

# Housing and Economy Committee

10.00am, Thursday, 2 November 2017

## Cost of Tenant and Resident Engagement Services

<b>Item number</b>	7.1
<b>Report number</b>	
<b>Executive/routine</b>	Executive
<b>Wards</b>	All
<b>Council Commitments</b>	

### Executive Summary

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This report provides indicative costs for tenant participation and engagement services provided by the City of Edinburgh Council, excluding services provided through the Edinburgh Tenants' Federation (ETF) and the Neighbourhood Alliance (NA) service level agreements, as requested by the Housing and Economy Committee on 7 September 2017. It also provides quality measures of tenant satisfaction on how the Council performs in involving and keeping its tenants informed.

## Cost of Tenant and Resident Engagement Services

### 1. Recommendations

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- 1.1 It is recommended that the Housing and Economy Committee:
- 1.1.1 Notes the information provided on the indicative costs for tenant participation and engagement services provided by the City of Edinburgh Council.

### 2. Background

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- 2.1 On [7 September 2017](#), Housing and Economy Committee requested a report on the costs of tenant participation and engagement services provided by the Council.

### 3. Main report

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- 3.1 The Council provides an annual return to HouseMark; a leading provider of social housing data insight and one of the largest membership organisations in the UK housing sector. Through its membership, the Council can benchmark itself against over 200 social UK landlords, including 18 similar size landlords in its peer group.
- 3.2 In 2015/16, the Council spent £1,179,255, or £60.73 per property, on resident involvement, inclusive of Edinburgh Tenants' Federation (ETF) and Neighbourhood Alliance (NA) funding. If ETF and NA spend is excluded, the Council spent £44.85 per property, or a total of £870,972. This calculation includes staff, operational costs and overheads e.g. ICT, finance and premises. The table below breaks down these figures further:

Edinburgh Tenants' Federation	241,083
Neighbourhood Alliance	67,200
Grants provided to tenants' organisations	14,008
Overheads	378,651
Staff costs	434,519
Communications	43,794
Total spend	<b>£1,179,255</b>
Spend per property	<b>£60.73</b>
Spend per property excluding ETF and NA costs	£44.85

- 3.3 The Council has the second highest landlord spend on resident involvement within its HouseMark cost benchmarking group. However, it has the highest satisfaction

rating of 82.9%, with a significant margin of more than 12%, to the next closest performing landlord, which received a rating of 70.1%. The lowest landlord spend was £12.28 but there is no comparative satisfaction figure provided. The second lowest landlord spend was £18.31 per property with a satisfaction rating of 67%. The highest landlord spend was £73.46 per property with a satisfaction rating of 44%. Appendix 1 provides further detail.

- 3.4 For HouseMark purposes, housing management costs are broken down in to three service areas of which resident involvement is one. The costs for each service are then further broken down in to three main headings: staff costs, operational costs and overheads. HouseMark defines what landlords should provide for each heading.
- 3.5 Operational costs are the direct costs for running the service. In the case of resident involvement these are primarily the ETF and NA service level agreements and the grants provided to registered tenants' organisations (RTOs) for running costs.
- 3.6 Overheads are costs required to run the Council's landlord service, which cannot be directly attributed to any specific business activity, product, or service. Overheads include ICT costs, Housing Revenue Account (HRA) contributions to centralised services and office facilities. Each service shares the cost of HRA overheads.
- 3.7 Staff costs are an apportionment of the amount of time each relevant staff member works on tasks associated with resident involvement, this includes staff based in the localities and those working city wide, e.g. on strategy development.
- 3.8 Communication costs include the tenant newsletter, the Tenants' Courier, the costs of the Tenants' Survey and a small amount of miscellaneous spend.
- 3.9 The Scottish Housing Regulator also benchmarks landlord performance. This includes a requirement for landlords to measure and report tenant satisfaction in a number of important areas. Satisfaction with opportunities to participate in decision-making increased from 66% in 2013/14 to 81% in 2015/16, well above the Scottish Local Authority average of 72%. At the same time, satisfaction with how the Council listens to tenants' views and acts upon them increased from 73% to 81%.

## **4. Measures of success**

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- 4.1 Increased tenant satisfaction with services and opportunities to participate Tenant satisfaction with the overall service provided by the Council at 89% is the third highest satisfaction rating in Scotland of local authority landlords.
- 4.2 Effective engagement with tenants and residents in the development of housing and other services and in the way neighbourhoods are managed.

- 4.3 In taking forward this work, an outcome measurement framework for tenant participation and engagement will be put in place to assist with carrying out future value for money assessments.

## **5. Financial impact**

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- 5.1 Tenant participation and engagement spend is included within the HRA 2018/19 Business Plan.
- 5.2 Housing and Economy Committee guidance will be sought on any future prioritisation of resources beyond 31 March 2019.
- 5.3 This work is contributing to ensuring best value for tenants by ensuring that tenants' views inform the Council's approach to delivering services and investing in homes.
- 5.4 The figures provided in this report relate to 2015/16. The 2016/17 resident involvement costs will not be available until early 2018. The 2016/17 costs are expected to reflect a more stream lined management structure and the move to generic patch working.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 Councils and housing associations have a statutory duty to publish a tenant participation strategy and provide support to RTOs.
- 6.2 All social landlords must achieve continuous improvement, through supporting tenants to take part in and influence decision making.
- 6.3 Best practice requires co-operative working with customers to ensure effective public services informed by the views of those who use them.

## **7. Equalities impact**

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- 7.1 There are concerns that many groups are underrepresented in some of the tenant participation and engagement processes. Future approaches will ensure actions to support greater involvement of a wider range of groups and individuals, including those who traditionally face barriers to engaging.

## **8. Sustainability impact**

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- 8.1 There are no adverse environmental implications arising from this report.

## 9. Consultation and engagement

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- 9.1 This report has been informed by previous discussions with stakeholders and the services directly affected by the proposed approach to ensure continuity of support and no adverse impact on the continuity of the representative function and the development of tenant participation and engagement services.

## 10. Background reading/external references

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- 10.1 [Tenant Participation and Engagement Services, Housing and Economy Committee – 7 September 2017](#)
- 10.2 [Urgent Decision Tenant Participation and Engagement Services, The City of Edinburgh Council – 24 August 2017](#)
- 10.3 [Tenant Participation and Engagement Services Update - referral from the Health, Social Care and Housing Committee, Finance and Resources Committee - 29 September 2016](#)
- 10.4 [Tenant Participation and Engagement Services Update, Health, Social Care and Housing Committee – 13 September 2016](#)
- 10.5 [Implications for Co-production and Procurement, Finance and Resources Committee - 9 June 2016](#)
- 10.6 [Tenant Participation and Engagement Services, Health, Social Care and Housing Committee - 19 April 2016](#)
- 10.7 [Procuring Tenant Participation Services, Health, Social Care and Housing Committee - 26 January 2016](#)
- 10.8 [Review of Tenant Participation Service Procurement Options – referral from the Health, Social Care and Housing Committee, Finance and Resources Committee - 24 September 2015](#)
- 10.9 [Review of Tenant Participation Service Procurement Options, Health, Social Care and Housing Committee - 8 September 2015](#)
- 10.10 [Tenant Participation Strategy 2015-18, Health, Social Care and Housing Committee - 21 April 2015](#)

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## 11. Appendices

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Appendix 1- HouseMark resident involvement and satisfaction 2015/16

## Appendix 1- HouseMark resident involvement and satisfaction 2015/16

Within the HouseMark benchmarking peer group, the Council has the highest satisfaction rating of 82.9%, for resident involvement. This is more than 12%, to the next closest performing landlord, which received a rating of 70.1% and significantly above the average of just over 64%.

	Resident involvement cost per property			Satisfaction with resident involvement		
	£	Rank	Quartile	%	Rank	Quartile
<b>Number in sample</b>	17	18	18	17	12	12
<b>Upper Quartile</b>	22.18			67.25		
<b>Median</b>	33.48			64.15		
<b>Lower Quartile</b>	45.87			52.50		
<b>City of Edinburgh Council (2015/2016)</b>	60.73	17	Q4	82.90	1	Q1

<b>Comparator Group Results</b>						
Aberdeenshire Council	24.48	7	Q2	53.00	9	Q3
Brighton and Hove City Council	60.49	16	Q4	70.10	2	Q1
Dudley MBC	27.89	9	Q2	No Data	No Data	No Data
East Riding of Yorkshire Council	23.16	6	Q2	58.40	8	Q3
Falkirk Council	21.85	5	Q1	No Data	No Data	No Data
Hull City Council	20.05	3	Q1	68.00	3	Q1
LB of Croydon	39.22	11	Q3	51.00	10	Q4
LB of Southwark	73.46	18	Q4	44.00	12	Q4
LB of Wandsworth	20.74	4	Q1	No Data	No Data	No Data
North Lanarkshire Council	12.28	1	Q1	No Data	No Data	No Data
North Tyneside Council	39.06	10	Q3	64.00	7	Q3
Norwich City Council	47.10	14	Q4	67.00	4	Q2
Perth and Kinross Council	42.18	13	Q3	64.30	6	Q2
Renfrewshire Council	24.58	8	Q2	No Data	No Data	No Data
South Lanarkshire Council	39.49	12	Q3	No Data	No Data	No Data
Southampton City Council	54.07	15	Q4	48.00	11	Q4
West Dunbartonshire Council	18.31	2	Q1	67.00	4	Q2