

Report of **Director of Environment and Housing**

Report to **Executive Board**

Date: **17 July 2013**

Subject: **Housing Management Review Implementation**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. Following the decision of Executive Board on 19 June 2013 to integrate all council housing management within direct council control, this report sets out implementation arrangements and details the governance structures that will be put in place.
2. A Housing Management Advisory Board will be established, subject to agreement by General Purposes Committee. The report sets out the role of the Board, how it will work and outlines the proposed governance arrangements.

3. Recommendations

Executive Board is asked to:

- 3.1 Note the shadow board arrangements and creation of a Housing Management Implementation Board that will be put in place to lead us through the implementation phase;
- 3.2 Make the following recommendations to the General Purposes Committee on the proposed governance arrangements for the Housing Management Advisory Board. That:
 - Terms of Reference for the Board are as set out in section 3.4.7 to this report.
 - The Housing Management Advisory Board has a quorum of four members, to include two councillors and a tenant representative.

1. Purpose of this report

1.1 The purpose of this report is to:

- Inform Executive Board of the proposed role and functions of the Housing Management Advisory Board;
- Inform Executive Board of the progress made to establish the shadow Board arrangements.

1.2 Provide the Executive Board with an opportunity to consider the proposed governance arrangements prior to the General Purposes Committee.

2 Background information

2.1 At its meeting on 19 June 2013 Executive Board agreed the recommendation that the existing ALMOs will be dissolved and the management of its housing stock will be integrated within direct council control. Leeds City Council will be the sole landlord for its housing stock, taking over responsibility for all ALMO functions, including overall management, engagement with tenants and responsibility for any repair work needed.

2.2 It was agreed that a further paper will be brought to the July Executive Board meeting outlining the new governance arrangements in more detail. Links between the Housing Management Advisory Board and tenant scrutiny arrangements will also be developed.

2.3 The Belle Isle Tenant Management Organisation (BITMO) does not fall within the scope of this review as it operates under different legislation. It is currently performing very well, with high satisfaction rates and will be unaffected by the changes identified in this report, other than the impact in terms of the support they receive from the current ALMO arrangements. This support will need to be built into the new arrangements to ensure there will be no impact on BITMO service delivery.

3 Main issues

3.1 Implementation arrangements

3.1.1 Following the Executive Board decision on 19 June 2013, the implementation of integrating the three ALMOs and ABCL within the council has now commenced. Project governance will be through a Programme Board, to be chaired by the Director of Environment and Housing and consisting of key officers from the Council and ALMOs. Project management capacity has been identified and day to day management will be undertaken by a project coordination group that will meet frequently and bring together key work-stream leads.

3.1.2 A number of service redesign work-streams have been established, each with a clear lead that will report progress to the Project Manager, Project Coordination Group and Project Board. A Housing Management Implementation Board (which will act as a shadow housing management advisory board until it is formally constituted) will be established as detailed in section 3.4, to which progress will be reported. The work-streams are listed in Appendix 1.

3.2 New way of working for housing management

- 3.2.1 These changes represent an opportunity to make a step change in housing management. The proposals are very different from the arrangement which existed in 2002/03. Staff in the ALMOs, the ABCL and at the council have all played their part in rapidly improving both the value and performance of services, and of course the tenant experience. While the ALMO-era has transformed housing, it has also seen major changes in the council. With services increasingly organised to respond to the specific needs and character of local communities, there has never been a better time to bring together these progressive, customer-focused organisations.
- 3.2.2 Governance arrangements will be created that build on the great work that the ALMOs have achieved over the past ten years. The new Housing Management Advisory Board detailed below will retain the mix of elected members, tenants and independents; proposals to retain localised delivery arrangements, and will build on and strengthen tenant involvement initiatives such as area panels that have worked so successfully in the ALMO era.
- 3.2.3 The changes offer an opportunity to ensure that all tenants, irrespective of where they live, receive a consistent, value for money and high quality housing management service. We will work hard to ensure that areas of existing best practice are replicated across the city to ensure we don't lose what works well but look to offer the best possible service to all tenants and leaseholders. As we make these changes alongside the impact of welfare reforms, it is even more important that we strengthen tenant engagement and local delivery arrangements to ensure that we meet the needs of all tenants.
- 3.2.4 The new arrangements will offer greater accountability and a much clearer governance model. There is sometimes a lack of clarity concerning who takes responsibility when there is a service failure and sometimes strategic direction and prioritisation is not always as clear as it might be. This is of particular concern where the reputation of the council is at stake and was one of the key drivers behind the recommendation to integrate all housing management services within direct council control.
- 3.2.5 The new arrangements will bring services directly into council control and allow synergies to be made with existing services such as environmental management, to improve performance and reduce duplication and confusion.
- 3.2.6 The review identified a number of ambiguities and confusion in the role of the ALMOs and council in the current model. A lack of clarity in the procurement and management of contracts has been particularly evident. These unclear responsibilities and accountabilities contributed to the problems we have faced in respect to some contractual arrangements, most notably around repairs and maintenance. This has been built into the development of the new governance arrangements to ensure a more consistent and accountable model.
- 3.2.7 The proposed changes to governance in the new model are summarised below:
- A new Housing Management Advisory Board chaired by the Executive Member with responsibility for housing will be established to set strategic direction for the management of council housing;

- Decision making on all housing functions would be delegated to the Director of Environment and Housing.
- The new Housing Service will consist of 3 elements – statutory housing, council housing tenancy management, and property and contracts.
- The Director would be responsible for the whole management of council housing.
- Local delivery arrangements will be retained in the current three areas, with some minor changes to better align them to Ward and Area Committee boundaries. We will seek to identify best practice across the range of housing management services and apply that best practice across all areas of the city.
- Area Panel functions will be strengthened to ensure that tenants remain fully involved and engaged in the work of the new service, and in turn allow the service to be responsive to local needs.
- A group consisting of the Area Panel chairs will be established to provide stronger links with the Housing Management Advisory Board.

3.3 Timetable for implementation

Now that the decision has been made, it is important both in terms of service continuity, and to retain the excellent staff that are in post across the ALMOs, ABCL and Council that implementation takes place quickly, to avoid ambiguity and ensure there is no drop in service standards. With that in mind the following timetable has been developed:

- June – October 2013 TUPE (Transfer of Undertakings [Protection of Employment] Regulations). Complete move of ALMO/ABCL employees and any associated liabilities from their current employer to the council;
- July 2013– final meetings of existing ALMO Boards and establishment of new shadow board arrangements;
- July 2013 – revision of officer delegation to include previous ALMO functions under the Director of Environment and Housing accountable;
- July 2013 – Appointments to Housing Management Implementation Board completed;
- August 2013 – ALMO Chief Executives to report to Director of Environment and Housing;
- August/September 2013 – First meeting of single Housing Management Implementation Board;
- September 2013 – recruitment of top/senior management completed;
- October 2013 proposals for new Housing Management Advisory Board formulated and submitted for approval by full Council via the General Purposes Committee;
- October/November 2013 – March 2014 restructure and formulation of new operating model, including realignment of the charts of accounts to the new operating model;

- April 2014 – full implementation of new operating model.

3.4 Housing Management Advisory Board

3.4.1 It is proposed that subject to recommendation of General Purposes Committee, the Council appoints a Housing Management Advisory Board as an advisory committee to the Executive. The Board will help set strategic direction for the management of council housing, oversee investment plans and monitor performance. It will retain a mix of political, independent and tenant members, building on the successful model that has served the ALMOs well. It is proposed that co-opted members of the Board will be able to vote.

3.4.2 While an advisory board, all major decisions and policies regarding the new housing management service will be directed through the Board who will in turn make recommendations to the Executive for agreement. The Director of Environment and Housing will also seek direction from the Board on major decisions affecting the service. This more open and inclusive approach will offer a very different style of housing management than that which existed in the council in the pre ALMO days, and represents an innovative and distinctive way of working.

3.4.3 Authority currently delegated to ALMOs relating to the authority's role as housing authority, will rest with the Director of Environment and Housing. Area Panel functions will be retained and strengthened to ensure that tenants remain fully involved and engaged in the work of the new service, and in turn allow the service to be responsive to local needs.

3.4.4 The Housing Management Advisory Board intends to establish a working- group of the Area Panel chairs to advise the Board on policy development, thus strengthening links between Area Panels and the Housing Management Advisory Board.

3.4.5 The new arrangements will:

- Offer greater accountability and a much clearer governance model.
- Bring services directly into council control and allow synergies to be made with existing services such as environmental management, to improve performance and reduce duplication and confusion.
- Ensure that tenants retain a strong voice in the decision making process.

3.4.6 The role of the board

The Board will provide strong leadership and support to housing management policy and practice. Principles which will inform the work of the board will include:

- The best quality housing service should be delivered to all Council tenants;
- There should be clear accountability in decision making;
- Services should provide value for money;
- Services should be informed by, and be responsive to, local need;

- There should be consistency in policy direction;
- There should be no or minimal duplication of front line services; and
- Services should draw on the best expertise available.
- A commitment to driving real action and change to improve services in communities;
- Openness and transparency in the way in which the Board carries out its work;
- Inclusiveness in the way that it engages with tenants, other service users and the public.

3.4.7 Draft Terms of Reference

3.4.7.1 The proposed terms of reference for the Housing Management Advisory Board¹, subject to agreement at General Purposes Committee and Full Council are detailed below.

3.4.7.2 In relation to the authority's role as housing authority², the Housing Management Advisory Board is authorised:

- To consider and respond to proposals or consultations and advise the Executive on issues relating to:
 - The Housing Investment Plan and the Housing Service Plan;
 - The Key Lettings policy; and
 - Major projects under the capital programme.
- To set strategic direction for the management of council housing;
- To carry out policy development tasks as may be requested by the Executive or the Council;
- To review performance and make recommendations to the Executive as appropriate;
- To consider and advise on any other issue referred to the Board by the Executive.
- All major decisions and policies regarding the new housing management service will be directed through the Board who will in turn make recommendations to the Executive for agreement. The Director of Environment and Housing will also seek direction from the Board on major decisions affecting the service.

3.4.8 Membership and appointment

It is proposed that the Board will comprise the following members:

¹ Appointed by the Council as an advisory committee under Section 102(4) Local Government Act 1972

² Excluding those functions which the authority has agreed, with the approval of the Secretary of State that another person should exercise as agent of the authority.

- Three tenants/leaseholders appointed by General Purpose Committee on recommendation from the Board acting on advice from the Director of Environment and Housing, and subject to consultation with appropriate people, including a representative of the Leeds Tenants Federation.
- Six Elected Members (including the Executive Member as Chair), appointed annually in accordance with political balance requirements of the council (4 Labour, 1 Conservative and 1 Liberal Democrat);
- Three people who are independent of the Council and who can bring particular experience to the Board, appointed by General Purpose Committee, on recommendation from the Board acting on advice from the Director of Environment and Housing as above.
- Any member can resign from the Board by giving notice to the City Solicitor. Appointments to vacancies will be made in the same way as the original appointment and will be for the remainder of the resigning member's term of office.

3.4.9 Voting co-opted members of the Board will have to comply with the Members' Code of Conduct.

3.4.10 Chair and Vice-chair.

3.4.11 It is proposed that the Chair of the Board will be the Executive Member for Neighbourhoods, Planning and Support Services. The Board may appoint a Vice- chair from among its members.

3.4.12 Quorum

It is proposed that the quorum for meetings of the Board will be four members, with at least two elected members and one tenant/leaseholder.

3.4.13 Substitutes

There are no substitute arrangements for Board members.

3.4.14 Decisions of the Board and minutes of meetings

As a formal council committee, the usual access to information provisions will apply to Board meetings (5 clear days' notice of agenda/reports; publication of minutes etc). Decisions will have to be made by simple majority, with the chair having a casting vote in the event of an equality of voting.

3.4.15 Frequency and Notice of Meetings

It is anticipated that meetings will take place every two months and notice of and an agenda for each meeting will be sent to every member of the Board by the Council. Usual access to information provisions apply

The Board will agree a programme of meetings for the forthcoming year annually. The programme of meetings can be varied by the Chair.

3.5 Shadow Board arrangements – Housing Management Implementation Board

3.5.1 As part of the transition to the new arrangements we have already put in place the process for winding up the existing companies as noted in the previous

report to Executive Board. As part of the transition process, and to simplify implementation, the Director of Environment and Housing has written to all existing Board members asking for expressions of interest to form part of the shadow board arrangements. We will be seeking an elected member, tenant representative and independent member from each of the three Boards to maintain their role as company directors in their respective ALMOs and form part of a new single board. This process will be completed in July 2013. This Housing Management Implementation Board will lead the work on implementing the new arrangements.

- 3.5.2 In addition, the members will also be directors of their respective ALMOs and the Board will meet separately as required in order to fulfill the legal role required for the three companies until closure.
- 3.5.3 The three ALMO Boards will hold their last meetings in July 2013 with the new arrangements taking effect from 1 August. All board members who will not form part of the shadow arrangements will be asked to resign their directorship at these meetings. In the event that this does not happen, an EGM to dissolve the director positions will be held on 6 August 2013 – formal notification of this has been given as required.
- 3.5.4 Each Board will be asked to delegate their decision making powers to the relevant chief executive for the remainder of the company existence to allow business as usual during the formal process of closing down the companies.
- 3.5.5 The Housing Management Implementation Board will meet until formal arrangements for the Housing Management Advisory Board are in place.

3.6 Area Panels and tenant involvement

- 3.6.1 It has been recognised that the ALMOs have made considerable strides in strengthening tenant involvement in recent years, but this is not consistent across all areas. The tenant consultation results have highlighted that more needs to be done to ensure tenants feel they can not only get involved in decisions that affect them, but feel they can influence them as well.
- 3.6.2 The council is committed to retaining and building upon the current tenant involvement infrastructure and strengthening it where possible in the new service model. This includes a commitment to retain and strengthen the role of area panels, although they may look and feel different to their current form.
- 3.6.3 Area Panels are part of the current ALMO governance structure and so will need to be reconstituted following the closure of the three companies. We will look to establish the new panels outside of the council's formal decision making process to allow greater flexibility in their role and functions. They will be formally constituted as an outside body to allow them to administer any future grants/funding allocated to them.
- 3.6.4 We will engage with area panels, tenants and community involvement teams within the ALMOs throughout the summer to develop proposals for creating a new tenant involvement infrastructure. We will also develop further proposals for how Area Panels can be strengthened in the new service model and what role and functions the new panels can play. It is important to note that we will not

throw away the good work that has been done over the past ten years, but will look to build on the work of the ALMOs and augment it with developing ways of working in the council to create the best possible conditions for ensuring tenants across the city have a say in how their homes are managed. This will include strengthening tenant scrutiny as detailed in section 3.7. Progress will be reported to a future executive board.

3.7 Scrutiny

3.7.1 In addition to the council's scrutiny role, exercised through the Housing and Regeneration Scrutiny Board, there are currently three Tenant Scrutiny Panels across the city that have developed in very different ways to meet local needs.

3.7.2 Government guidance suggests that the principle of co-regulation of scrutiny should be 'retained and enhanced' including 'a clearer role for tenants in scrutinising performance'. The government is not planning to be prescriptive about how a landlord achieves this accountability to tenants and this enables Environment and Housing to respond to what their tenants and residents want and to develop approaches that work locally.

3.7.3 Tenant scrutiny can also take place in lots of different places and ways, using different groups, panels or forums of residents to challenge and hold their housing provider to account.

3.7.4 The role of Tenant Scrutiny as currently prescribed is to:

- Scrutinise individual areas of business on a programmed basis using appropriate evidence
- Assist in supporting the process of establishing performance indicators
- Challenge, advise and influence Housing performance to help drive a positive change
- Look at issues in terms of value for money
- Propose the issues and topics for review and scrutiny to be agreed by the relevant body
- Strengthen the decision making process of the Housing Management Advisory Board
- Monitor tenant satisfaction

3.7.5 As part of the development of the new service model, we will establish a single tenant scrutiny body which will work in partnership with Housing and Regeneration Scrutiny Board. The new body will be supported from within Democratic Services to ensure independence and establish strong links with the council scrutiny functions. We will work with Housing and Regeneration Scrutiny Board, existing tenant scrutiny panels, and other key stakeholder groups over the next few months to further shape the role of the new body, including its functions, scope, and who will be part of it/how people are selected to be on the new body. Terms of reference and protocols will be developed. Progress will be reported to a future Executive Board.

3.7.6 We will work with Housing and Regeneration Scrutiny Board to develop strong links between the new tenant scrutiny arrangements and the work of the

Scrutiny Board.

3.7.7 Some of the ways Housing and Regeneration Scrutiny Board can utilise the role of tenant scrutiny include:

- Taking account of relevant information that tenant scrutiny may have gathered in relation to any issue it is considering;
- Asking Tenant Scrutiny Panel to help gather local views about a particular service they are reviewing.

3.7.8 Tenant Scrutiny can:

- Refer matters of concern about local housing services to Housing and Regeneration scrutiny board for consideration;
- Provide an annual report of their activity to scrutiny;

3.7.9 The work programmes of both will be shared to ensure duplication is avoided and activity is combined where appropriate.

4. Corporate Considerations

4.1 Consultation and Engagement

Development of the governance model has involved consultation with stakeholders. Further engagement will be undertaken with Area Panels, tenants, officers from both the council and ALMOs and other stakeholders as the project develops.

4.2 Equality and Diversity/Cohesion and Integration

There are no specific issues around equality and diversity, cohesion and integration in the governance arrangements. Each implementation work-stream will consider them as appropriate.

4.3 Council policies and city priorities

The Board will help drive delivery of our best council and City Priority Plan objectives. It will have a role to play in developing an enterprising council and will link closely to existing partnership bodies.

4.4 Resources and value for money

The proposed governance structure is based on the right arrangements to deliver high quality, efficient services that offer value for money to Leeds' taxpayers and tenants as approved by Executive Board meeting on 19 June 2013.

4.5 Legal Implications, Access to Information and Call In

- The recommendation being put forward takes full account of the updated guidance for Councils considering the future of their ALMO housing management services published by the Communities and Local Government Department (CLG) in December 2011.
- The Department for Communities and Local Government (DCLG) will be notified about the changes to the ALMO Board arrangements as part of the process of terminating the ALMO Management Agreements and winding up the ALMO companies.

- This report does not contain any exempt or confidential information. It is not exempt from call-in.

4.6 Risk Management

A risk register is being developed as an integral part of the implementation planning Exercise and the project will be reported as part of the corporate risk management process.

5. **Recommendations**

Executive Board is asked to:

- 5.1 Note the shadow board arrangements and creation of a Housing Management Implementation Board that will be put in place to lead us through the implementation phase;
- 5.2 Make the following recommendations to the General Purposes Committee on the proposed governance arrangements for the Housing Management Advisory Board. That:
 - Terms of Reference for the Board are as set out in section 3.4.7 to this report.
 - The Housing Management Advisory Board has a quorum of four members, to include two councillors and a tenant representative.

6. **Background documents**³

None

³ 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 work.

Appendix 1

Housing Management Review Implementation Work-streams

1. Human Resources

- TUPE of all staff from ALMO/ABCL into the Council completed by October 2013.
- Restructure of housing services completed by 31 March 2014.
- Job descriptions are standardised and consistent for the role expected.

2. Communications & Engagement

- Stakeholders including staff and tenants are kept informed of progress across the work-streams
- Consistent and informed engagement with tenants, staff, elected members and political groups.
- What works and is valued about staff engagement and tenant engagement in current model is retained and expanded.

3. Finances

- Accounting principles and LCC practices are consistent across housing management services
- Chart(s) of accounts reconfigured to reflect the requirements of the new operating model
- The integrity of HRA recording is maintained during the transition period.

4. Developing new model - Housing Management

- The redesigned operating model addresses:
 - Staff-related delivery issues which prompted the ALMO review.
 - Staff related issues identified in the review
 - Consistency of services
 - Standardisation of policy and practices
 - Minimising overlap and duplication
- ABCL and support services within Environment and Housing combined to provide a single support service across the directorate based on the existing ratios applied within the council.

5. Developing new model - Property and Contracts

- With due regard to the duration and terms of existing contracts a timeline is determined for the ultimate shift to the in-house/contracted service model across the city.
- There is a demonstrable improvement in tenant satisfaction with the repairs and maintenance services.

6. Integration of ALMO/Council services

- Overlap and/or duplication of services by various Council/ALMO providers exists only where it adds to efficiency, value for money or meets delivery performance requirements.

7. Tenant Involvement

- The integrated community role of the Area Panels is sustained and enhanced.
- Development of tenant participation infrastructure
- Area Panel Chairs' Group established to provide link between area panels and Housing Management Advisory Board.
- Area Panel functions strengthened.

8. Governance

- Issues of governance and accountability identified as issues during the review are resolved.
- Strengthened governance arrangements to include tenants and independent members
- Establishment of a new Housing Management Advisory Board chaired by the Executive Member with responsibility for housing.
- Decision making on all housing functions delegated to the Director of Environment & Housing.
- Chief Officers appointed and responsible for
 - Statutory Housing
 - Council Housing tenancy management
 - Property and investment.
- Area Panel Chairs' Group established
- Area Panel functions strengthened.
- Tenant scrutiny arrangements established and closely linked with council's overview and scrutiny arrangements.

9. Contracts, liabilities and assets

- All contracts, service level agreements (SLA), local agreements (including sponsorship) and assets held by the ALMOs, or by the Council with regards to ALMO operations, and which represent a financial and/or reputational commitment, are identified
- Contracts, SLAs, local agreements and assets classified according to type, value and period of validity.
- The period for novation and the liability to the Council in the meantime is determined.
- The outcomes from this activity are integrated with work-stream 5 (Property and Contracts) which aims progressively to develop an integrated holding of contracts, SLAs and other asset holdings.