

Report of Director of Environment and Housing

Report to Housing Advisory Board

Date: 9th September 2014

Subject: Implementation of the Review of Housing Management Services

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

Summary of main issues

1. The Executive Board on 19th June 2013 took a decision to bring the Council Housing Service back into the Council, following a review of the service and the consideration of options. A subsequent report in July 2013 set out the implementation arrangements and the governance structures that were to be put in place. An update report was provided to Executive Board on 5th March, 2014, providing further details of the considerable work that had been done to set up the new service, and the further work that was planned in order to complete the integration and service transformation work, as well as outline the savings and efficiencies that had emerged or were forecasted. Since then, the Housing Advisory Board has been receiving verbal and written reports from the Director of Environment and Housing outlining progress with this work.
2. This report provides further information on progress and covers four key areas: structural changes and service redesign, integration of business support service functions into the Council, governance and tenant involvement, and financial efficiencies and benefits.

Recommendations

3. Members of the Housing Advisory Board are recommended to note the considerable progress that has been made to deliver the outcomes of the Housing Management Review, and the benefits (financial and non-financial) that are being realised.

1 Purpose of this report

- 1.1 The purpose of the report is to update Housing Advisory Board on progress with the delivery of Housing Management Review outcomes, outlining the significant changes being delivered, and the benefits (financial and non-financial) that are being realised.

2 Background information

- 2.1 The Executive Board on 19th June 2013 took a decision to integrate housing management within the Council's Environment and Housing Directorate, and a subsequent report in July 2013 set out the implementation arrangements and governance structures that were to be put in place.
- 2.2 This was a significant undertaking and involved:
- transferring over 1,000 staff into the Council under TUPE rules (Transfer of Undertakings Protection of Employment) and winding up the ALMO companies;
 - creating a Shadow Housing Advisory Board to fulfil the legal role of the former ALMO Boards during the winding up process ; and establishing a new Board as an Advisory Committee to Executive Board
 - creating a Housing Management Review Implementation Board to manage the implementation of Housing Review outcomes;
 - amending officer delegations to include previous ALMO functions under the Directorate of Environment and Housing;
 - redesigning the service across functional lines and developing and appointing to a senior management structure as a first phase,
 - reviewing and realigning former ALMO business support functions delivered by the ABCL with those within the directorate and the Council,
- 2.3 The Housing Advisory Board has received a number of updates since then, and a further update report was also presented to Executive Board on 5th March 2014. The information included in Section 3 below sets out further progress that has been made to establish the new service, and outlines the benefits being realised. This update has been grouped under four headings: structural changes and service re-design, integration of business support service functions into the Council, Governance and tenant involvement, and financial efficiencies and benefits.

3 Main issues

3.1 Structural Changes and Service Re-design

- 3.1.1 ALMO staff were transferred into the Council on 1 October 2013 and, due to TUPE regulations, it was not possible to take action to restructure before this

point. However, the shadow Housing Advisory Board had agreed to the re-organisation of the service along functional lines: Housing Management, Property and Contracts and Strategic Housing, and steps were taken between October and Christmas to develop a senior management structure and appoint Chief Officers to head up these functions. The new JNC structure reduced this cohort by 11 posts from the original 24, at a saving of £588k, and the majority of these posts were filled by end January 2014.

- 3.1.2 Once senior managers were in post, it was possible to proceed to develop and consult on the wider service structures, starting with key service manager posts at PO6, and these have now been appointed (HAB received information on these appointments at their June meeting).
- 3.1.3 However, steps had already been taken at an early stage, i.e. in advance of structures being developed, to engage with staff at all levels from across the former ALMOs and with other delivery partners, to review existing arrangements, identify best practice and consider operational models that would deliver the best outcomes. Staff have therefore had opportunities to express their views about how the new service should be designed and delivered, and trades union colleagues have also been actively involved through regular dialogue as the structures have been developed.
- 3.1.4 The remaining structural arrangements for Housing Management and Property and Contracts have now been formulated and consulted upon, and are approved for implementation by end September. Strategic Housing no longer plays a client role and incorporates work on private sector housing, housing advice and energy efficiency, as well as some directorate-wide business support functions. Details of the new structural arrangements are given below:
- 3.1.5 **Strategic Housing** longer fulfils a Housing client function and so the strategic landlord function has been disbanded and the staff have moved into other roles. This Division also includes non-Council/cross-tenure housing services, including private sector housing programmes, housing options, adaptations and energy and climate change team, as well as a number of directorate-wide functions. Steps are being taken under separate Council-wide reviews to develop strategic support functions for the directorate and the Council. A directorate Information Management and Technology resource is being developed, which will incorporate IT and information governance support for Housing Leeds. The performance and intelligence function of the ABCL was also originally transferred into Strategic Housing and was combined with the directorate-wide performance team, and one service manager post at PO6 was created by combining the responsibilities of the two existing manager posts. However this new post and post-holder, together with the majority of former ABCL performance team members, are now within scope for the Council's Better Business Management Intelligence project and these staff, along with two members of staff from the directorate team, are being transferred into the corporate intelligence team (the Housing Leeds Service and the wider directorate will continue to receive performance management and intelligence support from this team). As part of the requirement to deliver a consistent model of service delivery the housing registrations function has been moved to sit alongside staff within Housing Options. This new team will develop a comprehensive customer focused service that provides guidance support and

assistance to all customers through the allocation process to ensure the most appropriate form of housing is provided so that all customers are given the appropriate support for the long term sustainability of their housing solution. Further service integration is being developed for the Aids and Adaptation assessment work so that an improved city wide cross tenure service can be developed to ensure consistency of the assessment process, irrespective of tenure, and can then offer a bespoke delivery service through the ISP which will further integrate the end to end process to ensure quality and consistency of service delivery.

- 3.1.6 The **Housing Management** function has been reconfigured to provide one consistent model of housing management across the city, delivering and developing frontline services that focus on the tenant experience and customer satisfaction. It has reduced the number of job descriptions and roles from 118 to 8 core roles to support flexibility and opportunities for effective management of service demands. The service is configured across 8 Housing Management areas and a Neighbourhood Services function in order to manage the 57,000 council homes in the city. The service will be customer-facing, delivered through the 26 Local Housing Officers and the One Stop Shops, with resources organised and deployed flexibly on a patch basis to take account of property numbers and types, complexity of stock, turnover and hotspots. The arrangements will also take account of the Council's Community Committee developments and wider customer access and asset management programmes, with a view to ensuring that it becomes an effective component of 'Team Leeds' and facilitates tenant access to the full range of Council services. There has also been a realignment of some of the environmental functions: estate services and caretaking are now part of the Council's Environmental Action Service and ground maintenance contracts will be managed by Parks and Countryside, whilst anti-social behaviour teams are now being managed by Community Safety. This allows a more consistent approach to be taken in these areas, fosters effective partnership working and provides for more seamless service delivery for tenants. The Neighbourhood Services function will lead and deliver key central functions to ensure consistency, provide the relevant quality assurance as well as some significant front-line services i.e. Income Management, Lettings and Tenancy Service (including management of the Leeds Housing Register), Tenant and Community Involvement and Older People's Housing, including the management of Sheltered Housing.
- 3.1.7 The **Property and Contracts** function takes away the previous geographical focus and area differences. It eliminates duplication, introduces consistent levels of service across the city and reduces over-capacity in some areas at management levels, whilst improving the quality of service delivered locally, as well as better managing the contracts and contractual arrangements that are in place. The new structure introduces some changes in roles, incorporates a general move to up-skill some functions/roles and puts a greater emphasis on managing contracts and contractors more effectively. The proposed structure includes a number of fixed term temporary posts that are required to deliver the increased planned works programme in 2104/15. It should be noted that the East Construction Services is not included within the Property and Contacts restructure at this stage, but will form part of a review of the construction internal provider

function within the Council. Part of the Adaptations Service is also out of scope due to a review of the delivery of Occupational Therapy Services within the Council.

3.2 Integration of Business Support Service functions into the Council

3.2.1 An important driver of the review was the extent to which any changes could deliver financial savings in back office or overhead costs and savings of £385k has been saved against the original budgets. Further savings are likely but these will be delivered as part of wider Council change programmes which are being delivered over the next 12 – 18 months. For example, the Finance team has already reduced significantly in size from 32 to 17.6 ftes and has been integrated into the wider corporate team supporting Environment and Housing. The HR team has also reduced slightly, and now forms part of the team supporting Environment and Housing, but will be part of a general review of HR support across the Council. As mentioned in 3.1.5 above, the Performance and Intelligence Team was initially transferred into Strategic Housing, but the majority of the team, along with three staff from the directorate team, are now in scope for the Council's Better Business Intelligence programme and these staff are now being transferred into the corporate intelligence team, but will continue to provide support to the Housing Leeds service and the wider directorate. In relation to ICT support, the Housing Applications team now forms part of the emerging Information Management and Technology (IM+T) function for the Directorate, and a new structural proposal covering the whole of the directorate is being developed, in line with wider IM+T developments across the Council. Information and media staff have since transferred into the corporate communications team, but continue to support the Housing Leeds service, and two staff were retained to support the tenancy involvement work of the new service.

3.3 Governance and Tenant Involvement

3.3.1 A Shadow Housing Advisory Board was established to oversee service developments and replace the ALMO Boards that were being disbanded. This has now been replaced with a new Housing Advisory Board which has been formally constituted as a committee of the Council, reporting into and advising the Executive Board and serviced by the Council's corporate governance unit. The Board has tenancy representation, as well as Council representatives and co-opted members from relevant interest groups. It has met three times since its inception in January 2014 and it has links with the Chairs Group of the new Tenant Advisory Panels which align with Community Committees. There is also a new consolidated Tenant Scrutiny Board, which is also administered and supported by the Council's corporate governance unit, and links have been established between the Tenant Scrutiny Board, and the Housing and Regeneration Scrutiny Board of the Council, to ensure that their respective work programmes can feed into and complement each Board's deliberations. The Chair of the Housing Advisory Board and the Director of Environment and Housing meet periodically with the Chair of the Advisory Board Chair's Group, and the Chair of the Scrutiny Board, as a means of sharing information and influencing the work of the Housing Advisory Board.

3.4 Financial Efficiencies and Benefits

- 3.4.1 **One-off financial benefits:** both the Council's Housing Revenue Account and the ALMO company accounts for 2013/14 have now been closed, and ALMO reserves of £9.3m have been transferred to the Council and will be used to support the Council Housing Growth Programme.
- 3.4.2 In addition, the Housing Revenue Account outturn for 2013/14 was a surplus of £3m against the 2013/14 budget which provided for a break even position. This surplus was largely generated by savings arising from the housing management function. Executive Board in June 2014 agreed that this surplus should be used to create an earmarked reserve to fund environmental initiatives on housing estates.
- 3.4.3 **Ongoing savings and benefits:** The report to Executive Board in June 2013 which recommended bringing the management of the Council's housing stock back in-house identified that minimum savings of £2.5m per annum would be delivered. The details below show that £3.25m of financial benefits are being realised on a recurring basis.
- 3.4.4 Considerable revenue savings have already been realised or are due to be delivered this financial year. These include £588k savings on senior manager costs, £500k from the removal of costs associated with maintaining three separate companies, and £385k from streamlining business support functions.
- 3.4.5 One of the objectives of the review was to reduce duplication and streamline/integrate processes to deliver a more efficient service to Leeds tenants. The benefits of this are already being seen in respect of a co-ordinated approach to the management of voids across the city which has seen void levels falling to 0.7% compared to budgeted levels of 1.25%. This is projected to generate an additional £1m of rental income and has led to £776k savings on voids expenditure which can be redirected into funding housing priorities.
- 3.4.6 It is anticipated that there will be further savings as processes continue to be streamlined and duplication is reduced. These will be factored into the 2015/16 Housing Revenue Account budget and reinvested into services for the benefit of tenants.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Staff have been fully engaged in the development of the Housing Management Review through regular communications, staff briefings and key messages that have been issued through a range of media. A Joint Consultative Committee has also been established with the Trades Unions that deals solely with matters connected with the implementation of the Housing Management Review. Tenants are also involved on an ongoing basis in shaping and improving services through the range of tenant involvement mechanisms that are in place, and through tenant survey work.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Housing Advisory Board members are being asked to note the progress being made with the implementation of the Housing Management Review and, as such, a decision is not being made. An Equality Impact Assessment screening was done at the time the decision was taken to commence delivery of the implementation programme, and it was determined that individual EIAs would be carried out on particular delivery aspects, as required. EIAs have since been completed in relation to structural changes and in relation to individual decisions about the new service.

4.3 Council policies and City Priorities

- 4.3.1 The changes are being delivered in line with the Council's policies and procedures and are designed to deliver an improved and more cost effective Housing service across the city. Delivery of the Review is a specific priority in the Best Council Business Plan under the objective of 'Ensuring High Quality Public Services'. It also contributes to the objective of 'Becoming an Efficient and Enterprising Council'.

4.4 Resources and value for money

- 4.4.1 One of the major aims of the Housing Review implementation programme is to reduce duplication and streamline/integrate processes to deliver a more efficient Housing service to Leeds tenants. The details in paragraph 3.4 demonstrate the financial benefits and efficiencies accruing from this work, which will make best use of resources and deliver an improved service for Council tenants.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Legal Services have been fully involved in the process for the closure of ALMO companies and this process is being dealt with in accordance with Company Law. All contracts and liabilities held by the ALMOs are being transferred to the Council, although the major contracts such as repairs and maintenance are already in the Council's name. The original Executive Board decision to implement the outcomes of the Review was subject to call in.

4.6 Risk Management

- 4.6.1 A Programme Board chaired by the Director of Environment and Housing is in place and programme activity is being delivered via a number of work streams. Governance arrangements exist to deliver the changes and manage any associated risks. Regular reports are being taken to the Housing Advisory Board which is chaired by the Executive Member for Neighbourhoods, Planning and Support Services.

5 Conclusions

- 5.1 The information in this report sets out the considerable work that has been undertaken to bring the staff of the former ALMOs into the Council on 1 October 2013, and to develop new structural arrangements designed around three functional areas. It provides details of the progress that has been made since then to appoint to senior posts, and develop service structures and models of

operation that are based on best practice and will deliver efficiencies and better front-line services to council tenants. It identifies the corresponding savings that have been achieved and the wider benefits being delivered from revised operating arrangements, new governance and tenant involvement arrangements, the integration of business support functions into the Council and the redirection of ALMO reserves.

6 Recommendations

- 6.1 Housing Advisory Board members are invited to:
- 6.2 Note the considerable progress that has been made to deliver the outcomes of the Housing Management Review, and the benefits (financial and non-financial) that are being realised.

7 Background documents¹

- 7.1 Exec Board report 19 June 2013
- 7.2 Exec Board report 17 July 2103
- 7.3 Exec Board update report 5 March 2014
- 7.4 Housing Advisory Board report 3 June 2014

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.