



## Report of Chief Officer Property and Contracts Housing Leeds

## Report to Director of Environments and Housing

Date: July 2014

## Subject: Phase 2 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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix L to this report has been marked as confidential under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

## EXECUTIVE SUMMARY

This Report details proposed structures for phase 2 of the Property and Contracts structure following the transfer of the Housing Management service back into the Council. The restructure will result in a slight increase in establishment from 176 posts to 184 posts however 7 of posts will be temporary to reflect the increased planned works programme being delivered in 2014/15 and 2015/16. The structure will cost £498k more than the old structure but this includes £262k for the temporary staff and does not reflect savings delivered through phase 1 of the restructure.

## RECOMMENDATIONS

The Director of Environment and Housing is asked to approve phase 2 of the Property and Contracts restructure as detailed in this report.

## **1.0 Purpose Of This Report**

To obtain approval to implement the second and final phase (PO4 and below) 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 also put in place contract management structures but these were 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. This Report deals with the Property and Contracts Division.

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 11<sup>th</sup> 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) and agreed 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%).

In February 2014 the Director agreed that the second stage of the restructure process below JNC graded staff would be undertaken in two phases – the first phase to appoint the Service Manager (PO6) tier and then the second phase to appoint all other staff below that grade. The PO6 appointment phase is now complete (save for one unfilled posts) and this report now deals with the second phase of the remaining restructure below the PO6 level in so far as the Property and Contracts division is concerned. The scope of the restructure was defined in the previous report. East Construction Services still remain outside of the scope of this review but are in scope for a review of the construction internal service provider function within the Council. Part of the Adaptations service which was identified as being in scope in the February report is now out of scope as a review of delivery of Occupational Therapy services within the Council has been initiated.

## **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 they were 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 second phase of the full service restructure – the structures reporting to the Service Manager level which covers PO4 grades and below.

## **5.0 Proposed Changes**

5.1 Beneath each of the Service Managers there are structures that are responsible for delivering the specific work-streams. Attached to this report are (draft) structure diagrams that define each of the service delivery teams linked back to the specific Heads of Service and Service Managers as follows:-

### **Head of Strategy and Investment**

- Capital Programme Manager **Appendix A**
- Principal Quantity Surveyor **Appendix B**
- Investment Strategy Manager **Appendix C**
- Housing Compliance Manager **Appendix D**
- Technical Services Manager **Appendix E**

### **Head of Maintenance Operations**

- Adaptations Manager **Appendix F**
- Responsive and Planned Manager **Appendix G**
- Mechanical and Electrical Manager **Appendix H**
- Voids Manager. **Appendix I**

### **Head of Housing Contracts**

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

Job descriptions have been produced for all of the posts and they are available on the Share Point site as background information for this Report.

5.2 The draft structures attached as Appendices to this Report show each Service Manager and their team who will be responsible for delivering specific operational functions. 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 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 a slight overall increase in posts when compared with the number of established posts on the former structures. However some of the new posts

shown will be fixed term temporary posts (as identified in the structure charts) required to deliver the increased planned and capital works programme in 2014/15 and 2015/16. These temporary posts will fall away from April 2016 unless an increased programme requires their retention in which case a further Report will be presented for consideration.

A two year rule has been agreed with Trade Unions and will apply to people who have been recruited into temporary roles and have been employed for more than 2 years, they would be slotted or ringfenced the same as a permanent employee as part of the restructure process. For those with a substantive posts who have been acting up or in a temporary role for over 12 months it has been agreed that they are slotted or ringfenced at the grade they are currently working at provided they have been through a full recruitment process. People receiving pay protection will be included in ring-fences at the level of their pay protection. If they are unsuccessful at that level then they would be slotted or ringfenced to a post at their unprotected level.

There are a number of unfilled and vacant posts being carried without cover in the existing structures. This means there are less people actually employed within the existing Property and Contracts structure than there are posts in the proposed new structure and therefore almost everyone with a permanent post, or holding a temporary contract for two years or more having gone through a full recruitment exercise, will get a permanent post in the new structure.

Where there is a direct correlation between existing role and new role with only one individual having a match, then that individual will be slotted provided their current grade is the same as the new grade. Where there are a number of individuals with the direct correlation with fewer posts than people then a mini recruitment exercise, ring-fenced to just those individuals, will take place. Anyone without a direct correlation with a post in the new structure will be asked to preference available posts and will be allocated an appropriate role from those preferences (wherever possible).

## **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 K**

With reference to the proposed changes to Terms and Conditions of employment, which have been agreed by General Purpose Committee on 29 July 2014, decisions with regard to the workforce implementation plan for this restructure will be made in line with corporate decisions.

### **6.1 Phase 1 – Slotting**

Slotting has been agreed with the Trade Unions as outlined in para 5.3 above..

### **6.2 Phase 2 – Ring-Fencing**

As mentioned above posts which have not been filled by slotting, because they have changed under the new structure, or where there are more employees than posts, will be allocated via a preferencing and ring fence exercise. Employees for ring fenced posts will be asked to preference for posts and complete a shortened application form prior to taking part in a formal interview process.

### **6.3 Temporary Roles**

Following consultation with the Trade Unions, for this restructure process only, employees who have been employed on a temporary contract for over 2 years will be included in the ring-fence. Temporary employees who have been employed for less than 2 years will be eligible to apply for any vacancies remaining at phase 4 of the process. There are currently 43 people on temporary posts employed within Property and Contracts . Any permanent 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 will be included in relevant ring fence(s) for their current role.

### **6.4 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.

### **6.5 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. Further comments and questions have been sought from Trade Unions and the whole workforce in scope through a series of consultation events and meetings.

7.1.2 The first formal service-wide consultation was held in July 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.

7.1.3 The main issue raised by Trade Unions has been a request to slot all staff including those that would benefit from a grade increase as a result of that decision, where their role has attracted a higher grading. Slotting will take place in accordance with the principles detailed in para 5.3 above but not where that involves a grade increase. In this case a ring-fence interview will take place.

### **7.2 Equality and Diversity / Cohesion and Integration**

7.2.1 An equality impact assessment has been carried out and is attached to the report. The EIA details fully the impact of the new structure. The proposal supports the integration of Property and Contracts Services fully into Leeds City Council and enables the Service to be an effective component of Housing Leeds.

The approved structure will ensure that the delivery of the capital and responsive repairs service will meet the requirements and demands for all Leeds City Council tenants.

The three Leeds ALMOs had developed very different approaches to the delivery of asset management to manage the 57,000 council homes. The existing structures reflect the very different roles, responsibilities, accountabilities, grades and job descriptions across the three organisations as directed through the different priorities and resource allocation.

The proposed structure creates a very clear focus on the delivery and development of individual services rather than area based approaches of the former ALMOs.

The structure creates flexibility and consistency while providing a robust method of service delivery.

The restructure provides an opportunity to consolidate staffing resources and create a more flexible staff structure. This will enable the service to be well placed to respond to the changes in customer demands and potential changes in resources into the future whilst maintaining a high level service.

### **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) is £6058k in a full year with full establishment and including on-costs. The revised structure will cost £6556k again including on-costs (exclusive of any MWFC, ELI or pay protection). Whilst this is an increase in total cost of £498k the revised structure does include temporary staff required to deliver the increased Planned Works Programme in 2014/15. The cost of those temporary staff is £262k. The increase is also net of savings that were delivered through phase 1 of the process. **Appendix L** shows the cost comparison across grades.

### **7.5 Legal Implications, Access to Information and Call In**

This is a key decision, it has been on the forward plan and as such is 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. Appendix L contains 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.

## **8.0 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.

## **9.0 Recommendations**

The Director of Environment and Housing is asked to approve the proposed second phase of the service restructure (below PO4) for Property and Contracts (Housing Leeds).

## **10.0 Background Papers**

10.1 None