minded and brave. It's important to have the right people in the right jobs doing the right things, so be prepared to invest time and effort in addressing people issues. Most importantly, you need to recognise that reorganisation is not an end in itself but just the start of a long journey to create a top-quality service which your tenants will value.

● John Conway is head of housing at Kettering Council

Steps to success – making stock retention work

Communicate, communicate, communicate – with staff, members and tenants so that they feel they're in the loop

Challenge everything – to make sure that what you're doing really meets your customers' needs

Listen to what your staff tell you – they usually know where the problems are and what to do about them

Change the working environment – refurbishing the offices helps to emphasise a new start and can really lift the mood

Invest in your staff – consider setting up a trainee programme and encourage your existing staff to take advantage of development opportunities

Keep the momentum up – it will take time to achieve the service you want and you'll need to maintain enthusiasm and commitment to change beyond your initial reorganisation

