

Meeting: East Kent Joint Scrutiny Committee
Date: 13th October 2010
Title: East Kent ALMO- Progress Report
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1. Background

On 18th December 2009, EKJAC approved the business case for setting up a shared services vehicle to manage council housing in the four east Kent authorities. It was also agreed that the delivery vehicle should be an arms length management organisation (ALMO) similar to the model used by a number of other councils. The recommendation for EKJAC was adopted by subsequent meetings of the four councils in January/February 2010 and a programme of consultation to ascertain the level of support from tenants and leaseholders for a shared housing service was agreed.

The consultation concluded in mid August and the results were reported to the cabinets/executives of the four councils in September. At the same time authority was sought to make an application to the Tenants Services Authority (TSA) under section 27 of the Housing Act 1985 for authority to delegate the management of council housing in the four authorities to the ALMO.

Work has also started to develop the legal documentation to form the company/ALMO to prepare for registration of the ALMO and the recruitment of the shadow board.

The ALMO will manage on behalf of the councils around 18,000 homes and will employ around 200 staff

2. Consultation results

Details of the consultation programme are set out in the reports that went to the Cabinets/Executives of the four councils. The programme was developed in conjunction with tenant representatives from all four areas through the Joint tenants and Leaseholders Group. The main features of the programme were:

- In line with good practice
- Independent tenants advisers appointed (by the tenant representatives) to provide impartial advice and support to the tenants through the consultation process
- A wide variety of methods were used to try and give the widest possible exposure and response
- A guide was sent to every tenant and leaseholder on what was being proposed. The content of the guide was agreed with the JTLG and their

independent advisors. This was followed up with a special newsletter mid way through the process

- Road shows took place across all four districts to give tenants an opportunity to discuss the proposal face to face
- Two postal surveys were sent to every household with questions about their support or otherwise for the ALMO proposal
- Telephone surveys were undertaken by an independent company of 14% of all tenants & leaseholders

The response rate to the consultation was:

Canterbury 48.74% of tenants and leaseholders, Dover 51.73%, Shepway 62.53%, Thanet 47.68%. This compared favourably with the level so of engagement that other councils have experienced in similar exercises.

The results were:

Do you think it is a good idea for your council to work with other local councils in East Kent to run your council housing services?						
	Yes	%	No	%	Not sure	%
Canterbury	1634	68.54	291	12.21	459	19.25
Dover	1594	71.48	221	9.91	415	18.61
Shepway	1444	71.10	184	9.06	403	19.84
Thanet	966	63.72	190	12.53	360	23.75
Total	5638	69.17	886	10.87	1627	19.96

Would you support the proposal for your council joining the other three East Kent councils to form an arm's length management organisation to run your council housing services?						
	Yes	%	No	%	Not sure	%
Canterbury	1605	68.36	344	14.65	399	16.99
Dover	1589	72.00	244	11.05	374	16.95
Shepway	1439	71.84	207	10.34	357	17.82
Thanet	943	62.49	235	15.57	331	21.94

Total	5566	69.08	1030	12.79	1461	18.13
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3. Delegated functions

A schedule of function to be delegated to the ALMO was agreed by EKJAC and the four councils in December 2009/Jan 2010. In essence they are all the activities associated with the management, repair and improvement of the council's housing stock. The schedule is reproduced here in Annex one.

4. Board member recruitment

The next stage of the project is the recruitment of the shadow board. The board has three constituencies, local authority members, tenants/leaseholders and independent members. Annexes two and three set out the roles of board members, the skills profile of the board and the board recruitment policy. This draft documentation is based on good practice taken from the National Housing Federation's "Excellence in Governance". The principles of governance have been considered in depth by tenants on the JTLG's Governance Group.

5. Background papers

Cabinet reports September 2010

<http://www2.canterbury.gov.uk/committee/mgConvert2PDF.aspx?ID=6957&T=10>

http://www.doverdc.co.uk/councillors/council_meetings/update/docs/agendacabinet060910b.pdf

<http://www.shepway.gov.uk/webapp/cads/?committee=cabinet&limit=50>

[http://tdc-mg-dmz.thanet.gov.uk/Published/C00000151/M00001941/AI00006857/\\$Cabinetreportshareservicesreportv5.docA.ps.pdf](http://tdc-mg-dmz.thanet.gov.uk/Published/C00000151/M00001941/AI00006857/$Cabinetreportshareservicesreportv5.docA.ps.pdf)

East Kent Joint Arrangement Committee Report 18th Dec 2009

[http://democracy.kent.gov.uk/Published/C00000472/M00003153/\\$\\$ADocPackPublic.pdf](http://democracy.kent.gov.uk/Published/C00000472/M00003153/$$ADocPackPublic.pdf)

Annex one – schedule of delegations to the ALMO

Functions to be delegated to the SSV Landlord Service

Co-ordination with corporate policy in relation to housing element of:	<u>Council</u>	<u>ALMO</u>	<u>Both</u>
Community Safety	X		
Neighbourhood Renewal	X		
Regeneration	X		
Housing and Health	X		
Supporting People	X		
Sustainable Development	X		
Social exclusion	X		
Equalities and Diversity	X		
New tenancies			
Administration of Housing Register/Choice Based Lettings	X		
Housing allocations policy for Council housing	X		
Selection of tenants for vacant props	X		
Transfer list management	X		
Granting of new tenancies		X	
Successions		X	
Mutual exchange management		X	
Repairs and Maintenance			
Stock condition survey local authority housing		X	
Response repairs		X	
Contract and Planned Maintenance and Refurbishment Programmes		X	

Modernisation and Improvements		X	
Energy and efficiency		X	
Develops a business plan for investment in housing stock		X	
Implementation of annual investment programme: monitors delivery, manages programme		X	
Void and Empty Property Management			
Terminations		X	
Inspection		X	
Repairs		X	
Sustainable Communities			
Neighbourhood and Estate Management		X	
Enforcement of conditions of tenancy		X	
Evictions and court action to support enforcement		X	
Alterations to conditions of tenancy		X	
Illegal occupation		X	
Development of ASBO policy	X		
Responsibility for legal process to obtain Anti-Social Behaviour Orders		X	
Administering application prior to legal action for ASBO		X	
Regeneration and estate development			X
Estate Management			
Care taking on housing schemes		X	
Environmental Services		X	
Grass cutting/Ground maintenance		X	
Supported Housing			
Manage supporting people policy			X
Sheltered Housing Schemes		X	

Life Link Care line	X		
Supported Housing Schemes		X	
Refugees	X	X	
Homelessness Accommodation	X		
Temporary Accommodation	X		
Gypsies	X		
Medical adaptations		X	
Right to Buy			
Valuations	X		
Administration and calculation of discount		X	
Approvals	X		
Leasehold Management			
Finance			
Rent setting/service charges	X		
Rent accounting		X	
Recovery of Rent Arrears		X	
Recovery of other charges		X	
Financial Returns, Subsidy Returns	X	X	
Insurance of property and land	X	X	
Insurance claims		X	
Management of HRA capital resources			X
Preparation of HRA budgets	X		
Annual determination of SSV fee			X
Procurement			
Policy	X		
Letting of contracts in relation to delegated activities		X	
Tenant involvement in Housing Strategy			

Tenant participation		X	
Tenant consultation			X
Information to tenants		X	
Reports to tenants		X	
Other Assets (including lettings and management)			
Garages		X	
Shops and Buildings		X	
Estate offices		X	
Tenant Resource Centres or Tenant Offices		X	
Community Centres	X		
Clearance and disposal and dwellings			
Sale of dwellings	X		
Clearance and disposal of dwellings	X		
Compensation	X		
Decanting tenants			X
Housing Benefit and Council Tax Benefit administration	X		
Programme of Service Reviews	X		
Preparation of Business Plan for Housing Revenue Account	X		
Preparation of Delivery Plan		X	
Preparation of Service Plan		X	
Bidding for Capital Resources	X		
Monitoring Arrangements with the SSV			X
Developing and agreeing the annual delivery plan		X	
Monitoring the delivery plan achievement			X
Liaison with SSV on Housing Service Standards and Inspectorate requirements			X

Annex two: Board members roles and skills requirements

Good practice and guidelines for the selection of board members

1. Role description and responsibilities of board members

All board members are required to sign a formal agreement upon appointment acknowledging their role and responsibilities

General principles

All board members:

- share the same legal status and have equal responsibility for decisions taken by the board;
- must act only in the interests of the organisation and not on behalf of any constituency or interest group;
- must ensure that the interests of the organisation are placed before any personal interests;
- should uphold the values, objectives and policies of the organisation;
- should adhere to the code of conduct for members;
- must uphold the highest standards of probity and integrity at all times;
- must adhere to the standing orders and financial regulations of the organisation.

Supporting the main functions of the board

All board members:

- contribute to the board's role in setting the strategic direction and key objectives of the organisation
- monitor the organisations performance to ensure that it meets its objectives and provides the best possible service to the councils and their tenants
- ensure that the board has appropriate systems of control to maintain the financial integrity of the organisation and to manage risk effectively

Duties

Board members are expected to:

- attend board meetings having done the appropriate preparation (reading agenda papers)
- participate in and contribute to discussions and decisions at board meetings
- participate as required in sub committees of the board
- represent the board on area boards as required
- take steps to become familiar with the organisation and its activities
- participate in training provided for board members

- declare any interests that might conflict or be seen to conflict with decisions of the organisation
- attend meetings, training sessions and other events
- attend and participate in meetings to review individual performance
- respect confidentiality of information

2. Skills profile/requirements of board members

Basic skills and aptitude required of all board members

- An ability to participate in and contribute positively to meetings
- Open minded and impartial
- An ability to work as part of a team
- An ability to represent the organisation in a professional manner
- An ability to respect the confidentiality of information
- An understanding of the constitutional and legislative framework that applies to the organisation
- An understanding of equalities and diversity issues

Knowledge and experience of Board members

Each board member will be able to use their specialist knowledge or experience to contribute to the work and decisions of the board. No board member will have knowledge or experience in all the areas outlined below. In recruiting new members, the board should be mindful of the need to have a balanced and complementary range of knowledge and experience to ensure that the board can effectively steer and manage the organisation.

Set out below are some of the experience/knowledge that will contribute to the effective running of the business.

- Financial management and accountancy
- Business management
- Legal, especially housing, commercial, property or employment law
- Media, communications and marketing
- Housing management
- Property maintenance
- Human resources/Personnel
- Information technology
- Knowledge and understanding of needs and aspirations of tenants and leaseholders served by the organisation
- Equality and diversity
- Community development and engagement
- Social policy and welfare

Review

The Board will review from time to time the skills required by individual board members and by the board as a whole. Where appropriate, training will be arranged for individual board members or for the board as a whole. Recruitment of new board members should take into account any weaknesses in the board's set of skills.

Annex three: Board member recruitment

1. Board recruitment policy

The board has three different classifications of members. Although selected or nominated in different ways the processes of recruitment needs to be mindful of the skills, knowledge and experience required by the board to successfully manage the organisation

4.1 Local Authority members

Each of the partner local authorities will nominate one member to serve on the board. This will nominally be done in the Council's annual meeting at which all nominations to external bodies is agreed. The nominated councillor will take their place on the board at the following AGM of the ALMO.

Each council will be asked to consider the skills and duties required of board members when considering their nominee. If appropriate the chair of the board will discuss with the leader of the council the skills and experience that would benefit the board of the ALMO.

The local authority should not nominate to the board the portfolio members for housing or other members of the executive or cabinet. This will help avoid any conflicts of interest in the client/contractor relationship. The Tenant Participation Officer will support the tenants' group in this process.

4.2 Tenant Board members

A tenant board member will be selected from each of the four local authority areas. The process of selecting a tenant board member in each area will be set out in the Tenants Compact or in locally agreements with the appropriate consultative group or forum.

Tenant board members will be selected by the appropriate tenants' forum/board/consultative group in the area in question. The opportunity to be a tenant board member will be advertised to all tenants through the local media and tenants newsletter. A selection panel from the local forum supported by the Tenant Participation Officer, will interview the candidates and assess them against criteria based on the skills profile of board members.

To be eligible to stand as a board member tenants should be fully secure tenants or a leaseholder of the council in the area they wish to represent. Tenants will be ineligible to be a tenant board member if:

- they are subject to a possession order
- they are subject to an injunction or other order (ASBO) in respect of anti social behaviour

-they are subject to a demoted tenancy

Tenant board members that cease to be a secure tenant of the council in the area for which they were selected will be required to stand down from the board unless in exercising the right to buy they become a leaseholder of the council.

Leaseholders will be eligible to be selected as a tenant board member but there should be no more than one leaseholder on the board. A leaseholder cannot be nominated to the board if there is already a tenant board member that is a leaseholder. In the event of two or more leaseholders being nominated to the board at the same time, the board will draw lots to decide which area(s) will be asked to nominate an alternative tenant board member

Tenant board members will be selected or re-selected on different three yearly cycles to ensure that all tenant board members are not replaced at the same time and to ensure some continuity in representation. In the first two years until the cycle of nomination is established, the board will draw lots to determine which tenant board members will stand down and seek re-selection

The Tenant Participation Officer will support the tenants' group in this process.

4.3 Independent members

Independent members will be recruited through advertisements in the local press and appropriate trade journals (depending on which skills and experience the board seeks to attract at the time). A selection panel will be set up, comprising the board chair, another board member (nominated by the board) and the Managing Director. The East Kent HR team will support the recruitment process.

A slightly different approach will be taken to the recruitment of the first Board of the ALMO. At this time an officer panel will select a shortlist from which the shadow board will make a final decision.

The application form will require candidates to identify the skills and experience that they can offer the board and will ask them to demonstrate how they meet the competencies for board members.

The panel will short list suitable candidates and invite them for interview. The successful candidate will be invited to attend the next two meetings of the board as an observer, after which the Board will be asked to approve their co-option on to the board.

Co-opted members subject to the Board's approval will be invited to stand as full members at the next AGM of the ALMO

Potential candidates that have become known to the board outside the formal recruitment process will be invited to apply for the position and will be evaluated along with other candidates.

4.4 Induction for new board members

All new board members will be given a board members pack which will include:

- The constitution, standing orders and similar documents relating to the governance of the organisation
- The members code of conduct
- The latest annual report and accounts
- The current business plan
- The equal opportunities and diversity policy
- Details of the organisations staffing structure
- The meeting timetable
- The management agreement between the ALMO and the four councils

New board members will have:

- a familiarisation meetings with the chair and the Managing Director and members of the senior management team
- a tour of some of the offices and estates managed by the ALMO
- a mentor/coach from one of the existing board members to provide informal support and guidance