

NON-CORE ACTIVITY REVIEW – CONCIERGE SERVICE

Report of the Director of Housing and Customer Service

1. SUMMARY

This report explains the outcome of the consultation with residents on the review of the Concierge Service and charges

2. RECOMMENDATION

The City Board are asked to recommend Option 4 to Derby City Council as the residents preferred option.

3. MATTER FOR CONSIDERATION

- 3.1 On 25 August 2011 the City Board considered a report on the Concierge Service. The report is attached as appendix 1.
- 3.2 The report explained that there is a considerable difference between the cost of providing the current service and income from service charges. The difference is currently funded from Derby Homes' Management Fee. The report proposed to offer residents a range of alternative service options and service charges. The service charges would be increased incrementally to cover the full cost by 2014/15.
- 3.3 The City Board asked for detailed consultation with residents to be carried out and for a report to be brought back based on the outcomes.
- 3.4 A range of consultation has been carried out.
- 3.5 Firstly, a letter was sent to all residents inviting them to one of two open meetings to discuss the options. The meetings were held on the afternoon of 5 October 2011 and the evening of 6 October 2011. A total of 7 residents attended the meetings. Although the turnout was disappointing, the meetings were useful because we were able to get detailed feedback and hold discussion around the proposals.
- 3.6 The proposals were amended taking into account comments received at the meetings. The residents felt that our original proposals should be amended to include an option for Concierge Cover from 8.00pm to 12.00 midnight and cover on Friday and Saturday evenings.
- 3.7 We then wrote to all the residents explaining the proposals and enclosing a voting form and prepaid envelope. Follow up visits were made to all tenants and leaseholders who had not responded to maximise the response on the consultation exercise. Copies of the letter sent to residents and the voting form are attached as appendices 2 and 3. Leaseholders received an amended letter and voting form

showing an annual rather than a weekly charge. We gave tenants and leaseholders four options. These were:

3.8	Option	Service level
	1	One staff member responsible for cleaning and Concierge. The Concierge desk would be open from 8.00am to 10.00am only, Monday to Friday.
	2	Two members of staff responsible for cleaning and Concierge, with Concierge desk open 8.00 am to 10.00am and 5.00 to 8.00pm Monday to Friday
	3	Two members of staff responsible for cleaning and Concierge, with Concierge desk open 8.00 am to 10.00am Monday to Friday and 5.00 pm to 8.00pm Monday to Saturday
	4	Two members of staff responsible for cleaning and Concierge, with Concierge desk open 8.00 am to 10.00am Monday to Friday and 8.00 pm to 12.00 midnight Tuesday to Saturday

3.9 We received votes from 75 of the 97 tenants and 20 leaseholders. The results are summarised in the following table. The table shows the charges for each option as they increase to 2014/15 and the number of votes for each option, from leaseholders and in total:

3.10	Option	Location	2012/13 Price(£)	2013/ 14 Price(£)	2014/15 Price(£)	L/Holder Votes	Total Votes
	1	Rivermead House	4.24	5.47	6.88	0	10
		Maisonettes	3.64	4.57	5.63	2	9
							19
	2	Rivermead House	5.09	6.77	8.67	0	7
		Maisonettes	4.29	5.56	6.99	0	0
							7
	3	Rivermead House	5.27	7.05	9.05	0	7
		Maisonettes	4.43	5.77	7.29	0	0
							7
	4	Rivermead House	6.14	8.37	10.87	2	33
		Maisonettes	5.09	6.77	8.67	2	2
							35

3.9 The consultation showed a majority of tenants and leaseholders in favour of Option 4. There was stronger support for option 1 amongst tenants at the Bath Street and Duke Street Maisonettes. This may be expected as they feel they have less direct benefit from the Concierge service. More leaseholders voted for option 4 than for option 1.

4. CONSULTATION IMPLICATIONS

A report will be submitted to the Council on the outcome of the consultation

process. That report will form part of a wider report on the ongoing review of service charges.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 5.1 These proposals will make a significant contribution to Derby Homes business transformation objectives.
- 5.2 The total cost of providing the Concierge Service in 2010/11 was £81,897. The total income from service charges was £10,838.
- 5.3 In 2011/12 there is an additional income of £3,364. This is because there are 12 upper floor maisonettes paying a service charge for contract cleaning. This charge was made from April 2011 and will be removed under these proposals.

6. PERSONNEL IMPLICATIONS

The proposals will impact on current staffing levels. Any impact will be managed according to Derby Homes Personnel Procedures.

7. EQUALITIES IMPACT ASSESSMENT

An equalities impact assessment will be carried out and form part of the report to the Council recommending changes to the current arrangements.

The areas listed below have no implications directly arising from this report:

Council
Environmental
Health & Safety
Risk
Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Supporting Information: Derby Homes Customer Services Strategy

CITY BOARD
25 AUGUST 2011

ITEM A10

CHARGES FOR THE CONCIERGE SERVICE

Report of the Director of Housing and Customer Service

1. SUMMARY

This report explains the outcome of a review of the current funding arrangement for the Concierge service for Rivermead House flats, Duke Street and Bath Street maisonettes. At the moment this produces a significant deficit for Derby Homes. The report outlines a range of options for the City Board to consider prior to consulting with residents.

2. RECOMMENDATION

2.1 The City Board is asked to consider the attached range of options which will be subject to consultation with residents.

- an entirely self financing range of options
- a range of options that include costs borne by Derby Homes and other tenants who do not benefit from the service

3. MATTER FOR CONSIDERATION

3.1 The Concierge Service was set up in December 1994, and provides a service as follows:

Day	Opening Hours (am)	Opening Hours (pm)
Monday	08 .00 - 10.00	16.00 – 24.00
Tuesday	08 .00 - 10.00	16.00 – 24.00
Wednesday	08 .00 - 10.00	16.00 – 24.00
Thursday	08 .00 - 10.00	16.00 – 24.00
Friday	08 .00 - 10.00	16.00 – 24.00
Saturday	08 .00 - 10.00	16.00 – 24.00
Sunday		17.00 – 24.00

3.2 The service provided consists of:

- Monitoring of CCTV cameras in Rivermead Housing Office and responding to any issues identified
- Providing a reception service on the ground floor of Rivermead House
- Caretaking and patrolling of communal areas in Rivermead House and nearby maisonettes.

- 3.3 The service was originally intended to be self financing. The service charge has been incrementally increased since 1994 and is now £1.93 per week. A range of properties benefit from the service and all pay a rental addition. The properties benefitting are:
- Rivermead House
 - Britannia Court
 - Duke Street and Bath Street Maisonettes
- 3.4 The original intention was for this service to be extended to other blocks but this proved too difficult to implement. We still have CCTV cameras in other locations and the residents pay a charge for their maintenance. Images can be retrieved historically if there is any nuisance.
- 3.5 The total cost of providing the Concierge Service in 2010/11 was £81,897. The total income from service charges was £10,838. This means there was a deficit of £71,058 funded by Derby Homes and in effect, other tenants who do not benefit from the service. A spreadsheet showing this is attached at appendix 1.
- 3.6 Derby Homes spends £7,458 per year on contract cleaning for Rivermead House and the upper floor maisonettes at Bath Street and Duke Street. The time allotted on the contract is 680 minutes per week or just over 2 hours per day. This is for one operative. The cost of this also theoretically comes out of the £1.93 rental addition as there is no separate service charge for contract cleaning. Tenants and leaseholders at all other blocks in the City, that benefit from contract cleaning, pay a separate charge.
- 3.7 The concierge service is currently operated by 3 members of staff. These are:
- A Caretaker, working daytime
 - A Concierge Officer, working 4.30 – Midnight, Sunday to Thursdays
 - A Part time Concierge, working 4.30 – Midnight Friday and Saturday. This post is now vacant.
- 3.8 A review of the Concierge service has been carried out. The evidence shows that there is very little need to open beyond 8.00pm at night. On the other hand we know that residents feel reassured that there is a presence on site until midnight each night. Many residents do not understand that running this service is very expensive and is not covered by the service charge they pay. If we were to attempt to make the current service self financing, we would need to increase the service charge to £14.58 per week. This assumes that all residents pay the same charge. This would be extremely unpopular. The workings for this are shown at appendix 1.
- 3.9 The alternative is to offer residents a range of options with reduced overall costs. All of these involve removing contract cleaning. In previous years, the caretaker was responsible for cleaning. This can now be easily reinstated because we no longer have responsibility for cleaning and caretaking at Britannia Court. The range of options also includes a reduced level of cover on the concierge desk.

- 3.10 The following table summarises the possible range of options. The differences in service levels for residents at Rivermead House and the maisonettes at Bath Street and Duke Street have been reflected in the range of charges. This is because residents at Rivermead House benefit most from the Concierge service. All of the options also include a lower charge for tenants and leaseholders in the ground floor maisonettes at Bath Street and Duke Street. At the moment they pay the same as all other residents but receive a lower level of service. Detailed workings for this are shown in appendix 2.

Option	Service level	Rivermead House (93)	Upper floor maisonettes (12)	Ground floor maisonettes (12)
1.	Cleaning and caretaking provided by on site caretaker. Concierge office open 8.00 – 10.00 am only, Monday to Friday	£6.42	£5.23	£1.07
2.	Cleaning and caretaking provided by on site caretaker. Concierge office open 8.00 – 10.00 am and 5.00 – 8.00 pm, Monday to Friday	£8.08	£6.51	£1.36
3.	Cleaning and caretaking provided by on site caretaker. Concierge office open 8.00 – 10.00 am, 5.00 – 8.00 pm, Monday to Friday and 9.00 am to 12 noon or 5.00 – 8.00 pm Saturday	£8.44	£6.79	£1.43

- 3.11 All three options are self financing and produce a saving of £71,058 a year.
- 3.12 Clearly all three options still involve a considerable increase in service charge. City Board members may prefer that residents are consulted on this range of options but with a continued contribution from Derby Homes and other tenants who do not benefit from the service. The table below summarises the impact of applying a cap of £3.00, £4.00 and £5.00 to the service charge options as above. These caps could be applied over future years to move up to the selected option in 4 steps.

Cap at £3.00	Rivermead House	Upper floor maisonettes	Ground floor maisonettes	Cost to Derby Homes/other tenants	Overall saving on current costs
Option 1.	£3.00	£3.00	£1.07	£16,568	£54,490
Option 2.	£3.00	£3.00	£1.36	£24,703	£46,355
Option 3.	£3.00	£3.00	£1.43	£26,465	£44,593

Cap at £4.00	Rivermead House	Upper floor maisonettes	Ground floor maisonettes	Cost to Derby Homes/other tenants	Overall saving on current costs
Option 1.	£4.00	£4.00	£1.07	£11,528	£59,530

APPENDIX 1

Option 2.	£4.00	£4.00	£1.36	£19,663	£51,395
Option 3.	£4.00	£4.00	£1.43	£21,425	£49,633

Cap at £5.00	Rivermead House	Upper floor maisonettes	Ground floor maisonettes	Cost to Derby Homes/other tenants	Overall saving on current costs
Option 1.	£5.00	£5.00	£1.07	£6,481	£64,577
Option 2.	£5.00	£5.00	£1.36	£14,623	£56,435
Option 3.	£5.00	£5.00	£1.43	£16,385	£54,673

4. CONSULTATION IMPLICATIONS

The purpose of this report is to obtain guidance from City Board on which option to consult residents on. Following consultation, a report will be submitted to the Council on these proposals including the outcome of the consultation process. That report will form part of a wider report on the ongoing review of service charges.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

These proposals will make a significant contribution to Derby Homes' business transformation objectives. Derby Homes has to make savings of £1.2M by 2015 to meet reductions in its fee. The level of the contribution will depend on the options chosen.

6. PERSONNEL IMPLICATIONS

The proposals will impact on current staffing levels. Any impact will be managed according to Derby Homes Personnel Procedures.

7. EQUALITIES IMPACT ASSESSMENT

There are no equalities implications arising from these proposals. An equalities impact assessment will be carried out on completion of the consultation exercise and form part of any report to the Council recommending a change to the current arrangements.

The areas listed below have no implications directly arising from this report:

- Legal and Confidentiality
- Environmental
- Equalities Impact Assessment
- Health & Safety
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or Phil Davies, Chief Executive, phil.davies@derbyhomes.org – Phone: 01332 888528

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Background Information: None.

Supporting Information: None.



Concierge Scheme service charge ballot

Option	Location	2012/13 Price	2013/ 14 Price(£)	2014/15 Price(£)	Choice (Tick one only)
Option 1	Rivermead House	4.24	5.47	6.88	
	Maisonettes	3.64	4.57	5.63	
Option 2	Rivermead House	5.09	6.77	8.67	
	Maisonettes	4.29	5.56	6.99	
Option 3	Rivermead House	5.27	7.05	9.05	
	Maisonettes	4.43	5.77	7.29	
Option 4	Rivermead House	6.14	8.37	10.87	
	Maisonettes	5.09	6.77	8.67	

Comments

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