

Report of Assistant Chief Executive (Customer Access and Performance)

Report to Executive Board

Date: 17 October 2012

Subject: Review of ALMO Arrangements

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 number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. We are conducting a review of the ALMO arrangements to ensure that we can deliver the best services for the tenants and deliver value for money, building on improvements being delivered by the ALMOs. The current management agreements between Leeds City Council and the three ALMOs expire on 31 January 2013, so we propose extending the agreements to allow for a review, consultation and implementation of any proposed changes.

Recommendations

2. Executive Board is requested to:
 - 2.1 Agree to receive a report for consideration at December's Executive Board to consider option(s) for the future governance and delivery arrangements for the management of council housing in Leeds, prior to wider consultation on the future direction.
 - 2.2 Agree to an extension in the term of contract for the ALMOs for a period of up to one year, to allow time for the review to be concluded and any revised arrangements implemented.

1 Purpose of this report

- 1.1 This report sets out the background to the review of housing management services in Leeds and reasons for proposing to extend the Management Agreements with the ALMOs for up to an additional year.

2 Background information

- 2.1 The current Management Agreements came into effect on 31st January 2008.
- 2.2 Those Agreements provide for a five year contract period, subject to the Council being entitled (but not obliged) to extend the Agreements should that be considered necessary. The current agreements therefore are due to expire on the 31st January 2013.
- 2.3 In November 2010 Executive Board considered a report and agreed to retain the current ALMO model subject to two key reforms: the creation of a Strategic Governance Board (SGB) – to provide a more coordinated approach to decision making; and a Shared Service Centre (SSC) to maximise efficiencies. These changes have since been implemented.
- 2.4 Since the last review was agreed in November 2010, there has been unprecedented change to both the economic and policy context in which we operate. There are significant economic and social pressures facing public services; ever increasing customer expectations; and a comprehensive programme of change from the coalition government means the landscape that local government and its partners are operating in is now very different. Therefore, it is now an appropriate time to take a step back and review existing arrangements to ensure we have the right model in place to deliver a high quality, efficient service that offers value for money to Leeds Council tenants.
- 2.5 In September 2012, we started a review of the current arrangements. The review aims to consider the most appropriate arrangements to meet current and future housing management, maintenance and investment challenges, including clarification of the governance relationship with the Council. The review aims to build on improvements made by the ALMOs and learn from best practice to ensure we have the best arrangements in place to meet the changing financial and policy context and locality arrangements.

3 Main issues

- 3.1 There are a number of key influences driving the review. The review will look at existing management arrangements and ensure that they are up-to-date, as well as providing an opportunity to have a fresh look at the delivery model and structures to ensure we have the most effective model in place to deliver a high quality, efficient service. There is currently a perceived lack of clarity around decision making and accountability between the Council and the three ALMOs, specifically around who takes responsibility when there is service failure. The review will, therefore, need to establish the level of autonomy

(both in terms of finance and governance) to be embedded within any new arrangements.

- 3.2 The review will focus on outcomes for tenants and there is a requirement to ensure customer focused service delivery and tenant satisfaction. The review team will engage with tenants, partners, staff, councillors and trades unions as well as exploring best practice in other areas to ensure the best outcome is achieved.
- 3.3 As a result of this review, there is a need to extend the management agreements for up to one year, with a three month notice clause, to allow time for any recommendations from the review to be implemented.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Review of ALMOs will engage with tenants, Elected Members, ALMO Boards and staff from both the Council and ALMOs in developing its proposals. There will also be a consultation period to test these opinions and any major changes to the delivery model will be subject to consultation with Council tenants.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The aim is to review and agree the best options to meet current and future housing management, maintenance and investment challenges, including clarification of the governance relationship with the Council.
- 4.2.2 Any outcome from this review involving a change to current arrangements will be subject to an equality screening and/or impact assessment.

4.3 Council policies and City Priorities

- 4.3.1 Any outcomes from this review will need to meet the council's ambitions and priorities in the City Priority Plan, particularly those set out in the "best city to live in" section.

4.4 Resources and value for money

- 4.4.1 The review aims to ensure Leeds has the right arrangements in place to deliver high quality, efficient services that offer value for money to Leeds' taxpayers and tenants.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 An extension does not restrict the ability of the Council to vary the agreement. The Council can make changes to the agreement upon giving reasonable notice to the ALMOs, subject to agreeing consequential changes to the ALMOs business plans, or those changes being determined by an independent expert.

4.5.2 The extension will allow the review team sufficient time to make recommendations to Executive Board on the future of housing management in Leeds, undertake further consultation, and for any changes to be implemented with minimal disruption to tenants.

4.6 Risk Management

4.6.1 There is a risk in not extending the management agreements that we will be unable to implement any agreed changes in time, causing uncertainty for both staff and tenants.

5 Conclusions

5.1 The current management agreements will remain in full force, unless varied, for a period of up to a year from the end of January 2013. This will allow the full implementation of any recommendations from the ALMO review to take place.

5.2 Any extension will not prejudice the Council's existing rights eg to vary or renegotiate the agreements.

6 Recommendations

6.1 Executive Board is requested to:

6.2 Agree to receive a report for consideration at December's Executive Board to consider option(s) for the future governance and delivery arrangements for the management of council housing in Leeds prior to wider consultation on the future direction.

6.3 Agree to an extension in the term of contract for the ALMOs for a period of up to one year, to allow time for the review to be concluded and any current arrangements implemented.

7 Background documents¹

7.1 ALMO Review Terms of Reference

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.