

Subject: Review of ALMOs

Context:

The council is landlord to 58,000 homes, which makes up 25% of the city's housing stock. Leeds introduced six Arms Length Management Organisations (ALMOs) in February 2003 in response to the governments decent homes target. In 2006 Leeds undertook a review of the housing management arrangements and reduced the number of ALMOs to three. The main drivers of this change were financial viability and reducing stock numbers. The housing service in Leeds is therefore, currently provided by East North East Homes (ENE), West North West Homes (WNW) and Aire Valley Homes (AVH). All three were judged as 2star by the Audit Commission.

In November 2010 Executive Board agreed to retain the three ALMO model and agreed two key reforms; the creation of a Strategic Governance Board (SGC) – to provide a more coordinated approach to decision making, and a Shared Service Centre (SSC) to maximise efficiencies. These changes are now being implemented and the review aims to build on these improvements to ensure we have the best arrangements in place to meet the changing policy context.

The current management agreement between Leeds City Council and the three ALMOs expires on 31 January 2013. Since the last review was agreed in November 2010 there has been unprecedented change to both the economic and policy context. 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 management arrangements to ensure we have the right arrangements in place to deliver a high quality, efficient service that offers value for money to Leeds Council Tenants.

Focus of Review:

There are a number of key drivers behind the review which will need to be addressed. Part of the review will be to look at existing management arrangements and ensure that they are up to date, but also 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 a 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 management agreement/delivery arrangements. The review will focus on outcomes for customers

and there is a requirement to ensure customer focused service delivery and tenant satisfaction. The review will take an open minded approach, engaging with tenants, partners and staff, as well as exploring best practice in other areas to ensure the best outcome for Leeds tenants.

It is clear that these pressures and the changing housing policy context nationally, mean the factors driving the current housing need is very different to that facing Leeds when the original decision to move to ALMOs was made and will require a very different response. In the original review of the ALMOs in 2006 a key driver for change was to enable the council to meet the decency programme. Now that this programme has come to an end this is again another driver for a review of current housing service and options for how we move forward to ensure we maintain high levels of decency and secure the best possible outcomes for Leeds tenants as we strive to meet our ambition for Leeds to be the best city in the UK.

Outcome: Ensure the most effective management arrangements are in place to deliver a high quality, efficient service that offers value for money to customers particularly given the current economic and social pressures facing public services.

Objectives:

- 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.
- Develop effective locality arrangements to ensure there are sufficient localised delivery organisations that meet customer needs and aspirations in whichever model is chosen. This should ensure coherence and consistency across the City and help deliver the localism agenda. (Clear links into review of Area working arrangements)

Project Management Arrangements:

Sponsor: The Assistant Chief Executive (Customer Access and Performance)

Project support team: Martyn Long, supported by Elaine Rey and David Burton

Project Board: James Rogers (Chair), Liz Cook, John Statham, Mariana Pexton, Claire Warren (WNWH) (with input where possible from Cathy Clelland) Steve Hunt and Angelena Fixter (ENE Homes), Simon Costigan and Andrew Fieldhaus (AVH), Michael Hall (Leeds Tenants Federation), Richard Ellis (Finance), Gareth Wilce (Comms) and Martyn Long.

Consultees/Stakeholders:

- Executive Member
- Elected Members
- ALMOs (Staff and Boards)

- CLT and Chief Officers
- Resident Groups/Tenant Scrutiny Panels/Leeds Tenants Federation
- Local people (with focus on tenants) at stage 2

Timetable:

The review work will be progressed over a 4 month period from September to December 2012 with an options report being prepared for review by Executive Board in December. These options will then be consulted upon, including a test of tenant opinion in Stage 2.

In light of this review there will be a need to extend the current management agreement to allow any new governance arrangements to be implemented. A report to this effect will be taken to Executive Board for consideration on 17 October 2012..

Stage 1:

Early September – Project scope agreed.

End September – Full financial cost analysis undertaken.

September-December - high level engagement work with stakeholders (ALMOs and tenant reps etc) to explore potential delivery models and options paper to take into Stage 2. Refresh management agreement to ensure it is up to date and fit for purpose and undertake extensive engagement work with tenants/ALMO staff and council officers.

17th October – Executive Board paper to request one year extension to the current management agreement to allow sufficient time for a robust review to be undertaken.

12th December – Executive Board to receive options paper on proposed model(s) and implementation arrangements.

Stage 2:

January-March 2013 - further engagement/consultation work with the wider public to test the options and come to a preferred option, with particular focus on tenants.

April 2013 – Executive Board to sign off review recommendations and implementation plan.

April 2013 – December 2013 – Implementation of review recommendations