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## Report of the Director of Environment and Neighbourhoods

### *Neighbourhoods and Housing Scrutiny Board*

Date: 6<sup>th</sup> January 2011

Subject: The Future of Council Housing – The Strategic Governance Board

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#### Electoral Wards Affected:

Ward Members consulted  
(referred to in report)

#### Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

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### Executive Summary

1. This report provides Scrutiny Board with the opportunity to comment on the terms of reference for the new Strategic Governance Board. The Council has been carrying out a review into the future of council housing in Leeds. The results of this review were reported to the Executive Board at its meeting in November 2010. Amongst the recommendations in the report was one to create a Strategic Governance Board with representation from the ALMOs, BITMO and the Council. The Board will be chaired by the Executive Member for Neighbourhoods and Housing. The Board would have two clear roles. One is for the ALMOs and BITMO to come together to agree common approaches on key service delivery issues and to take these decisions back to their Boards for ratification. The other is for the Board to make recommendations to the Council on the development of policy and strategy.

## **1.0 Purpose Of This Report**

- 1.1 To offer members of the Scrutiny Board the opportunity to comment on the terms of reference for the Strategic Governance Board as recommended by the Executive Board in the report on the future of council housing in November 2010.

## **2.0 Background Information**

- 2.1 Leeds established six ALMOs in 2003 and submitted a bid to the government for £450m additional investment credits to enable the council housing in Leeds to reach the government's decent homes standard. By late 2004 all six had achieved a two star status with the Audit Commission and were eligible to draw down the money.
- 2.2 Since 2003 the ALMOs have been delivering programmes of capital works and are on target to meet the government's decent homes target by the end of 2010. By the end of 2010/11 around £825m will have been spent making Council housing decent.
- 2.3 In 2006 Leeds reviewed the number of ALMOs in the city and reduced them to three. The main drivers for the change were financial viability and reducing stock numbers. That review established three financially viable ALMOs that would be able to complete the decency programme by the end of 2010/11. Now that the decency investment programme is coming to a close the Council has undertaken another options appraisal to identify a suitable model for the future of council housing in the city.
- 2.4 The results of the appraisal were reported to the Executive Board at its November 2010 meeting and were subsequently called in to this Scrutiny Board. The Board agreed to release the decision subject to further involvement in the development of the Executive Board recommendations.
- 2.5 This report offers members of the scrutiny Board the opportunity to comment on the terms of reference for the Strategic Governance Board the creation of which was one of the key recommendations contained within the Executive Board report.

## **3.0 Main Issues**

- 3.1 A significant weakness in the current arrangements is the lack of a co-ordinated approach to the delivery of the services delegated to them amongst the ALMOs. This independent approach has in part been driven by the inspection regime of the Audit Commission. This has been particularly evidenced by the lack of a joined up approach to asset management and investment planning, the development of service standards, multiple Service Level Agreements with Council services, contract procurement and the management and terms and conditions of employees. The abolition of the current inspection regime offers a different approach with less emphasis on the ALMO's standing alone.
- 3.2 Another significant weakness has been the lack of an overall strategic approach in the delivery of services by the ALMOs. Much of this has been due to there not being any formal arrangements linking the ALMOs with the Council's strategic arrangements, nor with other delivery structures such as Area Management. The result of this has been patchy engagement that has relied on best endeavours of individuals. Any future model needs to address this issue.
- 3.3 It is proposed to establish a new Strategic Governance Board. The Board would not take on any existing powers currently placed with the Executive Board, nor would it directly manage local delivery of services. It is proposed that the Board would meet to agree key high level strategies to ensure that there are joint approaches across the ALMOs on key issues. The ALMO Boards would remain responsible for the decisions relating to local service delivery. However, in so doing it would be expected that the Chairs of the Boards and their Chief

Executives would work together to ensure that there was greater standardisation in the delivery of those services.

- 3.4 This Board would also offer a formal arrangement through which the ALMOs would be able to meet with the Council to discuss the development of key Council strategies such as the Housing Strategy.
- 3.5 This arrangement would better align the delivery of services but still allow the ALMOs to retain a locality focus concentrating on delivering a high quality service under agreed terms. In so doing this would remove the tension that has often existed between city aspirations and local independence. The independence would remain in the delivery but it would be in the context of agreed city wide objectives.
- 3.6 An example of how this would work is in Investment Planning. Given that resources are to reduce, it will be important that a city wide investment plan is developed that is based on good quality asset management information that allows the informed prioritisation of need in order to make best use of resources to maintain the asset condition. The new Strategic Governance Board will receive the intelligence and make a strategic decision on the distribution of resource across the city, based on the need identified from the data, rather than the formulaic approach operated at present. The ALMO Boards would then have responsibility for ensuring that the various programmes are delivered and that asset management systems are continuously updated with the results of those programmes. The Executive Board would continue to agree and monitor the capital programmes as it does now.
- 3.7 A further example of the work that the new Strategic Governance Board would oversee is the harmonisation of terms and conditions. Since the creation of the ALMOs in 2003 there has been a move away from the terms and conditions as operated at the time by the Council and with which the staff were TUPE transferred. The changes made have not been uniform across the ALMOs and have not always mirrored those changes introduced by the Council. The impact has been that a range of terms and conditions now exist which adds to the complexity of management arrangements and does not assist with the movement of staff between ALMOs or between ALMOs and the Council. The Board would also be charged with negotiating single service level agreements with the Council, ensuring best practice across the city.
- 3.8 The reform, to create the Strategic Governance Board, will require changes to the current management agreements and constitutions of the ALMOs. The management agreements and constitutions will need to be re worked in such a way that they make clear those responsibilities and functions that will be held jointly and those which will be solely for the individual ALMO. In addition, clear and precise terms of reference will need to be developed to ensure that its purpose is clearly understood and that decision making is transparent and can be tested against the terms of reference.
- 3.9 The creation of this Board would also be accompanied by the making of more formal arrangements between the ALMOs and Area Management, local partnerships and the emerging locality working arrangements. In addition, it will be expected that the ALMO Chief Executives and the Council's Strategic Landlord will work more closely together to ensure that services are better aligned. Some of this work has already started with a more formal connection between the ALMOs and Area Management Committees.
- 3.10 The proposed terms of reference are attached at appendix 1

#### **4.0 Implications For Council Policy And Governance**

- 4.1 There are no implications for Council policy and governance as this new Board will not take any powers that either currently rest with the Executive Board or those powers that rest with the Director of Environment and Neighbourhoods through delegation schemes

## **5.0 Legal And Resource Implications**

5.1 None

## **6.0 Conclusions**

6.1 The creation of the Strategic Governance Board is a key reform to the current arrangements. It will enable key weaknesses, in the current ALMO model to be addressed by creating a Board that will better align strategic decisions and improve the consistency in the delivery of services.

## **7.0 Recommendations**

7.1 Scrutiny Board is asked to offer comments on the attached terms of reference.