

Wiltshire Council

Cabinet

22 January 2013

Subject: Council Housing Governance

Cabinet member: Councillor John Thomson – Adult Care, Communities and Housing

Key Decision: Yes

Executive Summary

The purpose of this report is to propose a new model of governance for the Housing Landlord Service that provides good opportunities for tenants to shape the service and participate in decision making appropriately.

Council housing is going through a period of considerable change as a result of the Localism Act including significant changes to the way council housing is financed. There will be an increasing number of decisions that will need to be made as a result of the additional funding now available.

Councils do not have the legal powers to formally give decision making powers to tenants, or bodies that include tenants in the same way that Housing associations have. However it is proposed that a Management Board consisting of Councillors, tenants and independents should be set up which takes the strategic decisions – members of the board will act in the long term interests of the service but they will not represent their estate or the council. Their role will be to agree the overall business plan and budget, the asset management strategy and the standards and goals for the service. Any formal decisions would still be made by Cabinet based on the recommendations made by the Board.

Proposals

That Cabinet

1. Approves the setting up of a Management Board for the governance of council housing consisting of an equal number of councillors', tenants and independents, with a recommendation that such a panel should be in place by April 2013. This will enable full consultation to take place in line with the Compact and to carry out a transparent recruitment process.

2. Approves the setting up of an advisory panel of two councillors and two tenant representatives to oversee the project of setting up a management board.
3. Endorses the proposal to work with tenants to review other methods of tenant involvement such as the Tenants Panel to ensure that broader tenant participation :
 - i) Compliments any governance arrangements that are developed
 - ii) Develops a strong area base locally
 - iii) Works for all groups of residents including younger adults and the more vulnerable tenants.

Reason for Proposal

To seek Cabinet approval to extend and strengthen the governance arrangements for delivering an excellent Housing Landlord Service.

The Localism Act has given additional freedoms to councils and tenants to determine their future housing services and priorities under the term 'co-regulation' Tenant participation has evolved to an extent where tenants expect and are encouraged to work closely with the Council to have more of a direct say in the decision making process.

Niki Lewis
Service Director, Communities

Wiltshire Council

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Key Decision: Yes

Purpose of Report

1. To consider a proposal for developing a new model of governance for the Housing Landlord Service
2. **Background**
 - a. The Housing Act 1985 placed an obligation on councils to consult with tenants on issues relating to the management of their homes. Since that time the guidance, direction and regulation of the service has placed an ever increasing emphasis on tenants having a genuine say in the shaping and management of the service; an ability to influence decisions and as often as possible the opportunity to exercise choice. This is the case whether the landlord is a local authority or a housing association.
 - b. For those who are tenants the housing service is a huge part of their lives and most likely will be for a long time, possibly their whole life. It is often the case that people in social housing are there because they have no choice, they cannot afford to enter private ownership and have choices over layout, location, an en suite or a garage. Tenant involvement is a way of remedying that lack of market choice. Tenants exercising choice and genuine influence help us get the service right and they get a better home and a neighbourhood. People are happier in their community and want it to work.
 - c. Since 1985 the government, the regulator, the lobby groups (Tenant Participation Advisory Service TPAS) and the tenants themselves expect social landlords to offer more opportunities for involvement and a higher quality of involvement. In the case of Wiltshire Council Housing our tenants have had experience of working in a board

environment when going through the abortive stock transfer process. They have also had a similar experience while the Housing Commission was in place during the period of the housing improvement plan following the Audit Commission report.

- 2.1 The housing service is undergoing transformational change to ensure a high quality and wholly customer focused service is delivered in future. The external environment is changing radically:

There is a shift away from external regulation/inspection to self regulation, where the regulator will only intervene if triggered by evidence of serious detriment; In the case of Scrutiny the regulator expects that we will have specific housing scrutiny arrangements set up. This we put in place last year, with a scrutiny panel of residents working with our housing portfolio holder.

- 2.2 The move to self financing has created considerable extra resources and therefore opportunities within the Housing Revenue Account (HRA). Cabinet has already agreed a programme of investment for our housing stock, therefore it is important that the appropriate shared governance arrangements are in place to oversee the delivery of this extra investment. Both self regulation and self financing transfers risk to local authorities from central government, with the HRA more closely resembling the finances of housing associations.

3. Main Considerations for the Council

- 3.1 It is proposed that the Council adopts a tenant involvement strategy that will allow for a variety of methods of involvement, choice and influence. The table below gives a short description of the role of the different parts of the proposed overall governance arrangements with a simple example of the installation of new kitchens being used to show the level of involvement each body may have:

		Description	example
i.	Board/Executive	Made up of Councillors and tenants possibly also independent experts too. Takes the strategic decisions – members of the board will act in the long term interests of the service. They will not represent their estate or the council. Will be concerned with the overall business plan and the Asset Management Strategy. Will set the standards and goals for the service.	Will make a recommendation on how much of the capital programme should be spent on new kitchens and how many new kitchens should be installed each year.
ii.	Scrutiny*	All tenants (in the future by direct election from all	Will check that we install the number of

		<p>tenants), Housing Portfolio holder attends. Concerned with understanding and checking the performance of the service.</p> <p>Understanding what tenants want and the priorities and checking to see the goals are met.</p>	<p>kitchens we plan to and that they are of the right quality and tenants are satisfied with the product and service</p>
iii.	Panel* or federation	<p>Made up of tenant reps who may come from direct elections or be nominated by local Tenant Associations or area panels. This is the county-wide forum where tenants should be able to formulate and articulate their views, preferences and aspirations. They can articulate their views on, say, rent rises to Scrutiny and the Board. The panel is the lobby group for tenants and the umbrella group for area panels, TAs and specialist groups.</p>	<p>Will lobby the Board to provide tenants with a choice of three different types of kitchens with a choice of 6 different tiles.</p>
iv.	Tenants association* (TA)	<p>Local groups often related to a particular neighbourhood. Standing as separate entity from the council they may be there to lobby for their area or to arrange and participate in community activities and social events.</p>	<p>Will lobby the panel and the Board to say that one street in their area has 40 year old kitchens and needs to be first on the programme</p>
v.	Area panel	<p>This could be the panel of tenants at a local/estate/village level and could be to the tenants' panel what area boards are to the council. They could be making recommendations on the priority area for environmental improvements in their area.</p>	<p>Will have some funding at its disposal and will recommend that a particular block of flats has some environmental improvements carried out</p>

vi.	Specialist group*	A group of tenants working on a particular activity such as editorial board for the magazine or reviewing repairs policy.	Will meet to agree some of the standards that the kitchen contractor will abide by such as they will always wear a uniform
vii.	Focus group*	An ad hoc group of tenants brought together to discuss their views on a particular aspect of the service	Will meet to give views on whether choice of Kitchens or lower rents are more important
viii.	Survey*	Tenants can make their views known through surveys such as satisfaction surveys	Will give an indication of the quality of service from the Kitchen contractor
ix.	Individual*	Tenants should be able to make choices in their own homes, such as choosing a particular style of kitchen when it is being upgraded	Will choose the white finish and the black tiles
x.	Full consultation of all tenants*	Being asked whether or not to support a major service programme or the future direction of the service	Will endorse a policy of renewing kitchens every 20 years

*this already exists or has been used on occasions in Wiltshire.

3.2 It is proposed that we set up a Housing Management Board that will be a forum where tenant representatives meet with senior housing managers and councillors to discuss and influence the development and management of council housing services. The following outlines the purpose of the Board:

The board will:

- Review our business plan.
- Review our capital and revenue budgets on an annual basis.
- Review draft reports on key decisions taken by the cabinet or council.
- Is consulted and advises the Service Director and Heads of Service on changes to policies, procedures and practices, as well as significant changes and development proposals.
- Review quarterly performance statistics.

The board's aims are:

- Work towards the development and improvement of the councils housing management role, including all landlord functions.
- Contribute towards the corporate plans stated intention to improve the way we work. This is so that we can effectively deliver on our priorities and provide high quality services.
- Contribute towards the delivery of the Housing Partnership, neighbourhood initiatives and community strategies and the council's corporate plan. Promoting and assisting the creation of balanced and sustainable communities with a high quality of life where no-one is disadvantaged.
- Make sure tenants are properly involved in all landlord services.

The proposed membership of the board:

- Four tenant representatives:
- One leasehold representative:
- Four councillors:
- One independent housing professional:

The tenant and leasehold representatives will be appointed to the board following a selection process, it is envisaged that the Board will be in place by 1st April 2013.

Environmental and climate change considerations

4. There are no significant environmental or climate change proposals associated with this proposal.

Equalities Impact of the Proposal

5. The proposal includes a recommendation that a full equality impact is undertaken. The proposal promotes cohesive communities by increasing the involvement of those that directly receive the service in the decision making process.

Risk Assessment

6. Risks that may arise if the proposed decision and related work is not taken.
7. The main risk of the proposal to set up a Management Board is the quality of the Board itself. This can be mitigated by ensuring that the independent members fill any skill gaps that there may be from the councillor and tenant board members. The risk is less than a Housing Association as you have the natural check of decisions being ratified by Cabinet.

Financial Implications

8. There will be some minor additional costs for member and tenant allowances. Provision will be made within the HRA budget to meet these costs

Legal Implications

9. Councils do not have the legal powers to formally give decision making powers to tenants, or bodies that include tenants. The proposed Board will therefore only be able to make recommendations to the Cabinet and the details of their terms of reference will be worked up in the coming months
10. However, giving tenants an input to the decision making process improves the reputation of the council and local government generally and building trust and confidence in the council.

Options Considered

11. There are several examples of council landlords managing their own stock who have adopted a board type of arrangement. East Devon has set up a housing review board. The board consists of five members of the Council, five tenant and leaseholder representatives, and two independent community representatives and is there to advise the Council's Executive Board on housing policy and operational practice affecting council tenants and leaseholders. Bristol City Council has set up a Housing Management Board, a forum where tenant representatives meet with senior housing managers and councillors to discuss and influence the development and management of council housing services. Elsewhere in the country Cambridge City Council also provides a Housing Management Board made up of 6 tenants and around 10 councillors. The board monitors the work done by the council every three months, to ensure residents' money is being well spent and services are of a good standard.

Conclusions

12. It is important that the wider governance arrangements that are already in place are supported and the development of a Management Board can strengthen and compliment these arrangements. There is increasing evidence that Management Boards can work equally well in councils as they do in Housing Associations giving tenants a bigger say in the way that services are provided and assisting the Council to provide a better Landlord Service.

Recommendations

1. Cabinet approval is sought to agree the proposed new model of governance for the Housing Landlord Service that includes setting up a Management Board as outlined (Para 3.2).
2. Cabinet approval is sought to agree the appointment of two councillors and two tenants to oversee the setting up of the Management Board by April 2013.

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Appendix 1 – Examples of other Local Authorities with Management Boards

East Devon Housing Review Board

The Council manages 4700 council homes and is mainly rural and coastal seaside resorts'.

The Board was set up in 2006 and consists of five members of the Council, five tenant and leaseholder representatives, and two independent community representatives.

Normally Board members will serve for a maximum of five years, subject to annual reappointment by the Council.

The role of the Housing Review Board is to:

1. consider matters relating to the Council's landlord and housing management functions
2. advise the Council's Executive Board on housing policy and operational practice affecting council tenants and leaseholders
3. keep under review the housing stock options appraisal and monitor the conditions which will influence the future arrangements for the ownership and management of the Council's housing stock
4. promote good practice and monitor the work of the Housing Service.

Cambridge City Council

A council with 7,285 homes

Responsibilities

The board monitors the work done by the council every three months, to ensure residents' money is being well spent and services are of a good standard.

It also decides on big improvement projects like the £8.8 million project to modernise the council's sheltered accommodation.

Decisions about what to do about tenants who get into debt with their rent are also made by the board.

Representatives

Every few years, all the council's tenants and leaseholders get a chance to vote for representatives on the board.

During the most recent election, in February 2008, six tenant and leaseholder representatives were elected. In addition there appear to be approximately 10 councillors.