

SCRUTINY PANEL 2 JULY 2013

Present :- Councillor Marcus Harrington (Chairman)
Councillors Nick Cope, Dave Harris, Jo Hayes,
Peter Higgins, Mike Hogg and Gerard Oxford

Substitute Members :- Councillor Pauline Hazell for Councillor Kevin Bentley
Councillor Sue Lissimore for Councillor Beverly Davies

Also in Attendance :- Councillor Nigel Chapman
Councillor Will Quince
Councillor Michael Lilley
Councillor Tina Bourne

11. Minutes

The minutes of the meeting held on 11 June was confirmed as a correct record subject to minute 7, paragraph 12, to be amended as follows;

"Councillor Harris suggested to the Cabinet that the results from the Colchester Borough Homes Days of Action (**MA**ke**AD**ifference), that includes a litter pick blitz, should be added to the overall performance statistics for street cleaning".

12. New Housing Arrangements Proposals

Councillor Harrington (in respect of being a private landlord) and Councillors Harris and Oxford (in respect of being Members of the Local Housing Review Project Board) all declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5);

Councillor Bourne, Portfolio Holder for Housing, Mr. Ian Vipond, Strategic Director, Mr. Greg Falvey Chief Executive of Colchester Borough Homes and Ms. Karen Loweman, Director of Housing, Colchester Borough Homes, attended the meeting for this item.

The Panel was invited to review the proposal and the draft Cabinet report relating to the New Housing Arrangements Project. The review provided an opportunity for the Panel to pre-scrutinise the Cabinet decision to be taken on 10 July 2013.

Councillor Bourne addressed the Panel and explained that Mr. Vipond and Ms. Loweman would give a joint presentation on the proposals on behalf of the Council and Colchester Borough Homes.

Councillor Bourne explained that the current ten year partnership agreement ends this coming August and this had provided the impetus to review the current housing arrangements. The review of the housing functions and processes in the form of the Local Housing Review Project was set up to fulfil this purpose. She added that the main outcomes have been to continue with the Arms Length Management Organisation

(ALMO) and to agree a new Management Agreement with Colchester Borough Homes, for them to govern new arrangements with the Council.

Councillor Bourne welcomed the opportunity for the proposals to be scrutinised, particularly in respect of strengthening the partnership arrangements, streamlining the functions and in what organisation the functions are best delivered.

Presentation

Mr. Vipond addressed the Panel to explain one of the principle things was to bring the Council's housing stock up to a prescribed standard and this had been achieved. He said the Local Housing Review Project Board was established in 2011, in response to the national changes in HRA reform that fundamentally altered the funding arrangements (self-financing) for council housing in respect of repairs and new build, and the need for a long term view of how we provide these services in the most effective and efficient way. The Project Board was made up of representatives from all political groups, housing tenants and others with professional expertise with proposals being subject to a peer challenge from the Local Government Association.

Mr. Vipond concluded by saying the purpose of the review was to; i) Ensure the Council's future housing objectives, ii) Ensure the resilience of governance arrangements between the Council and the Colchester Borough Homes, iii) Develop a commercial services arm with extended scope and iv) Support the Universal Customer environment.

Ms. Loweman gave a presentation of the new housing arrangement proposals.

Ms. Loweman said a positive relationship between the Council and Colchester Borough Homes was critical to the successful delivery of housing functions and working together enabled the continuation of delivery solutions and service improvement.

She added that the review had been undertaken in alignment with the re-organisation of the Council's Customer environment and support service review, with the scope of the project providing many opportunities including, the integration of customer contact within the Universal Customer environment, a transfer of work around homelessness and housing advice to Colchester Borough Homes, more control over the housing repairs budgets and an opportunity to explore the private rented market to increase housing options. She added that there had been a review of procurement procedures, an exploration of the benefits to Colchester Borough Homes of supporting the work to bring empty properties back into use and the possible extension of current arrangements for tenant and leaseholder involvement across all housing related services.

With regards to customers, Ms. Loweman explained that the new arrangements built on the improvements implemented through the 2010-13 fundamental service review process. In regards to consultation, she added that a Colchester Borough Homes Sounding Board with an independent Tenant Advisor provided an objective view and evaluation of what was needed to succeed, and a tenant survey was undertaken within the April tenant newsletter 'News and Views'.

The changes will provide an enhanced experience for customers, such as; i) an integrated housing service, ii) the Greenstead Community Housing Office continuing to provide a community hub, iii) staff providing a high quality service at first point of contact, iv) consistent service standards and v) The development of a range of options and advice.

Ms. Loweman said the changes will allow both organisations to have some certainty for the period of the agreement though dependent on continuing performance achievement, an agreement that encouraged the development of new services and the ability of the Council to engage directly with residents when it needs to.

Ms. Loweman explained what an integrated housing service will provide to customers, e.g. first point of contact aligned to the principles of the Universal Customer contact and specialist and generic advisors, how the management of the housing repairs budget will change, e.g. Colchester Borough Homes managing in accordance with the Council's policy, greater flexibility and innovation, performance management to provide continuous high levels of customer satisfaction and the Colchester Borough Homes Board and tenants having a greater influence and control of budgets.

Ms. Loweman said in future it was proposed that Colchester Borough Homes will deliver Housing Advice, Management of the Housing Register and Choice Based Lettings, increased access to private rented properties, Homelessness assessment, Management of Temporary Accommodation, the management of tenant and leasehold properties and the ability to respond to complaints of anti-social behaviour Borough-wide.

Three major risks were identified as part of the process, and revolved around, i) implementation (and the impact on other services and internal support), ii) the finances (and the realisation of financial assumptions and commercial opportunities), although the new arrangements will allow greater opportunities to react to situations, and iii) Universal Customer, and the need through the implementation process to align dependencies between projects.

Mr. Vipond said the Cabinet decision will be taken on 10 July 2013.

The Cabinet decision to be agreed had been amended since the publication of the meeting's agenda, with recommendation 1.2 extended to read as follows;

“To delegate to the Chief Executive responsibility for the negotiation and agreement of a new Management Agreement with Colchester Borough Homes for a period of ten years, with an option to extend for a further five years following a satisfactory review at the seven year point. To delegate to the Chief Executive responsibility for the approval of a new Memorandum and Articles of Association for Colchester Borough Homes”.

The Panel were asked to review the proposal and the draft Cabinet report that will include the above amendment.

Open discussions

In response to Councillor Cope and how tenant's expectations to repairs and maintenance are managed, Ms. Loweman said the terms and conditions of tenancy are detailed in the secure tenancy agreement. The expectation is tenants will maintain their homes in a reasonable condition and undertake minor repairs as necessary. The landlord was expected to look after the structure of the building along with day to day repairs. She added that Colchester Borough Homes do undertake a series of training events throughout the year focusing on Fixing and Maintenance Programmes. Tenants are encouraged to attend these events and they are well attended.

Whilst Councillor Hogg was supportive of, and welcomed the proposed new arrangements, said it was imperative that progress on the future changes was scrutinised with openness and transparency. Councillor Bourne concurred with Councillor Hogg, saying the new environment should enable it to be easier to sort out issues. She added that checks and balances is very important, and performance data will continue to be reported to the Scrutiny Panel and strategic monitoring tied-up within the new agreement and governance arrangements. It was the Cabinet's intention that the proposals will provide value for money, the assets are managed effectively in the best way possible and the duty and power of well being is enhanced given housing is an important contributor to good health. Councillor Hogg, whilst appreciative of Councillor Bourne's response, still had reservations, citing instances of substandard workmanship that had been lost within the minutiae of delivery, and remained sceptical about it improving.

Councillor P. Higgins said it was proven that offering contracts to the firms submitting the lowest tender always caused a problem, with firms keeping prices at unsustainable low levels to win the contract, that initially starts out well and then turns into a disaster. He hoped for reassurances that this will not happen with housing repairs and maintenance. Mr. Falvey said in the past the nature of the problem was fundamental to the nature of the contract. He said the terms and conditions of new contracts have fundamentally changed and are now for more robust. Firms are selected on the basis of price and quality, a balance of both. He added that Colchester Borough Homes have a small Repairs and Maintenance Team employed to pick up the work when a contractor leaves a site and before a new procurement contract is introduced. Mr. Falvey also explained that under the new financial arrangements, there will be the opportunity to spend more capital on reinvestment in the Council's housing stock. Councillor Higgins said he was reassured by the response.

Councillor Harris said the response to the recent tenant survey detailed in section 5 of the proposal (in which 21 tenants supported the proposal out of 23 responses in total) was disappointing and felt this should have been stated in paragraph 5 of the Cabinet report. Councillor Harris asked how many staff will be transferred to Colchester Borough Homes as part of the new proposals and how will this be funded? In response Mr. Vipond agreed that the tenant survey responses had been disappointing, although in addition to this and as part of the consultation process a number of other methods of consultation had been undertaken including the Sounding Board. Ms. Loweman said the transfer of staff to Colchester Borough Homes was now in the implementation phase, with 14.5 FTE staff transferring to Housing Options and Homelessness within Colchester Borough Homes and 10 FTE Advisors and 2 FTE team leaders moving from Colchester Borough Homes to Customer Services.

In response to Councillor P. Higgins, Mr. Vipond said in changing the governance arrangements, the partners are seeking to make the arrangement more business like with a clear strategic direction in line with the Council's objectives. Colchester Borough Homes will have greater responsibility, with no interference from the Council and that will ensure a clear direction with clear monitoring arrangements. An important objective is to improve the relationship between the two organisations.

In response to Councillor Hazell who asked what help will be given to those in receipt of Housing Benefit so as to ensure they make correct payments to their landlord regarding the welfare reform changes, Ms. Loweman reassured members that it was recognised that over a number of years and given the current economic climate that there is a growing number of vulnerable tenants, affecting finance, health and welfare. Recognising this, a small Advisory Team has been set-up to provide advice on welfare issues and money matters, and to help cope with the increased demand in providing the necessary advice. Colchester Borough Homes are also pro-active in monitoring those residents on the housing list prior to entering into a tenancy agreement.

Mr. Falvey confirmed to Councillor Lissimore that the new governance arrangements regarding the reduced number of board members (from 15 down to 12) will allow for a more business like arrangement. Twelve board members will allow for the appropriate coverage of the Board's sub committees. The twelve members will be made up of four Council members, four tenants and four independent members. The intention is to have independent members (increased from three to four) with a greater depth of skills and knowledge base that can be spread across the sub committees. The new Chairman will be selected through the advertisement and recruitment process, in open competition, and Mr. Falvey confirmed the responsibility allowance for the Chairman had been set by the Independent Remuneration Panel.

In response to Councillor Oxford, Ms. Loweman said elderly tenants or tenants with mobility issues are supported by Housing Officers in helping to provide home repairs and decorating. Both organisations work in partnership with Swan Care (the Home Improvement Agency service who can assist tenants with many services such as adaptations, repairs and redecorating), the Probation Service and local Voluntary Groups in providing help and support. Regarding anti-social behaviour (ASB), and comments that even when instances of ASB are reported nothing ever gets done, that people associated with ASB laugh in the face of those directly affected and the Police do not help, it has resulted in many residents not pursuing complaints because either they are too frightened or feel no progress is ever made, Councillor Bourne said all ASB is totally unacceptable in modern society, and whilst she sympathised with the feelings of many residents affected by ASB said it was imperative that ASB and criminal activity is reported to the Police. Both organisations work closely with the Police and Street Wardens are pro-active in reporting and helping to deal with ASB. That said, Councillor Bourne said whilst greater involvement from the Police would be welcomed, she understood the current difficulties beset the Police through major restructuring. Councillor Bourne said local communities also have a role to play in supporting local vulnerable residents and themselves. Mr. Vipond assured members that the Council's legal team are very active in pursuing cases of ASB and prosecuting

through the courts, but this can often be a frustratingly long process. Whilst Councillor Oxford appreciated this response, he knew of cases where no progress has been made, and remained sceptical about many of these issues being resolved. Councillor Hayes concurred with Councillor Oxford's comments about ASB, saying she too had been unable to make any progress in eliminating persistent low level ASB in the Castle Ward, and suggested that Colchester Borough Homes should use the terms within the Secure Tenancy Agreement (STA) to actively pursue tenants who are responsible for ASB. Councillor Bourne empathised with members regarding a lack of progress with many cases of reported ASB, and understood that residents would like to see more enforcement action taken. Councillor Bourne agreed that it was important that tenants live strictly to the terms of their STA and where the agreement was broken enforcement and legal action was taken against private and council tenants alike.

Councillor Hayes said isn't there a conflict of interest when the Project Team is a collaborative team from both the Council and Colchester Borough Homes (reflecting a desire for a strong and positive relationship between the two organisations going forward) and is overseeing the development of new governance arrangements for Colchester Borough Homes, and strongly advised the Council to employ its own independent legal advisor to oversee this work. Mr. Vipond said the Council is employing legal advisors to provide independent legal advice. The aim of the Project Team was to draft a new management agreement between the two organisations on the basis that both organisations have the same objectives. He added that should at any stage either organisation cannot be provided with the same legal advice, the Council and Colchester Borough Homes will seek advice independently.

Mr. Vipond responded to Councillor Harrington regarding the Library in the town centre as an appropriate building for providing an advisory service that included a range of things from housing advice and help, to general information. Mr. Vipond said on a national basis the Library Service has been looking to go this way for some time. Essex County Council agree that many of the services currently provided in the Library mirror those given in Angel Court Reception and agreed with the Council that there was a way, from the customer's point of view, to provide these services in one building and without detrimentally effecting the Library Book service provided.

Ms. Loweman responded to Councillor Harris about the skills cross-over through the restructuring process. Ms. Loweman said there is now an opportunity to imbed resilience in staffing levels and staff development. Housing performance monitoring will ensure new processes are more robust, and training and development, facilitated both in-house and externally, will be provided in a value for money way.

Councillor Cope said the table illustrated within the report and showing savings from the Council and Colchester Borough Homes Fundamental Service Reviews, and the table showing the Housing Management Performance Monitoring statistics were both unclear. Mr. Vipond explained that the savings figures within the table are recurring savings (year on year). The figure of £60k was a saving to be made through the streamlining processes within the new Housing Arrangement proposal, although the project had not been about generating savings, but about putting in place the best management structure going forward, and that will itself generate future savings. Mr. Falvey said the illustrated savings are presented in that way to mirror the thirty-year

Business Plan of the Housing Revenue Account, though it was hoped the proposed arrangements will generate future savings. Officers provided the Panel with explanations of the unit of measurements against performance indicators where the unit was not notated, and Mr. Judd agreed to provide the Panel with the definition of non-decency. Ms. Loweman agreed to investigate the issue at High Woods regarding faulty door locks on recently installed doors. Ms. Loweman said the organisations will work closely to deliver and manage an increase in the supply of new build homes.

In response to Councillor Harris regarding the development of the commercial services arm, Mr. Vipond said the Trading Board met for the first time on 26 June 2013. The Commercial Services Group is now in place, led by the Director of Commercial and Place, and includes the Head of Commercial Services plus key officers. Officers are now taking forward the commercial elements of the Universal Customer Care Fundamental Services Review business plan. Both organisations are looking to have new commercial service arrangements in place this summer that could present significant trading opportunities and that will be presented to the Board for review. Mr. Falvey concurred with Mr. Vipond, adding that opportunities will arise because there is a willingness by both organisations to work with third parties who have the appetite for partnership working opportunities. Councillor Bourne said it was Cabinet's wish to maximise trading opportunities and the insistence on high quality housing management was the top priority.

Mr. Vipond explained that the Management Fee of £3.5m is an agreed annual fee paid by the Council to Colchester Borough Homes to pay for services, and sits within the Housing Revenue Account.

RESOLVED that the Panel;

i) Noted the amendment to decision 1.2 of the Cabinet Report.

“To delegate to the Chief Executive responsibility for the negotiation and agreement of a new Management Agreement with Colchester Borough Homes for a period of ten years, with an option to extend for a further five years following a satisfactory review at the seven year point. To delegate to the Chief Executive responsibility for the approval of a new Memorandum and Articles of Association for Colchester Borough Homes”.

ii) Considered and commented on the amended draft Cabinet report, and considered and agreed to the four main purposes of the review and the proposed New Housing Arrangements.

iii) Requested that the Cabinet in making their decision to approve the proposals do so in light of the Panel's comments.

13. Work Programme

Mr. Robert Judd presented the amended Work Programme.

Noting the concerns of members regarding the adequacy of the venue (Grand Jury

Room) in terms of size, for the next meeting (23 July 2013), that will consider the future Portfolio Holder decision 'To Close the Abbots Activity Centre', Mr. Judd agreed to try to rearrange the meeting to a venue with a larger seating capacity. Mr. Judd confirmed that the Moot Hall was fully booked during the evenings of the week of the meeting.

Councillor Harrington confirmed to Councillor Hayes that consideration of her request to scrutinise the North Essex Parking Partnership will be taken under 'Items Requested by Members of the Panel' at the next meeting.

RESOLVED that the Panel noted the amended Work Programme.