



Report of Chief Officer Property and Contracts Housing Leeds

Report to Director of Environments and Housing

Date: February 2014

Subject: Housing Leeds Property and Contracts Restructure 2014

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

EXECUTIVE SUMMARY

The first phase of the restructure of Property and Contracts Housing Leeds is the establishment of the PO6 posts. This Report sets out the proposed structure at that level which shows a reduction of 6.5 posts and a saving of £304k (PO5 and above). In the main the new posts differ from the existing posts such that there will need to be a selection process. The Report proposes that the existing Managing Workforce Change policy is applied.

A follow up report will be produced for phase 2 of the restructure once phase 1 is complete.

RECOMMENDATIONS

The Director of Environment and Housing is asked to approve the Housing Leeds Property and Contracts restructure at PO6 level.

1.0 Purpose Of This Report

To obtain approval to implement the first phase (PO5 and above) of the restructure of the Housing Leeds Property and Contracts Division following transfer of services into Leeds City Council from the Leeds ALMOs and the ALMO Business Centre Leeds (ABCL).

2.0 Background Information

2.1 The three Leeds ALMOs established separate teams to deliver the repair, maintenance and improvement functions to Council homes within their designated management areas. External contracts were procured for the delivery of specific works in most areas with some limited internal contracting capacity and also use of Council internal service providers (ISP). The more recent establishment of the ALMO Business Centre Leeds (ABCL) brought together functions where there was scope to share capacity such as capital programme planning and delivery, compliance and health and safety. The Council established contract management structures that were agreed but not fully implemented at the commencement of the Housing Management Review. The Review determined to bring the Housing Management functions back into the Council and integrate the different teams into Housing Leeds.

2.2 At the beginning of October 2013 the housing management function transferred back into Leeds City Council from the three Leeds ALMOs and the ABCL. ALMO staff that TUPE transferred into the Council with the service continued to deliver the service in their same roles within the three geographic areas. On 11th December 2013 the Director of Environment and Housing took a decision to implement phase 1 of a restructure of Housing Leeds (the JNC management structure) which followed arrangements referenced in an Executive Board Report on 17th July 2013 for three functional areas or divisions within Housing Leeds headed up by three Chief Officers:-

- Strategic Housing;
- Property and Contracts; and
- Housing Management.

2.3 Within the Property and Contracts division of Housing Leeds the 11th December report identifies three Head of Service JNC posts to support the Chief Officer, these being:-

- Head of Strategy and Investment (52.5%);
- Head of Maintenance Operations (52.5%); and
- Head of Housing Contracts (45%).

The Report specified arrangements for the filling of those posts and further recommended that the second phase of the restructure (staff below JNC level) was developed from January 2014. In order to effectively deliver the second phase of the restructure the process will be undertaken in two phases – the first phase is to

appoint the Service Manager (PO6) tier and then the second phase to appoint all other staff. This report deals with the first phase of the remaining restructure at PO6 level in so far as the Property and Contracts division is concerned.

3.0 Scope of the Restructure

3.1 Functions within the scope of this part of the restructure are those delivered by staff formerly within the three ALMOs, ABCL and Strategic Landlord in the technical teams including but not limited to the following areas:-

- Repair and maintenance of housing;
- Improvement work and capital programme delivery;
- Adaptations delivery;
- Construction Health and Safety;
- Void property repair;
- Mechanical and Electrical;
- Contract specification and management;
- Investment need and business planning;
- Commercial asset management;

Appendix A lists the staff/posts considered to be in scope. East Construction Services and existing apprenticeships will be outside of the scope of the review at this time.

4.0 Main Issues

4.1 Since the transfer of the Housing Management service back into the Council the former ALMO teams have continued to operate with pre-transfer structures as previously organised. This is perpetuating the inefficiencies and differential levels of service across the City that were some of the original drivers for the Review. A full service restructure is therefore required to remove the geographic focus and area differences, eliminate duplication, introduce consistent levels of service across the City and reduce over-capacity in some areas at managerial levels whilst improving the quality of service delivered locally and better managing the contracts and Contractors that are in place. There are sound economic, technical and organisational reasons why a restructure needs to take place as a matter of urgency in order to address these issues and also to ensure service delivery is aligned to the Best Council outcomes and objectives.

This report deals with the first stage of the full service restructure – the Service Manager level which covers PO5 grades and above. Completion of this first phase is essential in order to provide sufficient management capacity to assist in development and delivery of the remainder of the full service restructure.

5.0 Proposed Changes

5.1 Beneath each of the three Heads of Service posts within Property and Contracts there will be a number of Service Managers who will be responsible for specific functions across the city rather than being ALMO area based as they are within the existing structures. **Appendix B** details the Service Manager work-streams. The three Heads of Service will have the following Service Managers and teams (as detailed in the respective Appendix) reporting to them:-

Head of Strategy and Investment

- Capital Programme Manager **Appendix C**
- Principal Quantity Surveyor **Appendix D**
- Strategy Manager **Appendix E**
- Health and Safety Manager **Appendix F**
- Commercial Assets Manager **Appendix G**

Head of Maintenance Operations

- Adaptations Manager **Appendix H**
- Responsive and Planned Manager **Appendix I**
- Mechanical and Electrical Manager **Appendix J**
- Construction Services Manager **Appendix K**
- Voids Manager. **Appendix L**

Head of Housing Contracts

- Audit and Contract Manager **Appendix M**
- Project Manager **Appendix M**

Job descriptions have been produced for all of the Service Manager posts and they have been evaluated at grade PO6.

5.2 The draft structures attached as Appendices to this Report show each Service Managers and their team who will be responsible for delivering specific operational functions. These detailed structures are still in development and have not yet been subject to discussion with Trade Unions or staff engagement. This is the second phase of the full service restructure.

The composition of the teams reflects the on-going service delivery arrangements that will continue for the medium term - such as the Mears Repairs Contracts. Therefore within the Responsive and Planned Team, the Mechanical and Electrical Team and the Voids Team there will be Contract Officers who are responsible for the service delivered through existing contractual arrangements or by the ISP within the East, West and South Housing Management areas. Each Contract Manager will have a team that reflects the size and complexity of the contract or relationship which they manage and the proposed structures therefore have variations in staffing numbers.

5.3 The new senior management structure will see some changes in roles, a general move to up-skill some functions/roles and a greater emphasis on managing contracts and Contractors more effectively. The changes will result in an overall reduction in the current senior management structure (PO5 and above) in Property and Contracts of 6.5 posts which will generate around £304k of savings when fully implemented (this includes savings already identified at JNC level). However this should not be looked at in isolation and any savings generated from the second phase of the restructure will be retained within the HRA and will be redirected into front line services through increased investment in the housing stock. The table at **Appendix N** shows how that reduction impacts on numbers of staff at different grades within the senior management part of the structure.

6.0 Workforce implementation plan

A set of principles have been prepared for the transitional process between existing structures and the new structures detailed in this Report. Those principles are attached as **Appendix O**. For clarity Appendix A of the Procedure for Managing Workforce Change (MWFC) will be applied in the following way:

6.1 Phase 1 – Slotting

Where posts are broadly the same (grade and functions) in the new structure as in the old structure and the numbers of posts and people are the same (or there are 'surplus' posts). Job slotting cannot be used where there is a grade increase. In addition those job roles that have been clearly defined as 'out of scope' will remain unchanged as a result of this report.

6.2 Phase 2 – Ring-Fencing

Where there are more applicants than posts. Applicants whose current role is the same or broadly similar to the new role and whose grade is +/- one grade will be included in the ring-fence. Applicants for ring fenced posts will be asked to complete a shortened application form and undertake a formal interview process.

Temporary Roles/ MWFC

Any staff who have been 'acting-up'/in a temporary role for a period of more than 12 months and were selected through a competitive process/MWFC will be included in relevant ring fence(s). Those who have been appointed through the Managing Workforce Change procedure to a permanent role within the service will also be considered in the ring-fences for roles at a similarly appointed grade.

6.3 Phase 3 – Talent Pool

Unfilled posts will be matched to people in the Talent Pool either those displaced through this restructure or from other Council restructures.

6.4 Phase 4 – General Ring-Fencing

At the conclusion of Phase 3, any posts remaining unfilled will be dealt with under an internal open selection process. At this stage, staff not directly affected by this

restructuring and generally from within the Council will be eligible to apply. Posts will be filled by the usual range of selection methods.

7.0 Corporate Considerations

7.1 Consultation and Engagement

7.1.1 These recommendations have been developed by Property and Contracts, Management Team, HR and Finance in the first instance. However it is intended that further comments and questions be sought from the whole workforce in scope..

7.1.2 The first formal service-wide consultation will take place in February 2014. A series of formal fortnightly consultation meetings have been arranged with Trade Unions. Further discussions and consultations will be held with this group throughout the restructure.

7.2 Equality and Diversity / Cohesion and Integration

7.2.1 An equality impact assessment is being undertaken.

7.3 Council policies and City Priorities

7.3.1 The proposals within this report support wider aspirations for Leeds set out in the new Leeds Vision, City Priority Plans, Directorate Priorities and Cross Council Priorities.

7.3.2 The proposals support the Best Council objectives of:-

- Ensuring high quality public services; and
- Becoming an efficient and enterprising Council.

7.3.3 The proposals support the delivery of the City priorities of:-

- Increasing the number of properties with energy efficiency measures;
- Increasing the number of properties that achieve and maintain the Decency Standard;

7.4 Resources and value for money

7.4.2 The cost of the current structures (including temporary arrangements) at PO5 level and above (inc JNC posts) is £1213k in a full year with full establishment and including on-costs. The revised structure will cost £909k again including on-costs (exclusive of any MWFC, ELI or pay protection). Potential savings are £304k with a net loss of 6.5 posts.

7.5 Legal Implications, Access to Information and Call In

The decision being requested in this Report is a Significant Operational Decision and as such is not eligible for call in. Powers of delegation to the Director for this decision are contained within the scheme under Part 3 of the Constitution. However the Housing Management Review is being examined by Housing and Regeneration Scrutiny Board and as such the implications of this restructure will be considered in general terms as part of their scrutiny.

There are no significant legal implications associated with this decision. The report contains no information which is considered confidential or exempt as determined by the Access to information Procedure Rules within part 4 of the Constitution.

7.6 Risk Management

- 7.6.1 Failure to implement the new structure will perpetuate the inconsistencies and inefficiencies that are present with the current service delivery models. Duplication will remain and existing contract management arrangements will continue to underperform.

6.0 Conclusions

This proposed structure, is an essential step in moving from the geographic ALMO/ABCL/Strategic Landlord structures to a consolidated Council service driven structure that will deliver consistency across the City. It will provide the required clarity, stability and capacity to deliver on future challenges within an affordable cost envelope. The benefits are clearly stated, as are the risks, the approach to further consultation and the approach to implementing the organizational changes.

7.0 Recommendations

To approve the proposed first phase of the service restructure PO5 and above for Property and Contracts (Housing Leeds).

8.0 Background Papers

Overview of Structural Changes

Grade	Current structure Substantive posts	Additional Temporary arrangements	Proposed Structure	Variation To substantive FTE position
JNC	9		4	-5
PO6	8.5		12	3.5
PO5	5		0	-5
PO4				
PO3				
PO2				
SO2				
SO1				
C1				
B1				
Total FTE				