



Report of the Director of Neighbourhoods and Housing Department

Executive Board

Date: 13th December 2006

Subject: The Future of Arms Length Management Organisations (ALMOs) in Leeds

Electoral Wards Affected:

Specific Implications For:

Ethnic minorities

Women

Disabled people

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 relationships between the new ALMOs and the existing ALMOs and to update members on progress with the initial tasks.

1.0 Purpose of the Report

1.1 This report provides feedback on the proposals for Area Panels that were discussed at Executive Board in October 2006 and seeks the approval of members of the Executive Board to the proposals for the relationships between the new ALMOs and the existing ALMOs during the transition period.

2.0 New and Old Company Relationships

2.1 In accordance with the decisions of the Executive Board three new companies will be registered at company's house. The new companies will have revised Memorandum and Articles of Association that recognise the decisions taken about size of Boards and Area Panels.

- 2.2 Once the new companies exist, the new Board Members will be appointed. As part of this process the old companies will need to be wound up with a consequent transfer of housing management functions, staff, rights and liabilities.
- 2.3 It is anticipated this process will take place over a period of time between December 2006 and 1st April 2007. The precise timing of the process will depend on a number of factors, (some of which are external, and so outside the Council's control) such as minimising any tax liabilities, and completing all necessary tax, insurance and pension registrations in respect of the new companies.
- 2.4 In order to ensure that this process is carried out in a controlled manner it is proposed to close down the Boards of the existing companies and ask the new Board Members to become Board Members of the old companies as well. This will harmonise the decision making processes throughout the transition period with the new Boards responsible for the set up phase of the new companies, day to day decisions in the old companies and the transition process.
- 2.5 These changes can only be made once the new companies are registered, new Boards have been appointed and the DCLG have agreed a revised S.27 agreement with the Council. It is likely that these requirements will be in place by the end of January 2007.

3.0.0 Initial Tasks

3.1.0 Appoint Chief Officers

- 3.1.1 The three chief officers of the new ALMOs have been appointed. Claire Warren will be the chief officer for the new Leeds North West / West ALMO, Steve Hunt will be the chief officer for the new Leeds North East / East ALMO and Merran McRae will be the chief officer for the new Leeds South / South East ALMO.
- 3.1.2 These appointments are effective from 1st December 2006 and have been made under the Council's recruitment procedures.
- 3.1.3 The new chief officers will agree management structures for the new companies with the Council which will enable appointments to be made before the end of January 2007. The Council will be involved in the appointments.

3.2.0 Establish Three new Companies

- 3.2.1 The new companies need to be registered with Companies House. Initial revisions to the existing constitutions and management agreements have been made to support the registration. These documents will need further detailed work before 1st April 2007.

3.3.0 Obtain S.27 Approval

- 3.3.1 Under section 27 of the 1985 Housing Act a Local Authority needs the approval of the Secretary of State in order to transfer Housing Management functions to another

organisation. Leeds currently holds approval to transfer housing management responsibilities to six ALMOs.

- 3.3.2 Following discussions with the DCLG a full Section 27 application will not be required to vary the approval to the new ALMOs. The DCLG 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.

3.4.0 Appoint New Boards

- 3.4.1 At the October Executive Board the process for appointments to the new Boards was agreed. Existing Tenant and Independent Board members, who wish to be considered for the new Boards, have submitted application forms in accordance with the agreed procedures. The applicants will be interviewed by a panel consisting of officers of the Council and the chief officers. These interviews will take place during the early part of December 2006.

4.0 Feedback on Area Panel Proposals

- 4.1 The Council has consulted on the proposals for the Area Panels as proposed in the October 2006 Executive Board report. In accordance with the approvals given by the Executive Board the Director of Neighbourhoods and Housing will develop the proposals in the light of the feedback received.
- 4.2 One significant change that will be made will be to increase the number of panels in the new Leeds North East / East ALMO to four. It was felt that the size of the proposed Inner East Panel was too big and that it should be split into two panels.

5.0 Recommendations

- 5.1 The Executive Board is asked to approve the proposals for establishing the new companies, the winding up of the old Boards and the proposal to make the new company Board Members responsible for the old companies.