



Report of the Director of Neighbourhoods and Housing Department

Executive Board

Date: 18th October 2006

Subject: The Future of Arms Length Management Organisations for Housing in Leeds

Electoral Wards Affected:

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

The report sets out the proposed governance arrangements for the new Boards and proposals for Area Panels. The report also seeks permission to register three new ALMO companies.

1.0 Purpose of the Report

1.1 This report seeks the approval of members of the Executive Board to the:

- Proposals for the governance arrangements for the new ALMO Boards
- Proposals for the establishment of Area Panels beneath the new Boards
- Proposals to set up three new companies

2.0 Board Size

2.1 It is proposed to reduce the size of Boards from the current figure of 18 to 12, with equal representation from Elected Members, Independents and Tenants.

2.2 The constitutions of the current ALMOs provide for 5 Council members, 5 Independent Members and up to 8 Tenant Members. The original guidance for the setting up of ALMOs required there to be an equal share for each member. However,

tenants were concerned that their voice would not be heard and so the number of Tenant Board Members was increased.

- 2.3 However, as the ALMOs matured and their commitment to tenant involvement increased, these concerns proved to be unfounded. A Board of 18, though, has proved to be too large from a governance perspective.
- 2.4 Whilst there has been no criticism at inspections, the Audit Commission is developing a view that Boards should be smaller, whilst at the same time retaining an equal share across the Board members groupings. This is a view that was also expressed by some of the existing ALMO Boards during earlier consultation.
- 2.5 These factors, taken together with the proposals set out below to expand involvement through local panels, enables the new Boards to reduce in size.

3.0.0 Board Appointment Process

3.1.0 Council Board Members

- 3.1.1 The current process is that nominations to ALMO Boards are made through the Area Management Committees. However, the re-alignment of ALMO boundaries to create the three new ALMOs means there is no longer a neat alignment with Area Committee boundaries.
- 3.1.2 It is proposed that Council Board Members will be appointed to the new Boards through the political groups in a way that ensures that there is reasonable representation on the Boards and that current expertise is recognised.

3.2.0 Independent Board Members

- 3.2.1 It is proposed to offer existing Independent Board Members the opportunity to apply and be interviewed for a position on the new Boards. This process will ensure that best expertise is retained and aid continuity of the businesses.
- 3.2.2 Any vacancies that arise from this process will be advertised. New applicants will go through an interview process to ensure that the best candidates are selected.
- 3.2.3 Throughout this process attention will be given to the expertise that candidates can bring to the Boards and to ensure that there is a balance of skills on each new Board.

3.3.0 Tenant Board Members

- 3.3.1 Tenant Board Members have contributed greatly to the success of the Leeds ALMOs. It is proposed that existing Tenant Board Members will be given the opportunity to apply for places on the new Boards.
- 3.3.2 Candidates will go through an interview process to ensure that the best candidates are selected. This process will also ensure that there is fair representation of the areas covered by the new ALMOs.

4.0 Chairing Boards

- 4.1 The Audit Commission has indicated that they favour the appointment of non political chairs. However, it is not obligatory that this advice is followed. It is proposed, therefore, that whilst Boards should give consideration to the Audit Commissions view, they should be free to elect chairs from any of the three categories of Board Members.

5.0 Area Panels

- 5.1 At the Executive Board meeting of July 2006 the principle of Area Panels was agreed and a further report was requested outlining the governance and operational arrangements for these Panels.
- 5.2 One of the successes to date with the ALMOs in Leeds has been the enlargement of tenant involvement. The number of registered groups has doubled to around 120. There are also investment conferences and a host of local arrangements for getting tenants views and involving them in decisions.
- 5.3 By reducing the number of ALMO Boards to one or three, tenants could feel remote from the decision making body. However, there is an opportunity to guarantee and indeed increase involvement in decision making by introducing local area panels, as operated by other ALMOs elsewhere. The ALMO Boards were unanimous in expressing their support for the establishment of such panels.
- 5.4 This proposal is designed to ensure that a wide range of tenants can be involved in the delivery of housing services in their area. The proposal reflects this by having more than one Area Panel to each ALMO in order to facilitate a focus on local issues. However, the proposal also reflects the fact that to have too many Area Panels would lead to fragmentation, difficulties in co-ordination and governance.
- 5.5 It is proposed to have Area Panels based geographically around Area Committee arrangements. There will be four in the new North West / West ALMO which would mirror inner and outer North West and Inner and outer West, with three in the other two ALMOs based around inner South, outer South and outer East in the South / South East ALMO and outer north East, inner North East and Inner East in the North East / East ALMO.
- 5.6 It is proposed to give each Panel a budget, approved by the main Board. This would allow control over expenditure on environmental schemes, community safety schemes and tenant involvement. In addition Panels would have an active role in monitoring performance within their area as well as preparing recommendations for the main ALMO Board on future direction of services and spend, in areas such as decency and repairs. It is proposed to make it a duty, in the ALMO constitutions, for the ALMO Board to give due consideration to such proposals from Area Panels and to report back on reasons for the Board taking a different view.
- 5.7 It is proposed that Area Panels would also have a key role in
- monitoring performance on lettings, reletting properties and repairs

- supporting and developing tenant participation
- monitoring tenant satisfaction
- participating in local partnerships for example in community safety

A detailed outline of terms of reference is at Appendix 1.

- 5.8 An Area Panel would consist of one Board member (to ensure a governance connection with the main Board), two elected members from the area and six tenants with option to co-opt representation as and when required. These arrangements would be written into the ALMOs constitutions.
- 5.9 Tenants unsuccessful in securing a place on the new Boards would be given first option of a place on an Area Panel providing this would give local communities appropriate representation on the panels. Vacancies will be sought from local tenants groups.
- 5.10 As a consequence of these proposals the number of tenants involved in the ALMOs will increase from the current 48 to 72. In addition, the number of elected members involved will increase from 30 to 32.

6.0 Department of Communities and Local Government

- 6.1 Officers from the department of Neighbourhoods and Housing recently met with senior Civil Servants from the DCLG to discuss progress on the ALMO review. The DCLG were pleased with the turn out for the ballot and the fact that there was a clear majority for one of the options. The DCLG are now keen for the Department to press ahead with implementation.
- 6.2 The governance arrangements described at 3.0 and 4.0 were discussed at the meeting and the DCLG were supportive of the approach. As a result of the discussions the DCLG will not be requesting full Section 27 applications. They have requested that a letter detailing the new arrangements is sent and subject to their lawyers' approval, the Minister will be asked to approve revised authority for Leeds and its new ALMOs.

7.0 Setting up New Companies

- 7.1 In order to begin the implementation phase as soon as possible, it is proposed to formally register three new companies.

8.0 Recommendations

- 8.1 The Executive Board is asked to agree to the proposed governance arrangements for the new Boards.
- 8.2 The Executive Board is asked to agree to the proposals regarding Area Panels and request that the Director of Neighbourhoods and Housing consults with the ALMOs to finalise the details.

8.3 The Executive Board is asked to approve the formal registration of the new companies and to request officers to progress the Section 27 arrangements with the DCLG.

Appendix 1

Area Panel Terms of Reference

Budget responsibility

- Manage Area Panel budget, approving expenditure relating to:
 - Environmental schemes
 - Community safety schemes
 - Tenant Participation support
 - Tenant consultation
- Be consulted on specifications for contracts such as grounds maintenance and repairs
- Provide nominees for inclusion in tender evaluation exercises

Business Plan and Delivery Plan

- Identify and recommend priorities for inclusion in Company Business Plan and Delivery Plan
- Agree local priorities for inclusion in annual local action plan, including actions for continuous improvement on BVKPIs
- Monitor performance on activities
- Monitor expenditure on activities

Tenant Inspection

- Lead an annual Tenant Inspection of local service
- Lead regular tenant input into service monitoring e.g. estate walkabouts

Performance

- Monitor performance of local service by receiving regular reports on:
 - Lettings
 - Empty property turnaround
 - Repairs
 - Rent Collection
 - Complaints and feedback

Tenant Participation

- Support the development of Tenant and Resident Groups
- Manage the registration and audit process for registered tenant groups
- Consult with local T&R Groups and other representative groups on local service development
- Develop strategies to ensure inclusion of minority and hard to reach groups
- Negotiate local Compacts
- Operate small grants scheme from Area Panel budget

Tenancy Management

- Be involved in deciding how to enforce tenancy conditions in local area
- Receive regular reports on tenancy enforcement issues e.g. number of NISPs, ASBOs, details of targeted action
- Participate in relevant local partnerships e.g. community safety

Cont'd

Repairs and Improvements

- Agree tenant choice items on improvement programmes
- Participate in Board development of overall capital programme priorities and monitor implementation within local area
- Monitor responsive repairs performance and cost
- Monitor tenant satisfaction with repairs and capital improvements and make recommendations for improvements
- Participate in contract evaluation

Lettings

- Produce and administer Tenant Welcome information and induction/welcome for new tenants
- Analyse local lettings information, including reasons for refusal and take action or make recommendations arising from this
- Make recommendations for Local lettings Schemes

Tenant Satisfaction

- Monitor tenant satisfaction levels by use of surveys, analysis of complaints and feedback sessions with representative groups
- Recommend changes in service delivery identified through tenant satisfaction analysis

Staffing issues

- Be involved in induction of new staff based in local area
- Recommend changes in staffing levels or staffing designation in support of local service needs
- Nominate representatives for inclusion on recruitment panels where requested
- Agree work plans for local staff where relevant e.g. caretaking teams

Service development

- Be consulted on all policy issues under consideration by the Board
- Make recommendations to the Board for any changes to service policies