

**Report of Director of Environment and Housing**

**Report to Housing and Regeneration Scrutiny Board**

**Date: 26<sup>th</sup> November 2013**

**Subject: Housing Management Review**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	No
Are there implications for equality and diversity and cohesion and integration?	Yes
Is the decision eligible for Call-In?	No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	No

**Summary of main issues**

1. The Executive Board on 19<sup>th</sup> June 2013 took a decision to bring the council housing service back into the Council. A subsequent report set out the implementation arrangements and the governance structures that were to be put in place.
2. The former ALMO staff were transferred back to the Council on 1<sup>st</sup> October 2013 and the ALMO Boards have been disbanded. A shadow Housing Advisory Board has been established to oversee the transition and this is supported by an officer programme Board managing the detailed service re design work streams.
3. A functional structure has been agreed across three headings – Housing Management, Property and Contracts and Strategic Housing and interim Chief Officers have been tasked with the development of detailed staffing structures that ensure accountability and responsibility rests within each function. A JNC staffing structure will be in place by 31<sup>st</sup> December 2013.

**Recommendation**

4. The Housing and Regeneration Scrutiny Board is asked to note the progress to date on the Housing Management Review.

## **1.0 Purpose of this report**

1.1 To outline the progress made on the Housing Management Review since the Executive Board decision to reintegrate the council housing service back into the Council.

## **2.0 Background Information**

2.1 The meeting of Executive Board 19 June 2013 resolved to integrate housing management within the council's Environment and Housing directorate.

2.2 A subsequent Executive Board report on 17 July 2013 set out a range of implementation arrangements and detailing the governance structures that were to be put in place.

2.3 Both reports referenced the need to split the service into two clear areas – Housing Management and Property and Contracts – in order best to deliver the outcomes of the housing management review – namely:

- to ensure the most effective management arrangements are in place to deliver a high quality, efficient service that offers value for money to tenants;
- a need for clarity around decision making, governance and accountability arrangements;
- a need to offer a consistent and improved service for tenants;
- to ensure strong governance and accountability in delivery of housing management service.

2.4 To avoid conflict with the on-going TUPE process, work throughout the summer has focused on developing functional structures, through a range of service re design workshops linked to a detailed work stream approach and agreeing the role of the three chief officers taking the service forward.

## **3.0 Main Issues**

3.1 Work on developing the three functional areas identified has accelerated over the past few weeks, and a draft outline of the functions within the three chief officer areas has been developed and is attached at Appendix 1. More detailed work on the individual staffing structures is underway and, subject to Trade Union and staff consultation, it is anticipated that appointments to the JNC positions will take place before Christmas 2013.

### **3.2.0 Current Arrangements**

3.2.1 Across the three ALMOs, ABCL and Environment and Housing there are currently a number of senior management roles. Within the scope of this review there are currently three Chief Executive officers, 2 Chief Officers and 11 Director/Heads of Service 52.5% or equivalent roles. There are also a number of other JNC posts that sit below 52.5% salary range (or equivalent) that became part of the new Housing Leeds service from 1 October 2013.

### **3.3.0 Proposed structure**

3.3.1 A functional outline of how the new Housing Leeds service could be shaped was presented to the shadow Housing Advisory Board on 5 September 2013. It was agreed that further detailed work would be undertaken to develop detailed staffing structures under each functional area. The detail within the functional areas is outlined below:

#### **3.3.2 Chief Officer – Strategic Housing**

- Council Housing represents 18% of the housing stock in the city and it is important to remember that the worst housing stock across the city is now private landlord owned. With this in mind having a chief officer role responsible for the wider strategic housing issues across the city is vital. This is an important area for the whole of the city which will cover both council and private sector housing issues; housing needs, land requirement, provide a strategic overview of housing needs in the city, take the lead on policy issues, housing options and the interface with HCA. The role will be important in providing the lead on relationship building with private sector landlords and investment sectors as well as being accountable for all housing needs in the city; homelessness, travellers, and vulnerable tenants. Environmental sustainability, fuel poverty, climate change both domestic and private sector will also sit within this role to provide a more consistent approach and stronger link to the housing agenda.
- This role will also lead on PFI development, housing growth work and acquisitions for private development.

#### **3.3.3 Chief Officer - Property & Contracts**

- The housing management review identified a number of ambiguities and confusion in the role of the ALMOs and council in the current model, particularly around the lack of clarity in the procurement and management of contracts. 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 new role will ensure that the management of property, contracts, assets and repairs is separated from the day to day running of housing management to ensure clear lines of accountability. The role will set out and manage the Asset Management Investment Programme via delivery of contracts, lead on an investment plan and management of the 5-10 year plan, and contractor management, as well as being responsible for the management of all issues relating to maintenance, responsive repairs and the East North East DLO. This will allow much clearer accountability around contracts and repairs and hopefully avoid issues currently experienced where the design and delivery of contract functions have been split, making accountability unclear and leading to contract management difficulties.

### 3.3.4 Chief Officer - Housing Management

- Housing Management continues to be delivered in three delivery areas based upon the former ALMO areas but modified to align with ward and area committee boundaries.
- This role will be responsible for overall management and coordination of the 3 housing management delivery areas, Tenancy Management across the city and policy planning for lettings and allocations. It will allow a focus on optimising Tenant Involvement and Income Management, provide support on welfare change and interface with environmental estate management. By stripping out the property, contracts and asset management responsibilities, this will allow a strong focus on getting the day to day tenancy management right, creating a much better service for tenants and strengthening areas such as tenant and community involvement. This will allow a much more consistent service across the city and ensure that housing management can be aligned to the council's wider objectives.

3.4 All ALMOs have had posts that deal with Housing management and property/ contract management and the new staffing structure will reflect this, while ensuring clear lines of accountability for delivery in those areas which have been an issue in the past. It will also allow the new service to focus on delivering the best possible housing management service to tenants.

3.5 The new arrangements will also offer significant reduction in duplication and deliver significant savings which can be reinvested in front line housing services. This new way of working represents a reduction of one chief executive/chief officer position. Each of the chief officers will be supported by a number of Head of Service posts based on the functional areas detailed in Appendix 1.

### 3.6 Appointment to new posts

3.6.1 The Council's Pay Policy requires that all senior appointments are made through the Employment Committee. In certain circumstances this can be varied and advice from the Chief Executive and Executive Board members will be considered in relation to this.

### 3.7 Interim reporting arrangements:

3.7.1 To ensure smooth transition during the review and implementation phase the Director of Environment and Housing has asked the following officers to act into the three roles on a temporary basis while the recruitment process is taking place:

- Chief Officer Strategic Housing – Liz Cook
- Chief Officer Housing Management – Simon Costigan
- Chief Officer Property and Contracts – Steve Hunt
- In addition, Chris Simpson will continue to oversee arrangements in the former West North West Area until December 2013.

## 3.8 Next Steps

3.8.1 There are a number of areas where progress is expected to be made quickly:

- Support Services: HR, finance, and communications currently operate from a central resource under a professional lead and then based within services. Where this is the case it is expected staff will move to the corporate team as soon as is practicable. The needs of the housing service will be reviewed to establish what resource needs to be retained prior to any transfer. Wider support functions will need to be reviewed. In particular areas where there is expected to be significant duplication, including governance support and performance management.
- Environmental Services staff – This area has been subject to an on-going review process prior to the Housing Management Review. Now that all staff have transferred back to the Council, work will continue to harmonise resources within Housing Leeds and the Local Environment Teams.

3.8.2 In addition there are some areas which will be reviewed later once the new service is up and running:

- East North East DLO – there is an obvious link with the Council's Civic Enterprise Leeds service which will need to be reviewed at some time in the future. This will remain as part of the Property and Contracts division following transfer subject to potential review over a 12-24 month period.
- Links to Citizens and Communities directorate – again this is subject to potential review over a 12-24 month period, but will not form part of the initial service design.

## 4.0 Corporate Considerations

### 4.1 Consultation and Engagement

4.1.1 Staff have been fully engaged in the development of the Housing Management Review. Staff briefings have been held and key messages have been issued through a range of media.

4.1.2 A Joint Consultative Committee is being established with the Trade Unions that will deal solely with the Housing Management Review.

### 4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Any deterioration in the delivery of the Housing Management service could have an impact of equality and diversity / cohesion and integration. Throughout the review great care has been taken to ensure that staff and tenants are fully aware of the process of change and the changes that are being made.

4.2.2 The crucial issue is that there is no dip in performance because of the review. To date performance and service levels are being maintained.

### 4.3 Council policies and City Priorities

4.3.1 All aspects of the review are being conducted within the Council's policies and procedures. The development of the new staffing structures is being dealt with in

accordance with the Council's restructuring procedures and the Council's recruitment and selection procedures. This is made easier by the fact that prior to the review the former ALMOs harmonised their policies and procedures with those of the Council.

#### **4.4 Resources and value for money**

- 4.4.1 One of the outcomes from the return to the Council of the Housing Service is a reduction in duplication of roles. Initial indications suggest that there could be significant savings from the proposals under development for the restructure of the management tiers. It is anticipated that further savings will be made from the reduction of duplication the remainder of the staffing structures. There are likely to be further non staffing savings of around £900k from the closure of the companies. These savings will take effect in 2014/15.
- 4.4.2 One consequence of the return to the Council of the service will be an increase in employer superannuation costs of around £900k in 2014/15. This is due to the ALMO companies being allowed a lower percentage of contribution.

#### **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 the ALMO Companies and this process is being dealt with in accordance with Company Law.
- 4.5.2 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.
- 4.5.3 The original Executive decision was subject to call in.

#### **4.6 Risk Management**

- 4.6.1 The detailed work on the review has been split into work streams with allocated lead officers to each work stream. Progress and risk management is monitored through the Housing Management Review Programme Board which is chaired by the Director of Environment and Housing. Regular progress reports go to the Housing Advisory Board which is chaired by the Executive Member for Neighbourhoods, Planning and Support Services.

#### **5.0 Conclusions**

- 5.1 The staff formerly employed by the ALMOs were transferred back into the Council on 1<sup>st</sup> October 2013. Since that time a significant amount of work has been undertaken to begin the re assimilation of the service within the Council.
- 5.2 The ALMO Boards have been disbanded and the housing service is now part of the Council's governance procedures. A programme of induction sessions have been undertaken for the staff returning to the Council. A programme Board has been established to oversee the redesign of services and functional structure has been agreed.
- 5.3 It is hoped that the JNC structure can be in place by Christmas with an outline structure for the rest of the service available at the same time. The full service is to

be operational by 1<sup>st</sup> April 2014 and in line with the Executive Board's recommendations any savings will be reinvested in front line services.

## **6.0 Recommendation**

6.1 The Housing and Regeneration Scrutiny Board is asked to note the progress to date on the Housing Management Review.

## **7.0 Background papers<sup>1</sup>**

7.1 None used.

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<sup>1</sup>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.

