



HOUSING SERVICES COMMITTEE

11 January 2006

Report of the Director of Housing Services
ALMO TEST OF OPINION RESULTS

purpose of the report

To seek Committee's endorsement of the ALMO test of opinion results.

background

- 1 In June 2005, the Council's application to set up an ALMO was accepted by Government. The ODPM Guidance sets out the actions the Council has to take to establish the ALMO. One of these actions is to show that tenants support the proposal to create the ALMO.

test of opinion

- 2 The independent tenant advisers, SP Consultants, sent a newsletter and survey to all tenants in November 2005. The period during which surveys could be returned was 21 November to 2 December 2005.
- 3 Some 33% of tenants responded to the survey. This compares favourably with other ALMO tests of opinion. Of those who responded, 92% supported the Council's proposal.
- 4 The survey gives a clear indication of tenant support for the Council's proposal.

financial implications

- 5 Setting up a successful ALMO will give access to an additional £26 million to bring the housing stock up to the Decent Homes Standard.

legal implications

- 6 The test of opinion results will be part of the Section 27 application which will be legally binding on the Council and ALMO.

equalities implications

- 7 The survey process made reasonable adjustments for those tenants with special requirements.

RECOMMENDED

- 8 Committee notes and accepts the results of the ALMO test of opinion results.

Officer responsible for the report
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Author of the report
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HOUSING SERVICES COMMITTEE

11 January 2006

Report of the Director of Housing Services

AMENDMENT TO THE RECHARGEABLE REPAIRS POLICY AND PROCEDURE

purpose of the report

To seek approval to amend the Rechargeable Repairs Policy.

background

- 1 In April 2004 Committee approved a Rechargeable Repairs Policy. In October 2005 Citizens Advice Bureau asked us to review our policy in relation to our practice of recharging customers for reglazing. The Council is obligated under the Landlord and Tenant Act 1985. Section 11 of this Act states:

In a lease to which this section applies (lease of dwelling after 24/10/1961 for a term of less than 7 years)

(a) to keep in repair the structure and exterior of the dwelling-house (including drains, gutters and external pipes)

The covenant implied by (1) shall not be construed as requiring the lessor

(a) to carry out works of repairs for which the lessee is liable by virtue of his duty to use the premises in a tenant-like manner....

- 2 Reglazing of windows is classed as a repair to the exterior of the dwelling. Where glazing is required as a result of the tenant failing to use the premises in a tenant-like manner then the Council is not obliged to carry out the repair. Where the repair is necessary through no fault of the tenant then the Council has no choice but to effect the repair.

- 3 In addition to this, Section 8 of the Tenancy Agreement states:-

You are responsible for repairing any damage to the property caused by neglect or the accidental or deliberate actions of you, your friends and relatives or any other person living in or visiting the property (including children).

We would not normally reglaze windows unless you can confirm that an act of vandalism or criminal damage has taken place.

proposal

- 4 The Rechargeable Repairs Policy be reviewed following consultation with customers, staff and other agencies but in the meantime the policy is amended to reflect that we will no longer recharge customers for replacing broken windows which have been caused by criminal damage. Customers will be encouraged to report the criminal damage to the police and provide us with an incident number. However, it should be noted that even if an incident or crime reference number is not provided we are still obliged to carry out the repair.

financial implications

- 5 Since 1 April 2005 the cost of all reglazing amounts to approximately £28,000. The current policy allows for a customer to be recharged for any reglazing regardless of whether this is as a result of accidental or criminal damage. If the policy is amended the full cost of reglazing would need to be borne by the Housing Revenue Account.

legal implications

- 6 The policy will clearly define the legal implications for all parties. It also outlines the process under which costs will be recovered, including recovery through the County Court proceedings. Legal Services have provided advice in the preparation of this report.

crime and disorder implications

- 7 Although there are no direct implications to crime and disorder there is likely to be an increase in the number of incidents of criminal damage reported to the police.

consultation

- 8 A report will be submitted to the next Customer Panel as to the proposed amendment and full consultation will be carried with customers, staff and other interested agencies.

RECOMMENDED

- 1 That Committee approve the amendment to the current policy.
- 2 A further policy and procedure be presented to Committee for approval following the consultation exercise

Officer responsible for the report

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HOUSING COMMITTEE

11 JANUARY 2006

Report of the Director of Housing Services

**WEAR VALLEY DISTRICT COUNCIL/DALE & VALLEY HOMES CUSTOMER
COMPACT AND ACTION PLAN 2006**

purpose of the report

To seek Committee's approval of the Compact Action Plan 2006 and the project planning process for Wear Valley District Council/Dale & Valley Homes Customer Compact 2006.

background

- 1 One of the main themes of Central Governments' Modernising Local Government Agenda is to ensure that customers have opportunities to be involved in service delivery at a level they are comfortable with, as formally recognised groups or at an individual level. This work is carried out via Wear Valley Housing Customers Compact.
- 2 Housing Services Committee approved a report on 2 November 2004 that provided an update on Wear Valley Housing Customers Compact 2003 and accompanying action plans. In January 2005, Committee approved the production of a new Compact Action Plan for 2005/06 and the publication of a new Compact in 2006.

compact action plan 2006

- 3 The Compact Review Team in November 2005 agreed that the pledges in the Action Plan for 2006 should further investigate the work that has been carried out over the past three years in respect of consulting with and involving a wider range of customers in the Housing Services.
- 4 The changing nature of Housing Services at Wear Valley has been factored into the Compact Action Plan 06, in respect of Dale & Valley Homes Ltd commencing in April 2006. Comments from the Audit Commission Housing Inspectorate (ACHI) indicative inspection of the ALMO have also been taken on board in relation to innovative opportunities for customer involvement.

- 5 The action plan 2006 includes the following six pledges:
- Pledge One – Training for staff, councillors and ALMO Board on community involvement;
 - Pledge Two – Continue work with mystery customers;
 - Pledge Three – Explore concept of setting up a young people housing education initiative;
 - Pledge Four – Provide more information to customers on getting involved in ALMO services;
 - Pledge Five – Hold a minimum of 6 focus groups on ALMO functions; and
 - Pledge Six – Produce two newsletters, ensuring information is provided to all customers on the services that Dale & Valley Homes provides.
- 6 Further comments from the ACHI indicative inspection in relation to mapping geographical areas of residents groups; proof of the involvement of customers from Weardale and the development of a Community Involvement Strategy will be included in the new Compact 2006.
- 7 These pledges are SMART (specific, measurable, achievable, relative and timely) as can be seen from the full action plan attached.
- 8 The draft action plan (Annex 1) went out to consultation to the Customer Panel, formal and informal residents groups and Senior Housing Management Team. The consultation period ended on 9 January 2006. Due to short time-scales, it would be beneficial if Committee could instruct the Director of Housing Services to include all agreed amendments of the Customer Panel, informal and formal residents groups, Senior Housing Management Team and Committee's comments on the Compact Action Plan 2006.

dale & valley homes customers compact 2006

- 9 The Compact Review Team has been reviewing Wear Valley Housing Customers Compact 2003 with a view to writing a new Compact in 2006, as agreed by Housing Services Committee in January 2005.
- 10 With the launch of Dale & Valley Homes Ltd in April 2006, and the differing management structures and arrangements still to be agreed prior to the new ALMO becoming live, the Compact Review Team decided that the production and publication of a new document would need to be delayed until after April 2006. This is to ensure the new Compact is compatible with the Council and Dale & Valley Homes Ltd.
- 11 The Compact Review Team have decided to start the process of investigating the framework for a new Compact 2006 through the submission of a concordat to the

Customer Panel and ALMO board in May 2006. This concordat will state the framework of Community Involvement within the new ALMO structure and linkages to the Council.

- 12 Following approval of the Concordat by the Customer Panel and ALMO board, the new structures, frameworks and arrangements of Dale & Valley Homes Ltd will be included in this document and the new Compact 2006 developed from it. Factoring in time for consultation, further amendments and publishing of the new document it is envisaged that the new Compact 2006 will be available by September 2006.
- 13 The new Compact 2006 will be linked to a Community Involvement Strategy, Equalities Strategy and will include a 4-page A4 summary to be sent to every housing customer, as highlighted by the ACHI Indicative Inspection. The project plan in Annex 2 details the time-scales for production of all the documents detailed in this report.

financial implications

- 14 The action plan and publication of a new Compact 2006 is financially achievable due to the increased resources allocated to community involvement from HRA resources.

equalities implications

- 15 The action plan and new Compact 2006 follow the CRE Code of Practice for Rented Housing as it ensures accessibility to all residents of Wear Valley District in respect of involvement in Council services. The document is also available in the seven recognised languages in the District, as well as on audiotape, large print or Braille as set out in the Housing Services Departments Equalities Statement.

human rights act 2000

- 16 The action plan and new Compact 2006 satisfy all requirements of the above Act.

crime and disorder implications

- 17 The action plan 2006 and new Compact 2006 will assist in reducing crime and disorder problems on estates across the District by actively involving customers and partner agencies in the services the Housing Services Department provides. Partnership working at a neighbourhood level will increase the realisation of sustainable communities as set out in the ODPM's Sustainable Communities Plan.

RECOMMENDED

- 1 That Committee approves the Compact Action Plan 2006.
- 2 That Committee instructs the Director of Housing Services to include all agreed amendments of the Customer Panel, informal and formal residents groups and Senior Housing Management Team in the Compact Action Plan 2006.
- 3 That Committee agrees to the use of a Concordat to pre-empt the development of the new Compact 2006.
- 4 That Committee approves the project planning process for the new Compact 2006.

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Annex 1

<u>PLEDGES FOR COMMUNITY INVOLVEMENT 2006/07</u>		
PLEDGE	DESCRIPTION	TIMESCALE
ONE	Training for staff, councillors & ALMO board on community involvement	Jul-06
TWO	Continue work with mystery customers	Sep-06
THREE	Explore concept of setting up a young people housing education initiative	Sep-06
FOUR	Provide more information to customers on getting involved in ALMO services	Oct-06
FIVE	Hold a minimum of 6 focus groups on ALMO functions	Dec-06
SIX	Produce two newsletters, ensuring information is provided to all customers on the services that Dale & Valley Homes provides	Feb-07

Pledge one - training for staff, almo board & councillors on community involvement					
Stages	Explanation	Resources	Criteria	Commence	Deadline
1	Set up training working group	Community Involvement Officer; Customer Panel	Ask for two representatives from Customer Panel meeting	4-Apr-06	4-Apr-06
2	Devise training programme	Training working group		w/c 10/04/06	w/e 05/05/06
3	Decide dates for training Jun - Jul 06	Training working group	Liaise with DMT, Council's Admin Dept & Secretiat for ALMO Board	w/c 08/05/06	w/e 12/05/06
4	Book Venues	Community Involvement Officer	Venue; Catering; Training Materials	w/c 15/05/06	w/e 09/06/06
5	Deliver Training	Training working group		w/c 12/06/06	w/e 28/07/06

Pledge two - continue work with mystery customers					
Stages	Explanation	Resources	Criteria	Commence	Deadline
1	Arrange meeting with consultant to review mystery customer work carried out in 2005	Community Involvement Officer; Customer Steering Group	Schedule meeting for middle of February 2006	w/c 09/01/06	w/e 13/01/06
2	Meeting with Consultant and Customer Steering Group	Community Involvement Officer; Customer Steering Group; consultant	Decide themes for mystery customer work for 2006	w/c 13/02/06	w/e 17/02/06
3	Report work programme to DMT	<i>DMT; Community Involvement Officer</i>		w/c 20/02/06	w/e 10/03/06
4	Inform Housing Services Department Managers of proposals	Community Involvement Officer	Awareness of Mystery Customers visits and what they will be scoring staff on	w/c 20/03/06	w/e 24/03/06
5	Contact Mystery Customer database	Community Involvement Officer	Letter detailing work programme and asking for volunteers for this year. Request replies by 28/04/06	w/c 27/03/06	w/e 14/04/06
6	Send out Mystery Customer questionnaires	Community Involvement Officer	Give training to customers who request it	w/c 01/05/06	w/e 12/05/06
7	Review and report on programme	Consultant; Community Involvement Officer; DMT	Report to DMT on programme	w/c 04/09/06	w/e 15/09/06

Pledge three - explore concept of setting up a young people housing education initiative					
Stages	Explanation	Resources	Criteria	Commence	Deadline
1	Research literature on involving young people in housing	Community Involvement Officer	Best Practice from internet; ODPM; TPAS; PEP; Audit Commission; NERIW etc	w/c 02/01/06	w/e 24/02/06
2	Develop networks of workers with young people	Community Involvement Officer	Contact all staff in Wear Valley who work with young people	w/c 02/01/06	w/e 24/02/06
3	Decide who in SHMT is going to participate in workshops	Community Involvement Officer; DMT	<i>Briefing Report to DMT</i>	w/c 27/02/06	w/e 17/03/06
4	Plan programme	Community Involvement Officer; Young People Workers; SHMT reps	Decide themes and how to ensure young people will attend	w/c 20/03/06	w/e 07/04/06
5	Book Venues	Community Involvement Officer		w/c 10/04/06	w/e 21/04/06
6	Invite young people	Community Involvement Officer	Deadline for replies 19 May 06	w/c 24/04/06	w/e 05/05/06
7	Deliver workshops	Community Involvement Office; SHMT Reps Young Peoples Workers		w/c 05/06/06	w/e 30/06/06
8	Feedback	Community Involvement Officer	Report to DMT; Housing Committee; Customer Panel; ALMO Board	w/c 04/09/06	w/e 15/09/06

Pledge four - provide more information to customers on getting involved in ALMO services					
Stages	Explanation	Resources	Criteria	Commence	Deadline
1	Agree which items to include in a Customers Resource Library	Community Involvement Officer; Customer Panel; DMT; Editorial Panel	Liaise with all parties to gather relevant ALMO information, policies, procedures etc	w/c 31/07/06	w/e 01/09/06
2	Research concept of Community Involvement DVD	Community Involvement Officer	DVD outlining options for involvement including interviews etc.	w/c 31/07/06	w/e 01/09/06
3	Set up Customers Resource Library	Community Involvement Officer; Customer Panel; Editorial Panel		w/c 04/09/06	w/e 22/09/06
4	Arrange Advertising for Community Involvement DVD and Customers Resource Library	Community Involvement Officer; Customer Panel; Editorial Panel; Residents Groups; ALMO staff	Internet; ALMO newsletters; flyers; posters etc.	w/c 04/09/06	w/e 22/09/06
5	Set up Community Involvement DVD	Community Involvement Officer; Customer Panel; Editorial Panel; Residents Groups; ALMO staff	Internet; ALMO newsletters; flyers; posters etc.	w/c 04/09/06	w/e 13/10/06

Pledge five - hold a minimum of 6 focus groups on ALMO functions					
Stages	Explanation	Resources	Criteria	Commence	Deadline
1	Staff for focus groups.	DMT; Community Involvement Officer; Marketing and Communications Manager;	Email requesting staff details from NOP's & Property Services of who will work on focus groups (managers & csa's?)	w/c 01/05/06	w/e 05/05/06
2	Meeting with focus group staff	Community Involvement Officer; Marketing & Communications Manager; NOP's & Property Services Staff	Decide dates / Venues of Focus Groups /	w/c 22/05/06	w/e 26/05/06
3	Decide questions/ themes	Focus Group staff	Email staff asking for questions by 09/06/06	w/c 29/05/06	w/e 02/06/06
4	Book Venues	Community Involvement Officer	From stage 2 planning, book venues for minimum of 6 focus groups throughout the year. Arrange refreshments and any equipment needed.	w/c 12/06/06	w/e 23/06/06
5	Letter to Focus Group database	Community Involvement Officer	Invite to Focus Groups offering transport, refreshments & childcare facilities. Request confirmation by 21/07/06	w/c 26/06/06	w/e 07/07/06
6	Confirm Focus Group details	Focus Group staff; Community Involvement Officer	Customer numbers, staff attendees, equipment, transport, childcare, refreshments	w/c 10/07/06	w/e 14/07/06
7	Hold Focus Groups	Focus Group staff; Community Involvement Officer		w/c 17/07/06	w/e 17/11/06
8	Feedback & Report on Focus Groups	Focus Group staff; Community Involvement Officer	Feedback to customers; report to DMT; ALMO Board	w/c 04/12/06	w/e 15/12/06

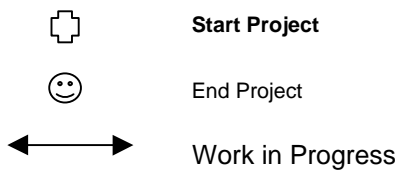
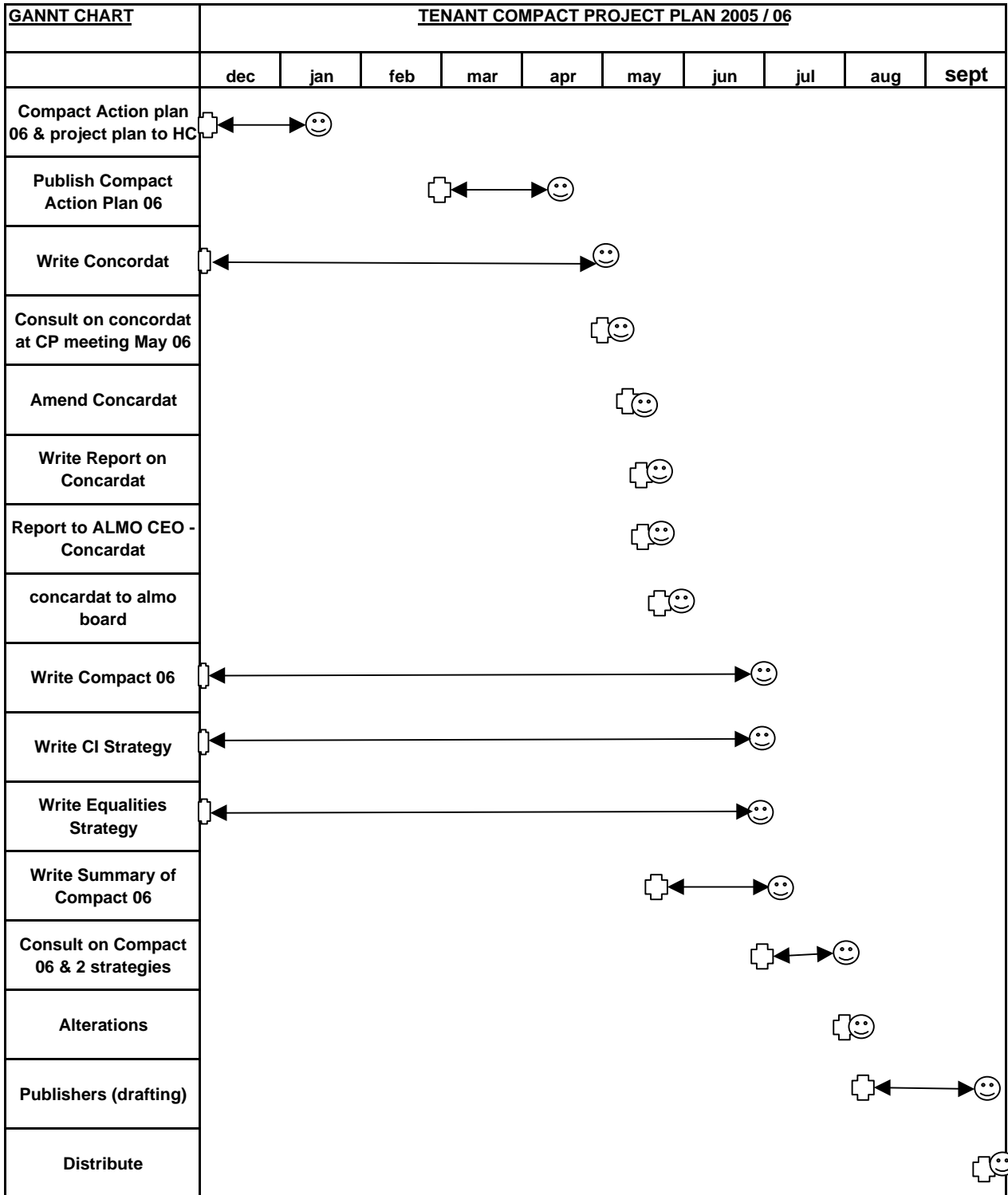
Pledge six - produce two newsletters, ensuring information is provided to all customers on the services that Dale & Valley Homes provides					
Stages	Explanation	Resources	Criteria	Commence	Deadline
1	Agree Terms of Reference for Editorial Panel	Community Involvement Officer	Decide which documents panel will edit (old & new documents?) & agree process for this	w/c 24/04/06	w/e 28/04/06
2	Set up Dale & Valley Homes Editorial Panel	Community Involvement Officer	Ask for 2 reps from Customer Panel to join Dale & Valley Homes Editorial Panel. Decide which ALMO officers to have on Editorial Panel; write to Community Involvement Database for other 4 customer reps	2-May-06	2-May-06
3	Arrange meeting to agree articles for Aug 06 newsletter	Editorial Panel; DMT; Marketing and Communications Manager,	Co-ordinate diaries for w/c 15 May 06	w/c 08/05/06	w/e 12/05/06
4	Meeting to agree articles	Editorial Panel; DMT; Marketing and Communications Manager,	Detail designated Officers to write articles	w/c 15/05/06	w/e 19/05/06
5	Letter to residents groups & Customer Panel	Community Involvement Officer	Articles returned within 28 days	w/c 22/05/06	w/e 16/06/06

6	Email relevant Officers requesting articles and accompanying photos	Community Involvement Officer	Articles returned within 28 days	w/c 22/05/06	w/e 16/06/06
7	Tender for publication of newsletter	Community Involvement Officer	Tender to Council DTP & 2 external publishers employing VFM criteria	w/c 22/05/06	w/e 26/05/06
8	Edit Articles & send to agreed publisher	Editorial Panel; DMT; Marketing & Communications Manager	Ensure all relevant & interesting information is included.	w/c 19/06/06	w/e 07/07/06
9	Send articles to publisher	Community Involvement Officer		07-Jul-06	07-Jul-06
10	Editing & drafting of Housing Matters	Editorial Panel; DMT	Decide whether to hold meetings during editing and drafting period or send out to Panel for comments	w/c 10/07/06	w/e 28/07/06
11	Print & Distribution	Community Involvement Officer, Publishers & Distributors	Send CD Rom to distributors	w/c 31/07/06	w/e 11/08/06
12	Arrange meeting to agree articles for Feb 07 newsletter	Editorial Panel; DMT; Marketing and Communications Manager,	Co-ordinate diaries for w/c 6 Nov 06	w/c 23/10/06	w/e 27/10/06
13	Meeting to agree articles	Editorial Panel; DMT; Marketing and Communications Manager,	Detail designated Officers to write articles	w/c 06/11/06	w/e 10/11/06
14	Letter to residents groups & Customer Panel	Community Involvement Officer	Articles returned within 28 days	w/c 06/11/06	w/e 01/12/06

15	Email relevant Officers requesting articles and accompanying photos	Community Involvement Officer	Articles returned within 28 days	w/c 6/11/06	w/e 01/12/06
16	Edit Articles	Editorial Panel; DMT; Marketing & Communications Manager	Ensure all relevant & interesting information is included	w/c 4/12/06	w/e 22/12/06
17	Send articles to publisher	Community Involvement Officer	Same publishers as agreed for August 06 newsletter	w/c 08/01/07	w/e 12/01/07
18	Editing & drafting of Housing Matters	Editorial Panel; DMT	Same procedure as agreed for August 06 newsletter	w/c 08/01/07	w/e 26/01/07
19	Print & Distribution	Community Involvement Officer, Distributors	Send CD Rom to distributors	w/c 29/01/07	w/e 19/02/07

ACTION PLAN - WEAR VALLEY HOUSING CUSTOMERS COMPACT 2006	
W/C	ACTION PLAN REFERENCE
02-Jan-06	3.1;3.2
09-Jan-06	2.1
16-Jan-06	
23-Jan-06	
30-Jan-06	
06-Feb-06	
13-Feb-06	2.2
20-Feb-06	2.3
27-Feb-06	3.3
06-Mar-06	
13-Mar-06	
20-Mar-06	2.4; 3.4
27-Mar-06	2.5
03-Apr-06	1.1
10-Apr-06	1.2; 3.5
17-Apr-06	
24-Apr-06	3.6; 6.1
01-May-06	2.6; 5.1; 6.2
08-May-06	1.3; 6.3
15-May-06	1.4; 6.4
22-May-06	5.2; 6.5; 6.6; 6.7
29-May-06	5.3
05-Jun-06	3.7
12-Jun-06	1.5; 5.4
19-Jun-06	6.8
26-Jun-06	5.5
03-Jul-06	6.9
10-Jul-06	5.6; 6.10
17-Jul-06	5.7
24-Jul-06	
31-Jul-06	4.1; 4.2; 6.11
07-Aug-06	
14-Aug-06	
21-Aug-06	
28-Aug-06	
04-Sep-06	2.7; 3.8; 4.3; 4.4; 4.5
11-Sep-06	
18-Sep-06	
25-Sep-06	
02-Oct-06	
09-Oct-06	
16-Oct-06	
23-Oct-06	6.12
30-Oct-06	

06-Nov-06	6.13; 6.14; 6.15
13-Nov-06	
20-Nov-06	
27-Nov-06	
04-Dec-06	5.8; 6.16
11-Dec-06	
18-Dec-06	
25-Dec-06	
01-Jan-07	
08-Jan-07	6.17; 6.18
15-Jan-07	
22-Jan-07	
29-Jan-07	6.19





HOUSING SERVICES COMMITTEE

11 JANUARY 2006

Report of the Director of Housing Services
6 MONTHLY ETHNIC MONITORING RECORDS

purpose of report

To provide performance management information to Housing Services Committee in respect of monitoring of ethnic records for the Housing Services Department between April 2005 and September 2005.

background

- 1 The data provided in this report satisfies both objective 5 of the Housing Services Department Race Equality Action Plan “to quantify and improve the Department’s performance in addressing equality issues” and objective 8 “introduce an ethnic classification system under which applicants for housing or housing services are asked to state their ethnic origin”.
- 2 This report will analyse the data collected between April 2005 and September 2005 from the performance management systems that are in place to monitor access, quality and service delivery as set down in good practice examples of other housing organisations and under the Commission for Racial Equality (CRE) Code of Practice for Rented Housing – Strategies for Good Practice.
- 3 Although marketing consultants, Social and Market Strategic Research, were commissioned in December 2004 to obtain current tenant data in relation to ethnic monitoring and 71% of current tenant data was successfully collected, ethnic monitoring has now been extended across the whole department with the inclusion of the recommended ethnic monitoring classification system on all surveys sent to customers. These surveys are then returned to the Community Involvement Team who can cross-reference the data received against the customers for whom we have no ethnic data. This has resulted in an increase in the data collected and has left less than 1,000 of our customers for whom we still have no ethnic data.

housing applicants by ethnic group

- 4 The number of housing applicants between April 2005 and September 2005 has been calculated and split into applicants by ethnic origin. These results are shown in the table below along with comparative tables for the results of the ethnic monitoring undertaken between April and September 2004 and October 2004 to March 2005:

	Ethnicity	Number	Percentage
April – September 2005	BME	24	2.68%
	White	866	96.87%
	Refused	4	0.45%
	TOTAL	894	100%

	Ethnicity	Number	Percentage
October 2004 – March 2005	BME	14	1.19%
	White	1154	98.30%
	Refused	6	0.51%
	TOTAL	1174	100%

	Ethnicity	Number	Percentage
April – September 2004	BME	19	1.67%
	White	1112	97.89%
	Refused	5	0.44%
	TOTAL	1136	100%

- 5 The percentage of BME Housing Applicants over the 6 month period between April – September 2005 is 2.68%, which is 1.88% higher than the total BME population in Wear Valley which is 0.8% (Census 2001).
- 6 If we compare the number of BME Applicants over the previous consecutive 6 monthly periods from April 2004 - March 2005 (1.67% and 1.19%) to the most recent 6 monthly analysis, we can see an increase in the number of BME applicants - 1.01% from September 2004 and a 1.49% increase since March 2005.

- 7 The number of housing applicants over the 6 month period can now be broken down to illustrate the number of housing applicants re-housed and into which ethnic group they belong. This can be illustrated in the tables below for all ethnic monitoring which has been undertaken to date.

housing applicants re-housed by ethnic group

	Ethnicity	Number of Applicants	Number of Applicants Re-housed	Percentage of Applicants Re-housed
April – September 2005	BME	24	5	20.83%
	White	866	265	30.60%
	TOTAL	890	270	30.33%

	Ethnicity	Number of Applicants	Number of Applicants Re-housed	Percentage of Applicants Re-housed
October 2004 – March 2005	BME	14	3	21.42%
	White	1154	255	22.09%
	TOTAL	1168	258	22.08%

	Ethnicity	Number of Applicants	Number of Applicants Re-housed	Percentage of Applicants Re-housed
April – September 2004	BME	19	2	28.57%
	White	1112	325	29.22%
	TOTAL	1131	327	28.91%

- 8 From the total number of applicants between April 2005 and September 2005, 30.33% were re-housed. The breakdown between White and BME applicants shows that 30.60% of the White applicants were re-housed and 20.83% of BME applicants were re-housed.

- 9 The figures above would indicate a slight decrease in the number of BME applicants who were re-housed during April and September 2005 compared to the number of BME applicants re-housed over the previous 6 monthly consecutive monitoring periods (21.42% - October 04 – March 05 and 28.57% - April 04 – September 04). The number of BME customers who were re-housed between April and September 2005 is not reflective of the number of BME customers who had applied for housing over this period which has doubled since the previous 6 monthly report. This is certainly an issue which will require further exploration.

age profile of re-housed customers by ethnic group

- 10 The following tables analyse the age profile of our re-housed customers, this data has again been divided to illustrate ethnic origin and highlights the 3 comparative sets of data from April 2004 – September 2005.

	Age (years)	16-25	26-45	46-60	60+	Total	Total %
April – September 2005	BME	1	1	3	0	5	1.85%
	White	74	89	45	57	265	98.15%
	Total	75	90	48	57	270	
	Total %	27.77%	33.33%	17.77%	21.11%		100%

	Age (years)	16-25	26-45	46-60	60+	Total	Total %
October 2004 – March 2005	BME	0	1	0	2	3	1.16%
	White	57	93	56	49	255	98.84%
	Total	57	94	56	51	258	
	Total %	22.09%	36.43%	21.70%	19.77%		100%

	Age (years)	16-25	26-45	46-60	60+	Total	Total %
April – September 2004	BME	0	2	0	0	2	1.19%
	White	43	56	31	35	165	98.81%
	Total	43	58	31	35	167	
	Total %	25.75%	34.73%	18.56%	20.96%		100%

- 11 Interestingly, the highest number of re-housed BME customers for the April – September 2005 period fall within the 46-60 year old age group, which is the least common age category for both white and BME applicants and which is not reflective in comparison to the data collected for the previous 6 monthly monitoring reports.
- 12 Previously, our BME customers have predominantly fallen within the 26-45 age range which is the most popular age group for both white and BME housing applicants. Only once, prior to the current data, has any BME customers fallen within an age range above the 26-45 bracket (October 2004 – March 2005).
- 13 The next set of data highlights the length of time people wait for housing and similarly to the other data is again split into ethnic origin with the results from previous monitoring reports noted for comparison.

length of time people wait for housing by ethnic group

	Waiting Time (days)	0-20	21-40	41-60	60+	Total	Total %
April – September 2005	BME	0	0	0	5	5	1.85%
	White	31	27	23	184	265	98.15%
	Total	31	27	23	189	270	
	Total %	11.48%	10%	8.52%	70%		100%

	Waiting Time (days)	0-20	21-40	41-60	60+	Total	Total %
October 2004 – March 2005	BME	0	1	0	2	3	1.17%
	White	30	31	23	170	254	98.83 %
	Total	30	32	23	172	257	
	Total %	11.67%	12.45%	8.95%	66.92%		100%

	Waiting Time (days)	0-20	21-40	41-60	60+	Total	Total %
April – September 2004	BME	0	1	0	1	2	1.25%
	White	11	12	20	115	158	98.75%
	Total	11	13	20	116	160	
	Total %	6.88%	8.13%	12.5%	72.5%		100%

- 14 Based on the data above, 100% of BME applicants over the April – September 2005 period waited over 60 days for re-housing this is in contrast to the previous ethnic monitoring data which showed a relatively even spread of BME applicants waiting between 21-60+ days for housing.
- 15 The length of time our BME housing customers have to wait for housing, although all appearing in the 60+ days category, is reflective however of the length of time the majority of white applicants have to wait to be re-housed. This is illustrated by all 3 sets of ethnic monitoring data. It is important to highlight that BME applicants between April and September 2005 waited, on the whole, longer for re-housing than white applicants, this could be attributable to area of housing chosen by the BME applicant. A choice of a high demand location would result in an applicant having to wait considerably longer. This will need to be explored further.
- 16 The next set of data illustrates for all 3 six monthly monitoring reports the geographical area into which applicants have been re-housed, the data showing breakdown of applicants by ethnic origin.

geographical area of re-housing by ethnic group

	Geographical Area	BME	White	Total	Total %
April – September 2005	Billy Row		3	3	1.11%
	Bishop Auckland		79	79	29.30%
	Coundon		16	16	5.92%
	Crook	1	63	64	23.70%
	Eldon		1	1	0.37%
	Escomb		1	1	0.37%
	Frosterley	2	2	4	1.48%
	Howden-le Wear		6	6	2.22%
	Hunwick		3	3	1.11%
	Leeholme		13	13	4.81%
	Rookhope		2	2	0.74%
	Stanhope		1	1	0.37%
	St Helens	2	10	12	4.44%
	St Johns Chapel		2	2	0.74%
	Sunnybrow		14	14	5.18%
	West Auckland		6	6	2.22%
	Witton – Le- Wear		2	2	0.74%
	Willington		36	36	13.33%
	Wolsingham		5	5	1.85%
	Total	5	265	270	100%
	Total %	1.85%	98.15%		

	Geographical Area	BME	White	Total	Total %
October 2004 – March 2005	Billy Row		5	5	1.94%
	Bishop Auckland	2	83	85	32.94%
	Coundon Grange		1	1	0.39%
	Coundon		16	16	6.20%
	Crook	1	34	35	13.56%
	Eldon		1	1	0.39%
	Escomb		5	5	1.94%
	Frosterley		3	3	1.16%
	Howden-le Wear		3	3	1.16%
	Hunwick		1	1	0.39%
	Leeholme		10	10	3.88%
	Rookhope		1	1	0.39%
	Stanhope		4	4	1.55%
	St Helens		12	12	4.65%
	Sunnybrow		18	18	6.98%
	West Auckland		14	14	5.42%
	Willington		39	39	15.11%
	Wolsingham		5	5	1.94%
	Total	3	255	258	
	Total %	1.17%	98.83%		100%

	Geographical Area	BME	White	Total	Total %
April – September 2004	Billy Row		3	3	1.83%
	Bishop Auckland		52	52	31.7%
	Coundon		13	13	7.93%
	Crook	1	34	35	21.34%
	Escomb		1	1	0.61%
	Howden-le Wear	1	3	4	24.39%
	Leeholme		9	9	5.48%
	Rookhope		1	1	0.61%
	Stanhope		3	3	1.83%
	St Helens		6	6	3.66%
	Sunnybrow		7	7	4.27%
	West Auckland		10	10	6.1%
	Willington		18	18	11%
	Wolsingham		2	2	1.23%
	Total	2	162	164	
	Total %	1.23%	98.77%		100

- 17 The top three areas that housing applicants were re-housed during the 6 month period between April and September 2005 were Bishop Auckland, Crook and Willington. The BME applicants were re-housed in the areas of Crook, Frosterley and St Helens. This is a slight change from the previous reports which showed the BME applicants to be re-housed in Howden-Le-Wear, Crook and Bishop Auckland.

satisfaction with repairs service by ethnic group – average score out of 10

- 18 A survey is sent to a random cross section of customers every month to ascertain their satisfaction with the service we provide when carrying out repairs. Since July 2004, this survey has also asked for equalities monitoring information from customers.
- 19 Satisfaction ratings with the repairs service are based on questions that are scored out of 10. Over the 6 month period between April 2005 and September 2005, 574 surveys were returned and all respondents defined themselves as White British, therefore we have no data to compare in respect of satisfaction with the repairs service for BME tenants for this period.

satisfaction with letting services by ethnic group.

- 20 A survey is sent to a random cross section of customers every month to ascertain their satisfaction with the service we provide when letting new properties. Since July 2004, this survey has also asked for equalities monitoring information from customers.
- 21 In the data from April – May 2005 (27 completed questionnaires), all respondents defined themselves as White British, therefore we have no data to compare in respect of satisfaction with the lettings services for BME tenants for this period.
- 22 In the data from June – July 2005 (28 completed questionnaires), all respondents defined themselves as White British, therefore we have no data to compare in respect of satisfaction with the lettings services for BME tenants for this period.
- 23 In the data from August – September 2005 (32 completed questionnaires), all respondents defined themselves as White British, therefore we have no data to compare in respect of satisfaction with the lettings services for BME tenants for this period.

customer satisfaction with housing service by ethnic group

- 24 A survey is sent out to a cross section of customers who visit housing receptions to make a telephone enquiry to Neighbourhood Operations staff in the first week of every quarter. Since June 2004, this survey has also asked for equalities monitoring information from customers.

25 In June 2005 95% of respondents defined themselves as White British with 5% of respondents preferring not to give their ethnic details. In September 2005 all respondents defined themselves as White British, these results are reflected in the previous reports which again showed 100% of respondents classifying themselves as White British. Therefore we have no data to compare in respect of satisfaction with customer service for BME tenants.

new ethnic monitoring data

26 In the previous ethnic monitoring report, it was highlighted that certain data concerning other measurable ethnic records was now available. This included the following:

- Property type of re-housing by ethnic group;
- Homelessness Applicants by ethnic group;
- Tenancy Enforcement Cases by ethnic group

property type of re-housing by ethnic group

27 The type of property into which tenants have been re-housed over the 6 month period between April – September 2005 can be identified below. This data can only be compared to the October 2004 – March 2005 results, as prior to this, data was not being collected for this area. This data has also been divided into ethnic groupings.

	Type of Property	BME	White	Total	Total %
April – September 2005	Bungalow	1	93	94	34.82%
	First Floor Flat		11	11	4.07%
	Ground Floor Flat		17	17	6.29%
	Flat - other		2	2	0.74%
	House	4	139	143	52.97%
	House with garage		2	2	0.74%
	Maisonette		1	1	0.37%
	Total	5	265	270	100%

	Type of Property	BME	White	Total	Total %
October 2004 - March 2005	Bungalow	2	83	85	33.07%
	First Floor Flat		8	8	3.12%
	Ground Floor Flat		8	8	3.12%
	House	1	138	139	54.08%
	House with garage		17	17	6.61%
	Maisonette		0	0	
	Total	3	254	257	100%

28 The main type of property into which applicants are re-housed is into a house (52.97%). 4 out of the 5 re-housed BME tenants have been re-housed into a house, with 1 being re-housed into a bungalow. This is in comparison with the last set of data, which identified the majority of BME applicants being predominantly re-housed in the second most popular accommodation, the bungalow.

homelessness applicants by ethnic group

29 Data is now available for the monitoring of homelessness applications by ethnic group. From the data retrieved, 246 homelessness applications were received during the April – September 2005 period. Of these homelessness applicants only 4 (1.62%) classed themselves as BME, this is in contrast to the results from the last data set which showed 100% of applicants classifying themselves as White British.

anti-social behaviour complainants by ethnic group

30 This is a new section which has been developed through partnership working with the Community Involvement Team and the Tenancy Enforcement Team. Figures which relate to anti-social behaviour in terms of the ethnic origins of the claimants have been collated and shows that between April and September 2005, a total of 146 complaints were received, 1 claimant of which classed themselves of BME origin (0.68%), 115 as white (78.77%) and 30 who refused to give details (20.55%). There is no comparative data with which to compare these results, but will provide a useful foundation for the next 6 monthly monitoring report.

information still to be obtained

31 Since the previous report, progress has been made in order to collect data on the homelessness applicants, anti-social behaviour claimants and the type of property into which our BME customers have been re-housed, this data has been highlighted above.

32 Efforts are still underway to obtain the following information:

- property type for all current tenants by ethnic group;
- rent arrears by ethnic group – former and current and;
- repairs completed by ethnic group

33 Monitoring systems for these three sets of data are still being developed by the Performance and Training Manager and it is expected that this data be available for the next 6 monthly monitoring report. The development of these new systems has been closely monitored by the Community Involvement Team and all efforts are currently focused on retrieving this information.

legal implications

- 34 The Council has a legal duty to promote equality and prevent racial discrimination and harassment. It is also required to comply with the Commission for Racial Equality's Code of Practice.
- 35 Through the monitoring systems implemented and consultation taking place, the Housing Services Department now complies with the Commission for Racial Equality's Code of Practice in Rented Housing.
- 36 This monitoring satisfies Human Rights Legislation.

conclusion

- 37 This is the third time that the Housing Services Department has monitored the service in line with the CRE Code of Practice for Rented Housing. The first set of ethnic monitoring data produced did not include targets as it was examined as a base data exercise. As we now have 3 sets of ethnic monitoring data over 6 month periods identification of targets should now begin.
- 38 It is important to point out that when targets are developed they should not be confused with a 'quota', which is unlawful under the Race Relations Act. A quota is a fixed number or percentage which is imposed with a obligation to achieve it. A target is not an absolute maximum or minimum, as it may be over or under achieved.
- 39 Due to the small numbers of BME housing applicants we are dealing with (24 over the 6 month period monitored), it is prudent not to make assumptions in respect of re-housing.
- 40 From the ethnic monitoring records produced, the following conclusions can be reached:
- the percentage of BME housing applicants to date (2.68%) is slightly higher than the BME population in Wear Valley (0.8%);
 - over the monitored 6 month period 20.83% of BME housing applicants were re-housed;
 - the age profile of BME re-housed customers is in the least popular category (45-60 17.77%) compared to White applicants who fall within the most popular category of 26-45 (33.33%);
 - The total number of BME applicants who were re-housed (20.83%), based on the most recent data, wait for re-housing over longer time periods than White applicants;
 - BME customers were re-housed in the top four most popular geographical areas within Wear Valley, Crook (23.70%), St Helens (4.44%) and Frosterley (1.48%);

- when dealing with small numbers of customers in random surveys (Repairs, Lettings and Customer Satisfaction Survey), it may often occur that either BME customers will not be included in the sample or they may choose not to respond.
- Only 1.62% of homelessness applicants have been from a BME background;
- Only 1 claimant out of 146 anti-social behaviour claimants classed themselves as BME.

RECOMMENDED

41 It is recommended that Housing Services Committee: -

- (a) notes this report and ethnic monitoring data
- (b) agrees to ethnic monitoring data being produced six monthly for Departmental Management Team; six monthly for Housing Services Committee and publicity in Wear Valley Housing Matters.
- (c) Committee instructs officers to set targets for future monitoring, the findings of which to be reported on a regular basis.

Officer responsible for the report

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HOUSING SERVICES COMMITTEE

11 January 2006

Report of the Director of Housing Services

SURVEY OF BME CUSTOMERS IN PARTNERSHIP WITH DDCREC

purpose of report

To inform Housing Services Committee of the BME Survey which was undertaken by the Housing Services Department in partnership with the Darlington and Durham County Racial Equality Council (DDCREC).

background

- 1 In late 2004, the Community Involvement Team commissioned the DDCREC to undertake a survey of their current BME Council tenants. The DDCREC were supplied with 24 names and addresses of customers who had classed themselves as black minority ethnic. The DDCREC then wrote to these customers outlining the survey and informing them that a member of staff from the DDCREC would visit them to obtain their views on various issues relating to their home and neighbourhood.
- 2 Ijjou Derrache, a Community Development Worker from the DDCREC spent much time visiting Wear Valley District Council's BME customers. In total, 30% of those families whose details were given agreed to be interviewed as part of this survey.
- 3 The survey asked our BME customers a number of questions based on some of the following issues – Household, Languages spoken, Satisfaction with landlord, Accommodation and Consultation and Participation. The questions were taken from the 3 yearly All Tenant STATUS Survey. The final report from the DDCREC containing the results of the survey was received in June 2005.
- 4 In order to assess the responses made by our BME customers, the responses from the survey have been compared with the responses from the most recent STATUS Survey that was undertaken in 2003. This will provide comparative data between our BME customers and housing customers as a whole regardless of ethnic origin.

feedback

information about your household

- 5 The feedback obtained by DDCREC from our BME customers is represented in a tabular format within the original report and is broken down into sub-sections, the first being 'Information about your household'.
- 6 Under this section, our BME customers were asked the following question: **'How long have you been a tenant of Wear Valley District Council?'** The results are as follows:

	1-2 years	3-5 years	6-10 years	11-20 years
BME Survey	42.85%	28.57%	14.29%	14.29%
STATUS Survey	7.4%	7.0%	11.8%	15.5%

- 7 The results show that the majority of our BME customers have been a tenant of Wear Valley District Council between 1 and 2 years. In relation to the 2003 STATUS Survey the majority of respondents had been a tenant of Wear Valley District Council for 21 years or over (50.7%), which represents 85% of the total number of respondents living in a council owned property for over 1 year.
- 8 The second question asked was **'What is your first language?'** The results were as follows:

English	Chinese	Tai	Italian	Philippine
42.85%	14.29%	14.29%	14.29%	14.29%

- 9 The results show that the majority of our BME customers have a language other than English as their first language (57.14% of households). This must be considered in relation to the alternative language service we offer as a housing department.
- 10 It is not possible to make a comparison between the BME survey results and the Survey in 2003 as the STATUS Survey asked respondents to identify the *ethnic group* they belonged to as opposed to asking for respondents to state their first language. The ethnic group to which a respondent identifies themselves as being a part of, does not indicate what language a respondent chooses to speak.

information about housing and neighbourhood

11 The second section of the survey asked our BME customers for 'Information about Housing and Neighbourhood'. The first question asked was, '**Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by Wear Valley District Council?**' The results were as follows:

	Very/fairly Satisfied	Neither	Fairly Dissatisfied
BME Survey	71.43%	14.29%	14.29%
STATUS Survey	71.7%	14.3%	14.0%

12 From a comparison of the results from both surveys there is very little difference in the responses given.

13 Although the results are encouraging with both surveys highlighting over a 70% view of satisfaction with the overall service, it must be noted that 14.29% of our BME customers were fairly dissatisfied with Wear Valley's overall service. It is important therefore to concentrate on the areas for improvement rather than using the percentage of satisfied customers as a means of remaining static with our service improvement.

14 The second question asked was, '**Taking into account your home and the services Wear Valley District Council provides, do you think that the rent for this property represents good or poor value for money?**' The results are as follows:

	Very/fairly Good Value	Neither	Fairly poor Value
BME Survey	57.14%	28.57%	14.29%
STATUS Survey	69.0%	17.6%	13.3%

15 The results show that our BME customers have mixed views in relation to whether the service Wear Valley District Council provides and the rent for their accommodation is value for money. Only 14.29% of households questioned thought the Council's services and the rent they pay for their property was very poor value, interestingly, this was the same respondent who expressed dissatisfaction with the overall service.

- 16 The results of the STATUS survey show that 69% of customers thought that the rent they paid for their property was value for money compared to only a smaller percentage of BME customers (57.14%).
- 17 The third question within this section asked our BME customers, ‘**Overall how satisfied or dissatisfied are you with your accommodation?**’ The results were as follows:

	Very/fairly Satisfied	Neither	Fairly/very Dissatisfied
BME Survey	85.71%	0%	14.29%
STATUS Survey	83.2%	8.8%	7.9%

- 18 Again, the results of both surveys show an encouraging number of respondents rating their overall satisfaction with their accommodation as very/fairly satisfied, over 80% in both surveys. The results of the BME survey does show however that slightly more customers (14.29%) expressed dissatisfaction with their accommodation compared to only 7.9% during 2003.
- 19 The fourth question asked to our BME customers in this section of the survey was, ‘**How would you describe the general condition of your property?**’ The results were as follows:

	Very/fairly Good	Neither	Fairly/very poor
BME Survey	57.14%	14.29%	28.57%
STATUS Survey	71.4%	16.0%	12.7%

- 20 The results from the BME survey showed that the opinions of the customers in terms of the general condition of the properties in which they lived was very varied. The highest proportion of households in the BME survey (57.14%) stating the condition of their property to be very/fairly good, 14.29% not offering any opinion and an equal number stating very poor.
- 21 A comparison of both surveys show that a slightly higher percentage of our BME customers felt the general condition of their property was fairly/very poor (28.57%) compared to only 12.7% of the STATUS survey respondents.

22 The fifth question contained in this section was based on the perceptions of our BME customers in relation to their neighbourhood and general environment. Our customers were presented with a list of general issues and were then asked, ‘Do you think that each of these is a serious problem, slight problem or not a problem in your neighbourhood?’

23 The results were as follows:

Serious Problem	Vandalism	Graffiti	Dogs	Litter	Neighbours	Racial
BME Survey	29%	0	14%	0	0	29%
STATUS Survey	26.5%	9.5%	28.6%	29.3%	6.0%	1.7%

Serious Problem	Noise from people	Noise from traffic	Damage	Drugs	Other
BME Survey	0	14%	14%	0	Fighting
STATUS Survey	8.6%	6.8%	6.8%	20.1%	17.7%

Slight Problem	Vandalism	Graffiti	Dogs	Litter	Neighbours	Racial
BME Survey	10%	20%	20%	20%	5%	0
STATUS Survey	43.2%	35.9%	39.7%	46.1%	13.2%	2.8%

Slight Problem	Noise from people	Noise from traffic	Damage	Drugs	Other
BME Survey	15%	0	5%	5%	Burglary
STATUS Survey	24.2%	20.1%	12.2%	24.0%	30.3%

- 24 Our BME customers identified vandalism and racial abuse as the two most serious problems affecting them in their neighbourhood. Graffiti, dogs, litter and noise from others were the most common problems which our BME customers listed as being slightly problematic. Other examples of neighbourhood problems being experienced were also given and are listed in the original report.
- 25 The STATUS survey results above do not reflect those responses given by our BME customers. Unlike our BME customers who stated that vandalism and racial abuse were the two most serious problems affecting them in their neighbourhood the respondents of the STATUS survey highlighted litter and dogs as the most serious problems facing them – listing racial harassment as being the least problematic issue in their neighbourhood.
- 26 Question six of this section asks our BME customers, **‘Have you or a member of your household suffered from racial harassment or abuse?’** 28.57% of respondents had experienced problems with racial harassment and abuse within their neighbourhood. The respondents did not report these incidents to the police and gave no further details. There is no data to compare from the 2003 survey.

contact with housing services department

- 27 The next section of the survey asked our BME customers 3 questions regarding contact with the Housing Services Department:

‘Have you been in contact with the Housing Services Department in the last 12 months (other than to pay your rent)?’

	Yes	No
BME Survey	85.71%	14.29%
STATUS Survey	72.3%	27.7%

‘How did you contact the Housing Services Department?’

	Telephone	Visit
BME Survey	66.67%	33.3%
STATUS Survey	78.8%	17.5%

‘What did you last contact the Housing Services Department about?’

	Repairs	Litter
BME Survey	83.33%	16.67%
STATUS Survey	This question was not asked as part of the survey in 2003	

28 The results from the questions asked reflect the results obtained in the Housing Services Department Quarterly Satisfaction Surveys that show a large proportion of our customers contacting the department via telephone, this is reflected also between the two surveys undertaken.

29 The next 4 questions our BME customers had to respond to were:

‘When you last had contact with the Housing Services Department, was getting hold of the right person easy or difficult?’

	Easy	No reply	Difficult
BME Survey	100%		0%
STATUS Survey	70%	10%	20%

30 The results show that our BME customers found it easy to get hold of the right person, this result is reflected by the STATUS survey results in 2003.

‘Did you find the staff helpful or unhelpful?’

	Helpful	Unhelpful
BME Survey	66.67%	33.33%
STATUS Survey	80%	8%

‘Were the staff able or unable to deal with your problem?’

	Able	Unable
BME Survey	66.67%	33.33%
STATUS Survey	83%	17%

31 BME customers felt that staff were generally helpful and able to deal with their queries, a slightly higher percentage of STATUS survey respondents also felt staff were helpful and able to resolve their queries.

'Were you satisfied or dissatisfied with the outcome?'

	Satisfied	No response	Dissatisfied
BME Survey	71.43%	14.29%	14.29%
STATUS Survey	74.3%	11.8%	12.9%

- 32 When asked how satisfied or dissatisfied our BME customers were with the outcome of their query, 71.43% of households said they were very/fairly satisfied, 14.29% did not respond and 14.29% said they were very dissatisfied. The STATUS survey results again reflect those of the BME survey with 74.3% of customers satisfied, 11.8% non-response and 12.9% dissatisfied.

consultation, participation and community involvement

- 33 The next section of the survey asked customers questions in relation to Consultation, Participation and Community Involvement. The questions asked under this section and the results obtained were as follows:

'How good or poor do you feel the Housing Services Department is at keeping you informed about things that might affect you as a tenant?'

	Very/fairly good	Neither	Very/fairly poor
BME Survey	66.67%	14.29%	14.29%
STATUS Survey	69.3%	18.4%	12.3%

- 34 The results from the above show that the majority of our BME customers feel the Housing Services Department is fairly good at keeping them informed about things that might affect them as customers. 69.3% of the STATUS Survey respondents also agreed with this view.

'How much account do you feel the Housing Services Department takes of tenants views when making decisions?'

	A little	None at all	Don't know
BME Survey	57.14%	14.29%	28.57%
STATUS Survey	46.8%	21.5%	

- 35 57.14% of our BME customers feel the Housing Services Department takes ‘a little’ notice of their views when making decisions and this is again reflected in the STATUS survey results with 46.8% of customers expressing the same opinion.

‘Do you think the Housing Service has improved over the last 12 months?’

	Yes	No
BME Survey	85.71%	14.29%
STATUS Survey	31%	34%

- 36 Encouragingly, 85.71% of BME customers thought the Housing Services Department has improved over the last 12 months compared to only 31% of all customers questioned in 2003 which showed that only a third of respondents (31%) felt the Housing Services had improved over the last 12 months. However, 34% felt it had not and 36% did not know.

‘Would you like to find out more about how to influence the decisions that affect your community?’

	Yes	No
BME Survey	57.16%	42.84%
STATUS Survey	This question was not asked as part of the 2003 survey.	

- 37 Just over half of the BME customers said they would like to find out more about how to influence the decisions that affect their community. There is no comparative data from 2003

‘Would you be interested in the opportunity to provide us with your views on issues relating to your community?’

	Yes	No
BME Survey	71.43%	28.57%
STATUS Survey	This question was not asked as part of the 2003 survey.	

- 38 71.43% of the BME customers questioned said they would be interested in the opportunity to provide the Housing Services Department with their views on issues relating to their community. There is no comparative data from 2003.

‘Out of the following services:

- Keeping Tenants Informed**
- Overall quality of your home**
- Taking tenant’s views into account**
- Repairs and Maintenance**

**Involving tenants in management of their housing
Value for money for your rent**

Which do you consider to be the 3 most important?'

	Keeping Tenants Informed	Value for money for your rent	Overall quality of your home	Taking tenants' views into account	Repairs and Maintenance	Involving tenants in management of their housing
BME Survey	42.86%	57.14 %	71.43%	28.57%	71.43%	28.57%
STATUS Survey	47.3%	43.6%	59.4%	35.6%	80.8%	7.8%

39 Out of the 6 services listed, our BME customers chose repairs and maintenance, overall quality of their home and value for money as their 3 most important issues. Those customers questioned in 2003 also chose repairs and maintenance and overall quality of their home as their two most important issues but differed in their third which was 'keeping tenants informed'.

recommendations by the ddcrc

40 At the end of the final BME Survey report, the DDCREC offer a number of recommendations for the Housing Services Department which were as follows:

- Issue personal invitations to community meetings
- Develop a specific agenda for each meeting
- Consider translating material into ethnic languages
- Consider local improvements to the local bus service
- Take into consideration the needs and feelings of the physically and mentally disabled
- Take steps to tackle the problems of vandalism, litter, dogs and other areas of concern identified
- Continue to make improvements to the Customer Service element of the Housing Services Department

41 Although the Housing Services Department already undertakes some of the actions listed above, further work is required in relation to consultation with the physically and mentally disabled which is currently in its early stages. Following the recommendations by the Audit Commission after their recent inspection of the Housing Services Department, customer service improvements are also currently being addressed.

comparisons between BME survey and STATUS survey 2003

- 42 The comparison between the BME survey and the STATUS survey has highlighted many similarities and very few differences. The main difference to highlight in terms of ethnic specific data is that relating to racial harassment within neighbourhoods.
- 43 Racial harassment was listed as one of the main problems facing our BME customers during the survey but interestingly was regarded as the least problematic issue during the 2003 survey. This could be due to either an increase in racial tension between 2003 and 2005 within neighbourhoods or the ethnicity of the applicants who undertook the survey (98% of those undertaking the 2003 survey classed themselves as White English). Whatever the reasons for the increase in racial harassment cases, this issue must be addressed.

future activities and shaping our service

- 44 As the DDCREC acted as an intermediary between Wear Valley District Council and their BME customers, helping to build relationships between both parties, it has been arranged for the DDCREC to undertake further work on our behalf. This work will include the formation of a series of focus groups with those BME customers who volunteered to participate in the recent survey.
- 45 Generally the feedback from our BME customers was positive, however, it is important to take on board the recommendations offered by the DDCREC and especially the comments made by our BME customers (especially those who expressed dissatisfaction). These comments and recommendations are key to shaping our services to meet customer needs and expectations and in developing appropriate consultation activities.
- 46 The Community Involvement Team feels the recent survey is the first real step in engaging with our hard to reach groups including our BME customers, disabled, young and old service users. Although the team appreciates that much work is still required in this area of consultation. Learning from Good Practice, information sharing with other authorities and partnership working will be key to our future service development regarding equality and diversity.

RECOMMENDED

- 1 Housing Services Committee notes the report on Survey of BME Customers in Partnership with DDCREC.
- 2 Housing Services Committee approves the Survey of BME Customers in Partnership with DDCREC report.
- 3 Housing Services Committee to approve the establishment of a series of BME focus groups during February and March 2006.

Officer responsible for the report

Michael Laing
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Author of the report

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HOUSING SERVICES COMMITTEE

11 January 2006

Report of the Director of Housing Services
DEVELOPMENT OF SERVICE STANDARDS

purpose of the report

To seek Committee approval of a review of the Housing Services Department's Service Standards.

background

- 1 In July 2005 the Service Standards were reviewed and approved at Housing Services Committee. The revised Service Standards focussed on:
 - Customer Care Statement
 - Access to Services
 - Using our reception areas
 - Making appointments and interviewing our customers
 - Writing to and speaking with customers
 - Undertaking works on tenants homes (repairs, maintenance and major works)
 - Housing Services and vulnerable customers
 - Homelessness
 - Anti-Social behaviour
 - Renting a Council home
 - Complaints process
- 2 The Service Standards set out what customers can expect to receive from our services in terms of delivery targets and activities.

almo indicative Inspection

- 3 In September 2005, the Housing Services Department was subject to an Indicative Inspection by the Audit Commission to provide recommendations for improving the service delivered to obtain a 2 star rating at a full Best Value Inspection in late 2006.

positive comments

- 4 The Inspectors made positive comments regarding the involvement of residents in developing the Service Standards and their involvement in monitoring their

performance. This was by way of a Performance Management Action Plan agreed with the Customer Panel ALMO Steering Group, which includes customer monitoring through mystery shopping, focus groups and formal reports. Within the plan, the department will formally report performance on an annual basis to customer representatives.

- 5 The Inspectors noted the presence of service specific commitments, such as repairs and dealing with anti-social behaviour and considered the service standards overall to be realistic and challenging.

recommendations for improvement

- 6 Within their Recommendations for improving the service, the Inspectors state that the service should strengthen service user and resident focus by:

- publicising service standards for responsive repairs, adaptations, lettings and income management;
- providing a comprehensive lettable standard

- 7 The expected benefits of this recommendation are:

- clear publicised commitments regarding the standard of services;
- services based on resident needs and expectations

- 8 The Inspectors have set a deadline for this recommendation to be implemented by May 2006.

- 9 In addition, the Inspector's identified the following weaknesses:

- Managers have not put internal systems in place to monitor performance of the Service Standards
- The Lettable standard is basic and should be promoted within the ALMO's Service Standards
- Service Standards should be included in supporting service leaflets, e.g. the Service Standards contain some targets with regard to the local housing register scheme but there is no mention of Service Standards in the Housing Services Department's lettings leaflet.

developing the existing standards

- 10 In order to meet the Inspector's recommendations, an assessment of the following is required:

- Quality of the existing standards
- Selection of and content of standards to be added
- Monitoring arrangements / Reporting / Consultation
- Implications of developing Service Standards on related service areas, plans and publicity

quality of the existing standards

- 11 The existing standards will be assessed in 3 ways:
 - Comments from Inspectors
 - Comparison with best performing ALMOs
 - Consultation with customers and staff
- 12 A gap analysis of the existing standards will be undertaken, and will take into account Inspectors comments and use learning from the Inspection reports of 3 star authorities and examining examples of the Service Standards these authorities work to.
- 13 The gap analysis will focus on not only the content of statements, but particular focus will be on identified targets in terms of their measurability, who will have responsibility for monitoring their performance (officers or customers) and how performance will be monitored and reported.
- 14 Officers will consult and work in partnership with customers to produce a draft of the revised standards and a proposed performance management framework for the new Service Standards.

selection of and content of standards to be added

- 15 The Audit Commission's recommendations are to produce standards for 4 areas of service delivery:
 - Responsive repairs,
 - Adaptations
 - Lettings; and
 - Income management.
- 16 The Lettings service is comprised of:
 - The management of empty properties, which includes the Lettable Standard; and
 - The management of the Housing Register.
- 17 It is proposed that Service Standards will be developed for each of these elements of the Lettings service.
- 18 Income Management is comprised of:
 - The management of Rent Arrears,
 - The management of Former Tenant Arrears; and
 - The Money & Debt Advice Service.

- 19 It is proposed that Service Standards will be developed for each of these elements of Income Management.
- 20 In line with the practice of 3 star authorities, it is proposed that the opportunity will be taken to develop extra Service Standards and review existing standards, including the following:
- Estate Management
 - Modernising your home (Capital Works)
 - Street Wardens
 - Community Involvement

monitoring arrangements

- 21 The Housing Services Department's Performance Training Manager currently reports monthly on a range of Best Value and Local Indicators. These are communicated to customers via Wear Valley Housing Matters, the Wear Valley District Council's Website, posters and information at Council offices. Service Managers also collect volume and cost indicators specific to their particular service. It is possible that the targets to be monitored within the Service Standards are covered through these existing arrangements. Customers will be consulted on the development of a performance and monitoring process that they will manage.
- 22 Currently, customers are involved in the monitoring of service delivery by returning customer satisfaction surveys for when they access the repairs service and when they start a new tenancy. The Customer Involvement Team has a program of focus groups and recently, a programme of Mystery Shopping has begun. Officers will work with the Community Involvement Team to determine the most suitable methods to maximise customer ownership of monitoring the Service Standards.

implications of developing service standards on related service areas, plans and publicity

- 23 The recommendations relating to the Service Standards are not in isolation. They form part of the overall recommendations, which will shape and direct a number of developments. These include the Service Improvement Plan, the production of a Tenant's Handbook and the revision of the Tenants Compact. Key staff in these and other areas will be consulted regarding the production of a detailed project plan.

human resource implications

- 24 The development of the project will be co-ordinated by two staff, with support from service managers who will feed into the consultation process with staff and customers.

financial implications

25 It is estimated that it will cost £1009 to produce 5000 colour copies and £1286 for 7000 colour copies of the Service Standards booklet.

timescale

26 The Inspectors have set a target deadline for this recommendation of May 2006.

RECOMMENDED

1 Committee approves the proposals to develop the Services Standards in line with the Inspectors' recommendations.

Officer responsible for the report

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Author of the report

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HOUSING SERVICES COMMITTEE

11 January 2006

Report of the Director of Housing Services
ALMO FUNCTIONS AND STRUCTURE

purpose of the report

To put forward proposals about the functions and structure of the ALMO, following a number of workshops, recent discussions about the emerging Government agenda, the indicative inspection and proposals to restructure the Council. These proposals will facilitate the Section 27 application to the ODPM on 27 January 2006.

background and guidance

- 1 Council decided to bid for ALMO status on 20 October 2004. It instructed the Director of Housing Services to submit a bid to Round 5 of the Government's ALMO Scheme. The bid was submitted on 28 January 2005. Part of the bid was a description of those functions the ALMO would discharge and its structure. These were agreed by a Special Housing Services Committee on 13 January 2005.
- 2 The bid was approved by the ODPM on 24 June 2005.
- 3 Since the submission of the bid, our understanding of the ALMO and the Council's continuing role in housing has developed. In particular we have been helped by
 - 4 internally facilitated workshops concentrating on an impact assessment
 - 2 externally facilitated workshops. The first led by Peter McHugh looking at roles and functions. The second facilitated by Mick Devine assessing the risks associated with ALMO
 - Recent Housing Inspection reports about ALMOs. In particular, reports on Hounslow (3 stars), Kirklees (3 stars), Blyth Valley (2 stars), Stockton (1 star) and Easington (1 star) have helped to develop our approach
 - Changes in the housing market and the market for ALMO capital and revenue contracts
 - The internal discussions about our response to the emerging Government agenda about sustainable communities, NRF and SSCF
 - The draft indicative ALMO inspection report
 - Proposals to restructure the Council

- 4 Taking the factors identified above, it is timely to review the functions the Council intends to delegate to the ALMO and its structure. The time is right because we are preparing to submit our 'Section 27 Application' to the ODPM on 27 January 2005. This is an application for permission to delegate functions to the ALMO. It is made up of:-
 - The ALMO's Articles of Association
 - The Management Agreement between the ALMO and Council
 - The Delivery Plan setting out performance targets for the ALMO
 - Descriptions of systems to liaise with and monitor the ALMO
- 5 It should be noted that the ALMO Board, when formally constituted, may change the structure and want to negotiate about functions.
- 6 In determining the function and structure of the ALMO, the Council will follow the Government's ALMO Guidance. This Guidance gives the Council some discretion in delegating functions and has been circulated previously.
- 7 In other areas the Council has less discretion because of constraints in the form of legislation, the Housing Inspection regime, further Government guidance or model agreements. The following areas will be the subject of further reports to Committee as part of the Section 27 Application:-
 - The ALMO Board and its constitution and governance
 - The Management Agreement
 - The monitoring arrangements
 - Procurement methods
 - Financial and accounting mechanisms
 - Customer involvement
 - Employment issues
- 8 The proposals have been drawn up with reference to the experience of existing ALMOs. Their view is that the process has four distinct stages. These are –
 - The bid stage when proposals are put forward which was completed in January 2005
 - The post bid approval stage when the Board is recruited, structures populated and refined, the Management Agreement negotiated and TUPE issues resolved;
 - The stage between ALMO 'go live' and the first 12 months. For the first 12 months ALMOs are permitted to use Council services. Successful ALMOs have done this. Not least because the expertise in running quasi local government bodies rests within the Council; and
 - The stage after the first 12 months of ALMO operation when arrangements are stabilised.

- 9 As the Government's ALMO policy develops and the ALMO Board is established, the position may change. The proposals should demonstrate the ALMO's independence (see guidance Section 9, page 42, paragraph L).
- 10 The general principle in this paper is to create and support a successful, high performing ALMO.

key documents

- 11 There are 3 key documents which will set out in detail the functions the Council will delegate, the Council's method of monitoring and those actions the Council expects the ALMO to deliver. These documents are –

- the Articles of Association;
- the Management Agreement; and
- the Delivery Plan

and together they form the Section 27 application to the ODPM.

- 12 The Articles of Association are the rules governing the conduct of the ALMO. The ODPM has given us a set of model articles. We are following these helped by our legal advisors.

- 13 The Management Agreement details the functions of the ALMO, the management fee to pay for the discharge of those functions and the monitoring arrangements. As with any other contractor the Council has the following interventions available –

- assistance;
- negotiation;
- vary the Management Agreement;
- intervention; and
- termination of the Management Agreement.

- 14 In practice this is the area of most debate between ALMOs and parent local authorities. As ALMOs mature they want to do more and to re-negotiate the management fee. This is the accepted way organisations develop in the public sector.

- 15 Again the ODPM has given us a model Management Agreement which we are following.

- 16 The Delivery Plan is, in effect, a service plan for the ALMO. It sets out what must be achieved by the ALMO. The first version will mirror the Council Plan. Future versions will include the ALMOs contribution to the Council's overall aims and objectives as well as its core functions.

- 17 The Council will monitor the ALMO on the contents of these 3 documents.

almo functions

18 The purpose of an ALMO is to manage and improve all or part of the local authority's housing stock. It is charged with the prudent management of the stock, delivery of the Decent Homes Standard and high quality housing services to tenants. The Guidance, Section 3, page 24, paragraph 3.3, sets out those functions which it could be appropriate for an ALMO to undertake. These include –

- Stock investment decisions and repairs ordering
- Rent collection, dealing with arrears, debt counselling; (The Council will stand any losses arising from non-collection by the ALMO. Targets for collection should be included within the Management Agreement)
- Consulting and informing tenants on matters which are the ALMO's responsibility
- Promoting tenant participation, including involving tenants in monitoring and reviewing service standards
- Enforcement of tenancy conditions
- Similar functions for leaseholders
- Managing lettings, voids and under-occupation
- Estate management, caretaking and housing related support services under the Supporting People programme.

19 Other responsibilities must not distract the ALMO from its primary focus. They should complement the ALMO's functions and improve the sustainability of its investment in decent homes.

20 Bearing this in mind, it is proposed that the ALMO takes on the following functions:-

- Neighbourhood operations except Street Wardens and Supported Housing (Homeline and Homelessness)
- Housing business support except Facilities Management and Housing Policy and Service Development
- ALMO finance and company secretariat

neighbourhood operations

21 Neighbourhood operations includes frontline services to tenants such as –

- allocations, lettings and under occupation;
- rent collection, dealing with arrears, debt counselling;
- estate management of dwellings and the areas within the boundaries of dwellings;
- tenancy management; and
- responsive repairs and maintenance ordering excluding at least initially the workforce

22 In the ALMO structure it could be renamed the Housing Management Division.

housing business support

23 Housing Business Support would deal with delivery of the Decent Homes Standard, the investment of the ALMO's capital resources and procurement. In the ALMO structure it could be renamed the Investment Division.

almo finance and administration

24 The ALMO must, as previously stated, demonstrate its independence. It will be responsible for the use of the management fee paid to it by the Council and its own governance. Consequently it will require its own financial and legal expertise. These can be procured from the Council, but must demonstrate to the Housing Inspectors that price and quality provide value for money. The functions would include –

- financial management reporting;
- audit and accounting;
- IT;
- human resources and personnel;
- company secretariat and governance;
- ALMO training;
- ALMO Health and Safety; and
- ALMO service development, tenant participation, equality and diversity and performance management

25 If these proposals are accepted, the following functions currently within the Housing Services Department would remain with the Council

- facilities management including a small team of generic workers doing repairs to civic building and assets such as the Civic Centre, cemeteries, leisure facilities;
- the Street Warden Scheme and Tenancy Enforcement
- Supported Housing;
- housing policy and service development; and
- the workforce, at least initially

the workforce

26 The proposal to retain the Workforce requires further explanation. The workforce currently operates within the Neighbourhood Operations division of the Housing Services Department. It provides services to council housing and some minor works to civic buildings. In short, its major client is the council housing stock. In the future, the ALMO will be responsible for this function.

- 27 There are 2 options for the workforce
- They are retained by the Council to enable the ALMO to concentrate on the first phase of its development
 - They are transferred to the ALMO
- 28 Managing the Workforce and repairs contract is one of the most difficult aspects of delivering the housing service. This is because of the:-
- Legal requirements to repair and keep gas and electrical appliances safe
 - Legislation and regulations around workforce health and safety
 - The last remnants of a provider led culture
 - Financial volatility of the budget.
- 29 There is an argument for the Council retaining the Workforce as an interim measure to:-
- Allow the ALMO to concentrate on the first phase of its development
 - Maintain the already good levels of performance and engender confidence in the ALMO from customers, Inspectors and the Council
 - Ensure the health and safety of customers
- 30 Retaining the Workforce assumes that:-
- The Workforce have deferred TUPE rights
 - The ALMO Delivery Plan requires the ALMO to prove value for money and enter into a contract for responsive repairs where TUPE will apply within 6 months of its formal start date
 - If the Council's Workforce does not win the contract, they will be 'TUPEd' to a new contractor.
- 31 Any important factor is TUPE. I have taken advice from The Personnel Department. The TUPE position is:-
- Council employees including the Workforce can have deferred TUPE rights for 12 months
 - Should the ALMO Board tender the contract before the 12 month period TUPE will apply
 - Should the ALMO Board not tender the contract, they would be in breach of the Delivery Plan and penalties could be applied covering the Council's costs
 - If the contract is let and the Council is not successful and TUPE protection does not apply, the Council will bear a cost of redundancy payments of not less than £750,000. This would be borne by the General Fund.
- 32 There are risks to be considered.

- 33 The key judgement is the likely success of the workforce in the open market at the moment. I have reached the view that it would be unlikely for the workforce to win the contract because
- Costs, particularly wages costs, are high
 - There is resistance to new working practices
 - Current terms and condition imposed on the Council through National Agreements inhibit flexibility and innovation
 - Critically, the market has developed with a number of new entrants. When the service was tendered in 2003, there was limited interest. However adding the opportunity of having access to additional ALMO capital has attracted competition. New entrants to the market have been successful in winning contracts. For example Gateshead ALMO has recently awarded its repairs contract to Morrisons. Stockton's ALMO is partnering with Dunelm Property Services.
 - The market is moving towards joint procurement and combining contracts. Government is encouraging ALMOs and social housing organisations to group repairs contracts to deliver efficiencies. Our current set up is locally focused and does not have the economies of scale available to national organisations or these with other contracts.
- 34 The period of retention will give the Council the opportunity to reform the working methods and efficiency in the lead up to tendering. A reformed service would be more likely to be successful in an open market competition. This would include exploring joint working opportunities in South Durham.

street wardens and tenancy enforcement

- 35 The Street Wardens (SWS) and the Tenancy Enforcement Team (TET) are important elements in the Council's approach to anti-social behaviour. The SWS is part General Fund and part HRA funded. They have a role wider than just the management of tenancies.
- 36 The TET was formed in 2003. Whilst their referrals came from housing staff their work has a must broader impact on the community. They spend much of their time on ASBO applications and serious high level anti-social behaviour.
- 37 Committee should note that ALMOs do not have the legal power to apply for ASBOs. Nor is there a statutory obligation to enforce the Tenancy Agreement to the extent that we currently do.
- 38 Again I propose that deferred TUPE applies.

structure of the almo

- 39 The guidance, Section 9, page 36, paragraph k, requires proposals about the structure of the ALMO to be put forward as part of the bid. If the proposals about the functions are agreed, the ALMO structure is reasonably straightforward.

form follows functions

- 40 A proposed structure is set out in Annex 3. The bid guidance makes no reference to the levels of remuneration for ALMO officers. This is an issue for the ALMO board. Committee may want to note that
- ALMO status brings extra capital but no extra revenue. Therefore remuneration for all ALMO staff must be commensurate with the management fee paid by the Council and be sustainable in the longer term
 - The finance and administration functions cover the role of company secretary. This role is relatively new in terms of local authority housing, but it brings with it specific responsibilities within company law. The Housing Inspectors have paid particular attention to the discharge of the financial and administration functions in relation to governance of the ALMO.
- 41 The ALMO can, and many do, buy into the specialist financial, legal, IT, personnel and regeneration advice available from the Council for its first 12 months of operation. The Council will retain a number of financial functions such as:-
- Management of borrowing to fund capital works
 - Preparation and management of HRA budget
 - Completion of statutory HRA accounts and returns e.g. subsidy, capital receipts pooling
 - HRA revenue and capital monitoring
- 42 The market for these services is, as yet, untested. Most expertise in, for example, managing the HRA subsidy claim rests within local authorities. However, it is proposed that, as with the Workforce, support staff will be given preserved TUPE pending the outcome of any ALMO tendering exercise.

the council's continuing housing role

- 43 The Council continues to have a very important housing role. This includes
- Overall housing strategy and policy, including liaison with RSLs, housing needs assessments, and cross tenure stock condition surveys
 - Homelessness responsibilities
 - Lettings policy, in consultation with the ALMO
 - General housing advice, but not that related to an individual tenancy
 - Policy on tackling anti-social behaviour, in consultation with the ALMO and with clear responsibilities and procedures for dealing with actual incidents
 - Owner occupation strategies, including the formal determination of eligibility for Right to Buy and carrying out RTB valuations, though administration of RTB could be by the authority or the ALMO
 - Housing benefit/rent rebate administration, although an authority may wish to consider the scope for an ALMO to verify claims on its behalf
 - Tenant participant in developing housing policy and strategy

- Overall policy on rents
- Programme of Best Value reviews, in consultation with the ALMO
- Progress reporting on energy efficiency measures under the Home Energy Conservation Act 1985
- Determining minimum standards of service required of the ALMO and monitoring its performance
- Managing the Supporting People programme, including reviews; ensuring the provision of good quality, strategically relevant, value for money services, and, developing and implementing the five year strategy
- Monitoring the ALMO.

44 It is reasonable to assume that the Council's housing role will need to be supported and developed as part of the process of establishing the ALMO. This is not only to monitor the ALMO effectively, but also to discharge the distinct functions listed above.

the hra

45 Committee will note that the Council will continue to manage the HRA. The Council will pay the ALMO a management fee, but will still be responsible for the other elements of the HRA such as debt management and subsidy claims. This is a considerable continuing responsibility.

financial implications

46 Whilst the financial implications of the ALMO bid have been budgeted for in 2004/05, setting up the ALMO will have major financial implications for the Council. These include

- Access to extra capital to meet the Decent Homes Standard
- The continued maintenance of the HRA
- Financing the Council's strategic and operational capacity of the Council
- The negotiation and allocation of the ALMO management fee
- The expected use of available capital receipts to complement the ALMO's spending priorities
- The additional costs of monitoring the ALMO
- The budget of some £300,000 within the HRA to cover set up costs
- Potential diseconomies of scale
- Funding the continuing role in housing

legal implications

47 The main legal implications of this report relate to

- The legal status of the ALMO
- The management arrangements, transfers of staff and use of assets
- The delegation of support services to the ALMO

human resource implications

- 48 Initial consultation with staff has taken place. More detailed consultation will follow. Setting up the ALMO bid will lead to activity related to TUPE, transferring staff to the ALMO and retaining staff within the Council. Careful discussions with the unions will be central to this work.

community safety implications

- 49 The ALMO will deliver certain community safety related services such as tenancy enforcement. Discussions will be undertaken with a view to the ALMO becoming a partner within the Wear and Tees Community Safety Partnership.

RECOMMENDED

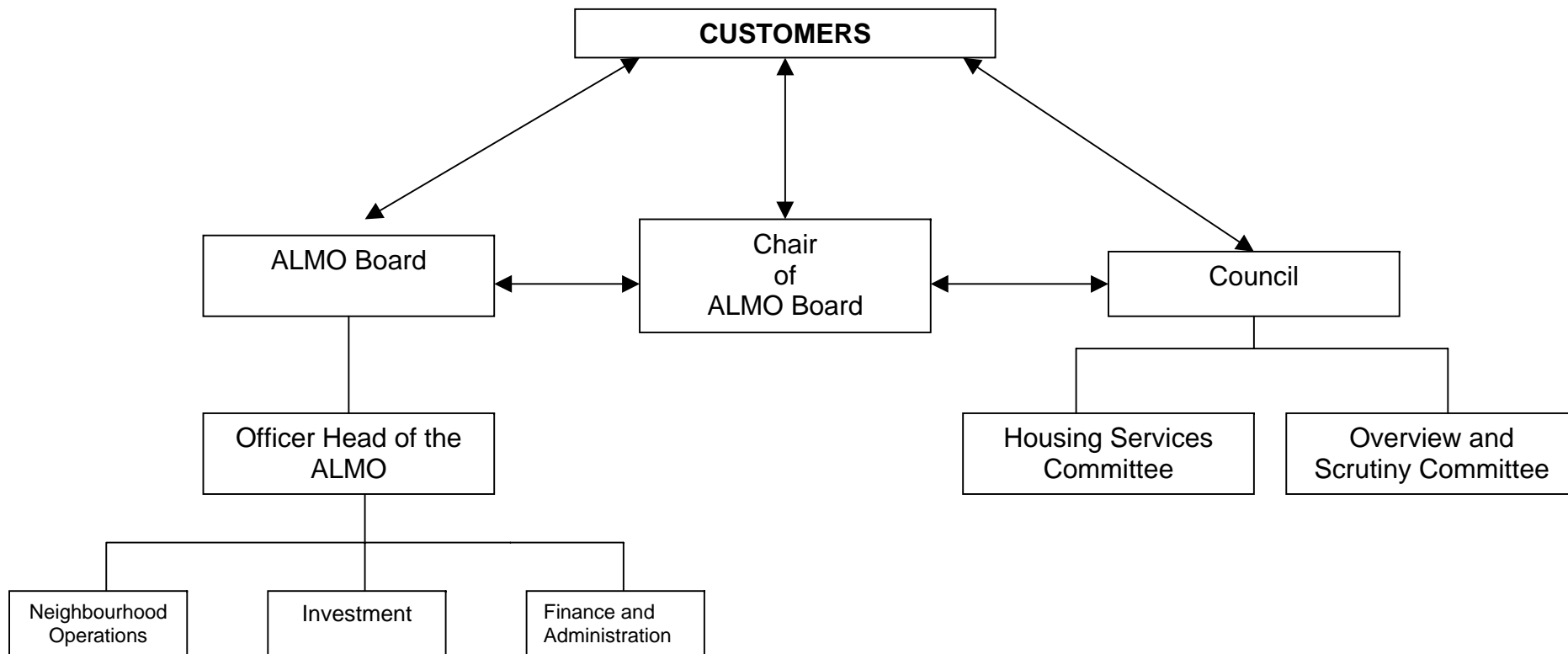
- 1 The staff as detailed in this report are retained by the Council with deferred TUPE subject to the ALMO delivery plan requiring the award of contracts before the expiry of TUPE protection.
- 2 The functions and structure of the ALMO are approved.

Officer responsible for the report

Michael Laing
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Author of the report

Michael Laing



Arms Length Management of Local Authority Housing: Application for approval under Section 27 of the Housing Act 1985

Application for approval to the Secretary of State under section 27 of the Housing Act 1985, to transfer housing management responsibilities to an Arms Length Management Organisation.

Local Housing Authority: Wear Valley District Council

INTRODUCTION

This application sets out the arrangements that Wear Valley District Council has made for the delegation of responsibility for housing management to Dale & Valley Homes.

The Council applied for a place on round 5 of the Government's ALMO programme in January 2005. Following the acceptance of the application in June 2005, the Council has worked in partnership with customers, staff, partners and key local stakeholders to develop the ALMO proposal. The Council has ensured that the proposal to establish an ALMO to manage, repair and improve our customers' homes continues to be supported as the major means by which the Decent Homes Standard will be achieved by 2010.

Our aim is to be the *"best district council in England"* and we intend to achieve this by leading the way to the very best housing of choice for everyone, that directly contributes to sustainable and balanced community throughout the district. The ALMO will enable the achievement of our aim by providing decent homes, in clean, green and safe neighbourhoods, which are supported by a high quality housing management service for all our customers and potential customers.

We have continued to work closely with our colleagues in Government Office for the North East and the Community Housing Task Force. We have also worked in partnership with PS Consultants, the Independent Tenant's Advisor (ITA) and with other ALMOs and Councils throughout the North East region and England. This partnership working has enabled us to learn from best practice through valuable consultation and to undertake an informed approach to the establishment of Dale & Valley Homes. We believe that through partnership working and through the support of the Customer Panel, the Audit Commission and the National Federation of ALMOs we have created the foundation of a truly "can do, will do" organisation.

The format of this application follows the Office of the Deputy Prime Minister's "Guidance on Arms Length Management of Local Authority Housing" (2004).

SECTION 1: HOUSING STOCK

In this section we will:

- Set out the number and type of dwellings to be managed by the ALMO;
- Forecast how stock numbers are to change each year over the period to 2010;
- Give the date of the most recent Stock Condition Survey and summarise its findings, including the number of tenanted dwellings for which the ALMO will be responsible that currently meet the Decent Homes Standard; and
- Provide details of any other land or buildings the ALMO will be responsible for.

Q1 Number and type of dwellings to be managed: Tenanted Properties

Property Type	Year Ending					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	31.03.10
Houses and Bungalows	4508	4260	4023	3811	3611	3491
Flats and Mainsonettes	369	362	355	337	320	310
Retirement Housing	0	0	0	0	0	0
TOTAL MANAGED STOCK	4877	4622	4378	4148	3931	3801

Number and type of dwellings to be managed: Leaseholder Properties

Property Type	Year Ending					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	31.03.10
Houses and Bungalows	0	0	0	0	0	0
Flats and Mainsonettes	7	9	11	13	15	17
Retirement Housing	0	0	0	0	0	0
TOTAL MANAGED STOCK	7	9	11	13	15	17

As at the 31 March 2006 Wear Valley District Council's housing stock is predicted to be 4622, these homes will be managed by Dale & Valley Homes. The housing stock is made up of the archetypes broken down in the table above. Forecasted changes of how the housing stock is set to reduce each year up to the period to 2010 are set out in the following table.

Forecasted reductions to the housing stock up to 2010

Property Type	Year					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	31.03.10
Houses and Bungalows	252	248	237	212	200	120
Flats and Maisonettes	43	7	7	18	17	10
Retirement Housing	0	0	0	0	0	0
TOTAL STOCK	295	255	244	230	217	130

These projections are based on current Right to Buy trends. This illustrates that the Council's housing stock is projected to deplete by 1076 houses by 2010.

Q2 Stock Condition Survey

The Council commissioned consultants, Property Tectonics to undertake a survey of the condition of the housing stock in 2002. The survey internally and externally examined a 10% sample of the Council's housing stock. The sample included flats, houses, bungalows and sheltered flats schemes. The stock was divided into dwelling archetypes, this being a group of similar properties with regard to their age, size and construction type.

The main structural elements to traditional built buildings were found to be generally sound, but a significant number of the properties surveyed suffered from single glazed windows, many of which were noted to be in a poor condition. As a consequence many properties failed the Decent Homes Standard on this basis. In addition a high proportion of the kitchens and bathrooms surveyed were considered to be old and in a poor condition. Despite this a majority of the properties benefited from full central heating and many had cavity wall insulation.

The final report produced by Property Tectonics in April 2002 highlighted the following in relation to the Decent Homes Standard:

- 49% were classed as decent homes
- 42% were classed as non decent homes
- 9% were classed as potentially non decent homes

Unfortunately, the overall condition of the Council's housing stock has been in a state of deterioration for a number of years, as the required levels of repairs have not been undertaken because of a lack of resources. Historically the Council has undertaken energy efficiency improvement works, including the replacement of heating systems and cavity wall insulation. Where this has improved the SAP rating of homes it has not helped to maintain the exterior of our properties. The Major Repairs Allowance (MRA) has enabled the Council to embark on a programme of reroofing, the replacement of doors and windows and the installation of new kitchens and bathrooms. However, there is a need to investigate the condition of the electrical installations in the housing stock, taking specialist advice, in light of Part P of the Building Regulations and of the length of time since electrical wiring was subject to capital investment, and to plan to address any issues that are highlighted as a result.

In December 2005 the Council found that due to a sustained programme of Capital Works investment into properties 2848 of the homes that are to be managed by Dale & Valley Homes now meet the Decent Homes Standard. This equates to 58% of the total housing stock. However it still remains that 42% of homes that Dale & Valley Homes will be responsible for are not classed as "meeting" the Decent Homes Standard.

Q3 Additional land and buildings the ALMO will be responsible for

Dale & Valley Homes will manage:

- 838 garages
- 231 garage sites, which are located on HRA land and for which ground rent is charged
- 12 common rooms in sheltered housing schemes, which are used by the public as community common rooms

The following office facilities will also be made available to Dale & Valley Homes should the company wish to use them:

- Neighbourhood office on Woodhouse Close estate
- A portion of the second floor and a shared reception area in the Council's main office, the Civic Centre, Crook
- A cashier function in Old Bank Chambers Office, Bishop Auckland and the Civic Centre, Crook

SECTION 2: DELEGATION OF FUNCTIONS

In this section we will:

- Set out the housing management functions to be delegated to Dale & Valley Homes.
- Identify any functions or responsibilities that will transfer to Dale & Valley Homes that are not housing management functions.

Q4 The housing management functions to be delegated to Dale & Valley Homes

The Council have followed the ODPM's "Guidance on Arms Length Management of Local Authority Housing" (2004) to determine the role and responsibilities of Dale & Valley Homes in discharging the housing management function. The Council understands that the primary objective of Dale & Valley Homes is the prudent management of the housing stock, the delivery of Decent Homes and a high quality housing service to tenants. In the light of these key responsibilities the Council has identified which housing functions to retain and which to delegate to Dale & Valley Homes. The functions Dale & Valley Homes will deliver are:

- Stock investment decisions and repairs ordering
- Rent collection, dealing with arrears and debt counselling
- Consulting and informing tenants on matters which are the ALMO's responsibility
- Promoting tenant participation, including involving tenants in monitoring and reviewing service standards
- Enforcement of tenancy conditions
- Similar functions for leaseholders
- Managing lettings, voids and under occupation
- Estate management, caretaking and housing related support services under the supporting people programme
- Repairs and maintenance of local authority housing – excluding responsibility for the direct labour workforce

It is proposed that Dale & Valley Homes will therefore assume responsibility for the following functions:

- Neighbourhood operations, except Street Wardens and Supported Housing (Homeline and Homelessness);
- Housing business support, except facilities management, housing policy and service development; and
- ALMO finance and company secretariat

Neighbourhood Operations

The Neighbourhood Operations function includes frontline services to tenants such as:

- Allocations and lettings and under occupation;
- Rent collection, dealing with arrears and debt counselling;
- Estate management of dwellings and the areas within the boundaries of dwellings;
- Tenancy enforcement; and
- Responsive repairs and maintenance, excluding (at least initially) the direct labour workforce.

The Delivery Plan requires Dale & Valley Homes to carry out an independent Best Value review and procurement exercise to achieve value for money in repairs. This will determine the longer term arrangements for the direct labour workforce.

The Council's intention is to allow Dale & Valley Homes, in its first twelve months, to concentrate on value for money and service quality rather than the management of the direct labour workforce.

Housing Business Support

The Housing Business Support function will focus on the delivery of the Decent Homes Standard, the investment of the ALMO's capital resources and procurement.

ALMO Finance and Administration

The Council recognises that Dale & Valley Homes must demonstrate its independence. The new company will be responsible for the use of the management fee paid to it by the Council and its own governance arrangements. Therefore Dale & Valley Homes will require its own financial and legal capacity. The functions of a finance and administration section will include:

- Financial management reporting;
- Audit and accounting;
- Human resources and personnel;
- Company secretariat and governance arrangements;
- Training;
- ALMO health and safety; and
- ALMO service development, tenant participation, equality and diversity and performance management. This includes reporting performance and progress against the Delivery Plan and the Management Agreement to the Council on a regular basis

Q5 Additional Responsibilities

The Council recognises that other responsibilities must not distract Dale & Valley Homes from its primary focus, but should complement the company's functions and improve the sustainability of its investment in Decent Homes. The Council has also identified a key responsibility for Dale & Valley Homes to work in partnership with the Council, customers and other key stakeholders in discharging the following key functions. Dale & Valley Homes will:

- Contribute to the Community Plan and the achievement of its objectives, and the Council Plan and the achievement of its objectives;
- Contribute to the development of a Housing Strategy for the district;
- Monitor and update the Stock Condition Survey of local authority homes;
- Contribute to the planning, review, monitoring and delivery of energy efficiency measures;
- Take responsibility for the implementation of equalities and diversity policy and practices in relation to local authority housing;
- Observe best practice procurement policies and subject services to a review based on Best Value principles on an annual basis; and
- Assist the Council to prepare the HRA Business Plan.

The Council proposes that no functions or responsibilities be delegated to Dale & Valley Homes that are not listed in the ODPM's "Guidance on Arms Length Management of Local Authority Housing" (2004).

SECTION 3: THE COUNCIL'S FUTURE ROLE

In this section we will:

- Describe the key elements of the arrangements that the Council will operate to discharge its strategic housing role, including arrangements to ensure this role is adequately resourced;
- Set out the arrangements for the Council to discharge its responsibilities under its agreement with Dale & Valley Homes and the Council's role in monitoring the company's performance;
- Provide details of any controls that the Council proposes to retain over decisions to be taken by Dale & Valley Homes; and
- Summarise the Council's current position on rent restructuring and lettings policy.

Q6 Strategic Housing Role

The Council will continue to have a very important strategic housing role. The Council's responsibilities will include:

- Overall housing strategy, including liaison with RSLs, housing needs assessments and cross tenure stock condition surveys;
- Homelessness responsibilities;
- Lettings policy – in consultation with Dale & Valley Homes;
- General housing advice, but not that related to an individual's tenancy;
- Policy on tackling anti social behaviour, in consultation with Dale & Valley Homes and with clear responsibilities and procedures for dealing with actual incidents;
- Owner occupation strategies, including the formal determination of eligibility for Right to Buy and carrying out Right to Buy valuations;
- Housing benefit/rent rebate administration, although the authority may wish to consider the scope for Dale & Valley Homes- to verify claims on its behalf;
- Tenant participation in developing housing policy and strategy, Community Plans and corporate planning;
- Overall policy on rents;
- Programme of Best Value reviews in consultation with Dale & Valley Homes;
- Progress reporting on energy efficiency measures under the Home Energy Conservation Act 1985;
- Determining minimum standards of service required of Dale & Valley Homes and monitoring its performance;
- Service development;
- Equalities and diversity;
- Value for money;
- Customer care; and
- Managing the Supporting People programme, including reviews, ensuring the provision of good quality, strategically relevant, value for money services and developing and implementing the five year strategy.

Arrangements to discharge the strategic housing role

The Council is currently made up of four strategic departments, each of which are responsible for the management and delivery of public services to the residents of Wear Valley. The departments include:

- Housing Department: Responsible for housing strategy and policy, public sector housing management, maintenance and repair;
- Regeneration Department: Responsible for economic development, the administration of major funding streams, such as NRF, the management of private sector housing policies and strategies and the administration of private sector home improvement grants;
- Central Resources Department: Responsible for managing housing benefits and for corporate support to all departments, including financial management, legal services and HR; and
- Community Services: Responsible for leisure facilities, events management and waste management and recycling.

As a result of the decision to establish Dale & Valley Homes, the Council has started to plan for a major restructure to each of its departments in order to effectively manage the expanding local government modernisation agenda and to meet the strategic housing needs of the Wear Valley district.

A new service will be established and will take responsibility for the following strategic housing functions:

- Housing strategy for the public and private sector;
- Policy and strategic development for the ALMO;
- Private sector housing and improvement grants;
- Housing management and repairs;
- Supported housing; and
- Tenancy enforcement

The service will be staffed with a dedicated housing strategy team, which will include an ALMO Liaison and Monitoring Officer. The Council will therefore concentrate the delivery of the strategic housing function within one service, which will enable a “joined up” approach to the management and development of housing strategy. These posts will come at some additional cost.

The Council proposes to establish a governance and monitoring arrangement with Dale & Valley Homes that is based on the good practice set out in the Community Housing Task Force’s “ALMO Governance Resource Pack”. Monthly meetings will take place between the Chair of the ALMO Board and the Council’s Chief Executive. The Officer Head of Dale & Valley Homes will also meet with the Chief Officer with responsibility for ALMO performance monitoring on a quarterly basis. Dale & Valley Homes will produce an annual Performance Plan will also be produced in consultation with the Council. Dale & Valley Homes will also work in partnership with the Council to update the Council’s annual Best Value Performance Plan.

The Council will monitor Dale & Valley Homes' performance and progress by establishing a robust reporting arrangement between a representative of Dale & Valley Homes and the Council's ALMO Liaison and Monitoring Officer. In accordance with the Management Agreement these officers will meet at least once a month to discuss:

- Operational issues;
- The manner and extent of Dale & Valley Homes' provision of housing management services in relation to the Management Agreement and Delivery Plan;
- Financial and budgetary issues; and
- Any other relevant issues that arise.

The ALMO Liaison and Monitoring Officer will continually report progress against the Delivery Plan to the following groups within the Council:

- Department Management Team;
- Corporate Management Team, which is made up of all directors and the Chief Executive; and
- Strategic Management Group, which is made up of the Councillor chairpersons of all the Council's Committees

The ALMO Liaison and Monitoring Officer will also use the information provided by Dale & Valley Homes to prepare quarterly performance reports for Housing Services Committee and Scrutiny Committee.

The Housing Revenue Account

The Council will continue to manage the Housing Revenue Account (HRA) and will pay Dale & Valley Homes a management fee. The Council will retain responsibility for other elements of the HRA's management including debt management and subsidy claims.

The Council will also retain responsibility for the management of HRA Business Planning process, but will work in partnership with Dale & Valley Homes to discharge this function.

Management Agreement

Since January 2005 the Council has undertaken extensive research into how the Council can establish a positive and mutually supportive relationship with Dale & Valley Homes. The research has included:

- Joining the National Federation of ALMOs;
- The establishment of an internal "Project Management Team" which includes representation of all the Council's departments;
- The establishment of a Customer Panel ALMO Steering Group;

- 4 internally facilitated workshops concentrating on the social, economic, political and environmental impact of the ALMO onto the Council and the district's community;
- 1 workshop facilitated by Peter McHugh (Community Housing Task Force, author of the ALMO Governance Resource Pack and advisor to the ODPM) to determine the role and functions of the ALMO and the future responsibilities of the Council; and
- 1 risk assessment workshop, facilitated by Mick Devine, Corporate Risk Manager, Easington District Council, to establish "threats" to the Council and the ALMO and to plan strategies to minimise risk and to deal with under performance.

This research has enabled the Council to identify its role in "parenting" and eventually "partnering" the new housing company. The Council will use the Management Agreement to ensure that this relationship is clear and positive. The Management Agreement will also maintain a balance between the Council's broader responsibilities for the management of the strategic housing function and the management of the HRA and Dale & Valley Homes having the freedom and flexibility to deliver high quality housing management services and achieving the objectives of the Delivery Plan.

The Council recognises that the Management Agreement and Delivery Plan are the central tenet to the Council's monitoring of the performance and delivery of the ALMO. Dale & Valley Homes will be required to report against specific performance objectives, including:

- Improvements against national and local performance indicators;
- Progress against the Decent Homes target;
- Customer care and service delivery;
- Financial controls and budgeting;
- Assistance in delivering the objectives of the Council Plan, the Community Plan and the Housing Strategy for the district; and
- Performance in relation to the achievement of a minimum of 2 stars at a full Best Value inspection of housing services.

However the Council recognises the importance of the ALMO operating independently.

Q7 Retained Controls

The Council does not intend to retain any controls over Dale & Valley Homes in addition to those set out in the model Management Agreement.

Q8 Rent Restructuring

The Council will continue to set rent levels in accordance with requirements as set out in the Government's policy on rent restructuring. This policy includes provision to prevent any excessive increase to any individual tenant.

Lettings Policy

The Council's current allocations policy is "points" based in relation to the preference groups as set out in the Housing Act 1996. The Council currently operates an open register which does not restrict the choice of customers or potential customers with regard to the area in which they would like to live. The register does not penalise refusals. Although the Council does not yet operate a "Choice Based Lettings Scheme" the Council is currently working with neighbouring authorities to develop a bid to introduce a "sub regional " Choice Based Lettings Scheme across the district Councils in County Durham.

SECTION 4: BEST VALUE REVIEW AND INSPECTIONS

In this section we will:

- Give the dates, scope and a brief summary of the findings of any Best Value reviews undertaken by the Council or inspections undertaken by the Housing Inspectorate of any or all of the Council's housing management service;
- Give the date, scope and any available further information about any Best Value review or inspection covering the organisation, functions and operation of the ALMO and its links with the Council that are planned; and
- Confirm that a definite timetable has been agreed with the Inspectorate.

Q9 Best Value Inspection 2001

The Council's repairs and maintenance service and the Property Services section were subject to a Best Value review in November 2001. The review focused on the following areas:

- Responsive repairs;
- Repairs to vacant properties;
- Revenue and capital funded planned maintenance;
- Gas servicing; and
- Property services.

The Housing Inspectorate found the service to be a poor, no star service, with uncertain prospects for improvement. The service was found to be poor for the following reasons:

- Low levels of service information were shared with customers and customer input into the service was limited;
- The focus of the service was on internal processes within the Council rather than on outcomes for customers;
- Performance was poor in comparison with similar Councils;
- The cost effectiveness of the service was not being demonstrated;
- Customer welfare and needs were being neglected;
- A range of working practices were found to be inefficient and ineffective; and
- There was a distinct lack of performance management systems in place both within the housing service and across the Council to address the poor performance of services .

The Housing Inspectorate believed that the service was unlikely to improve for the following reasons:

- Despite the recognition of Chief Officers of the need for change, and their commitment to delivering this change, there was a lack of management capacity elsewhere within the service to deliver the significant scale of change required; and

- Although some Councillors were clear on the need for change, wider member support for the level required was not evident.

The Housing Inspectorate made a significant number of recommendations to tackle these weaknesses and inequalities in service provision, poor performance management and poor access to services. The Council was advised to:

- Ensure compliance with gas regulations for the safety of tenants;
- Review and simplify repair response times;
- Revise the Service Improvement Plan with customers and stakeholders to agree priorities with clear outcomes for service users;
- Ensure corporate and political commitment to a change agenda to drive improvement and place customers at the centre of service planning, review and delivery;
- Increase the participation of service users in a range of Council services;
- Ensure the effective involvement of tenants in developing and managing the housing service;
- Work with tenants to introduce ways of measuring and monitoring customer satisfaction with the repairs service;
- Agree with customers a preferred method of customer access to housing and the repairs service;
- Develop a clear strategy with tenants to switch resources from responsive repairs to planned maintenance programmes to maximise value for money;
- Review repair contracts and demonstrate value for money by tendering in a market where competition exists;
- Set measurable and challenging targets that will demonstrate benefits to customers with reference to the top performing 25% of authorities using local and national comparisons against recommended good practice indicators;
- Develop a stock investment strategy based on estate/property sustainability criteria; and
- Deliver value for money in the repairs service so that excessive surpluses are not made out of the Housing Revenue Account (HRA).

Best Value Inspection 2003

The repairs and maintenance service was reinspected by the Housing Inspectorate in June 2003, as part of the Audit Commission's commitment to the reinspection of all no star services. The reinspection took into account findings from the previous inspection and concentrated on progress made, improvement and the impact achieved and all relevant developments since the 2001 inspection. The inspection also examined corporate responses to the earlier inspection judgement as well as service responses and the Council's capacity to deliver further improvement.

The Housing Inspectorate found that the Council was providing a fair, one star service, with uncertain prospects for improvement. The Inspectorate considered the service to be fair as although it had some strengths there was

still some evidence of weaknesses in the service that were in need of address. The main service strengths were:

- A strong customer focus;
- Increasing and genuine tenant involvement;
- Tenants annually appraising the performance of the Director of Housing Services;
- A tenant compact, complete with a detailed action plan;
- Positive and improving customer satisfaction with repairs;
- Staff training in customer care and equalities;
- Translation and language facilities made available;
- The introduction of a repairs call centre, improving access for tenants;
- The introduction of a repairs appointment system;
- The adoption of a lettable standard (although limited);
- The completion of the stock condition survey;
- The completion of the Housing Needs Survey;
- The Government Office rating for the Housing Strategy and Business Plan improved to average;
- HRA surpluses were no longer transferred to the Council's General Fund;
- Efficiency improved through bringing the direct labour workforce in house and reducing areas of duplication;
- Improved gas safety procedures; and
- Agreement of a planned maintenance programme in advance of the financial year.

The inspection also highlighted key areas of weakness that the Council must address. These included:

- Inconsistent levels of tenant involvement, which was at a low level because of the limited number of tenants involved, so the Council's performance was not effectively challenged;
- Limited information available to tenants about the standards of service they can expect from the repairs service;
- The service did not comply with the CRE code of practice in rented housing;
- The Council did not have a robust strategic approach to the management of empty homes;
- Financial management was weak, leading to cuts in services without effective consultation with tenants;
- The multi skilling of operatives had not been introduced;
- The repairs service had restricted working hours;
- The Council had not demonstrated or achieved value for money in its repairs service;
- There was little quality control in the form of credible post inspections in the repairs service;
- The split of expenditure between planned and responsive repairs was adrift of good practice;
- The demolition of surplus homes was slow and expenditure was being incurred in unsustainable homes;

- The Council lacked robust performance management information on its own targets for repairs, void repair times, recharges, lettings refusals and gas services; and
- The Council lacked clarity about many aspects of the service, which hampered service delivery and confused customers on the service they could expect.

The Housing Inspectorate believed that the prospects for improvement were uncertain because despite positive drivers for service improvement, there were some barriers. The positive drivers included:

- There was a track record of improvement in some aspects of the service;
- A new performance management framework had been adopted; and
- There was recognition that managerial and councillor capacity was in need of development.

Barriers to improvement included:

- Financial planning and control issues had not been fully addressed;
- All of the recommendations of the previous inspection had not been delivered;
- Areas of performance management were weak;
- There was a lack of a strategic approach, with particular reference to empty homes ;
- There were a series of value for money issues in relation to responsive repairs that meant that finance was being wasted;
- There was no medium term plan for the HRA;
- There were no long term targets for the service; and
- There continued to be limited capacity at a political and middle management level to take tough and difficult decisions.

The Council subsequently revisited the Service Improvement Plan and addressed these key areas of weakness and barriers to improvement.

Indicative Inspection of the ALMO September 2005

The Council's Housing Department was subject to an indicative inspection, undertaken by the Audit Commission's Housing Inspectorate, throughout September 2005. The inspection concentrated on the housing management services that will be delivered by Dale & Valley Homes, therefore the inspection excluded the supported housing function, including homelessness and Supporting People and some elements of regeneration.

The indicative inspection found the service to be a fair, one star service with promising prospects for improvement. The service was found to be fair for the following reasons:

- Service standards have been agreed with residents who are involved in monitoring their delivery;

- Customers can access services in a range of convenient ways, including through local offices, text messaging and the internet;
- Action is being taken to respond to the needs of diverse communities, including working with hidden groups such as travellers, making offices DDA compliant for people with disabilities and providing support to people who are victims of domestic violence and hate crime;
- Stock condition has been effectively assessed and this data is being used to inform property improvements to meet the Decent Homes Standard and residents have been involved in agreeing the specification of works and contractor appointments;
- There is an effective system in place to provide precise 15 minute appointments to residents for responsive repairs;
- Gas servicing is being carried out on time;
- There are a variety of convenient ways for residents to pay their rent and comprehensive debt advice is available;
- Residents can register their preferred method of being involved in the activities of the Housing Department and this has been used to consult residents about services;
- Tenancy enforcement has been prioritised and the estate warden service has been effective at reducing crime and fear of crime;
- Grounds maintenance is to a high standard; and
- Modern procurement methods have been used to secure value for money, through partnering arrangements and joint working through consortia to maximise purchasing power.

A number of weaknesses were also found, including:

- An access audit has not been carried out to assess whether services are accessible to all residents and whether there are any barriers for hard to reach groups, including residents living in rural areas;
- There are no diversity targets specifically for the Housing Department, such as lettings and staff levels to ensure they are representative of the local community;
- Levels of responsive repairs when compared to planned repairs is high;
- The lettable standard is basic;
- The management of low level anti social behaviour cases is not satisfactory; and
- There has only been a limited assessment of service delivery costs

Despite these weaknesses the Housing Inspectorate believe that the Housing Department has “promising prospects for improvement” because:

- There is a track record of improving performance and using performance indicators for a range of services;
- Most of the recommendations from previous inspections have been implemented;
- Investment needs have been assessed and used to inform stock options;
- There are effective business planning arrangements to agree priorities and targets
- Plans are comprehensive and SMART;

- Leadership is effective and this has resulted in difficult decisions being made about the housing stock and staffing structures;
- There is learning from other providers through joint working;
- Training programmes are in place to address skills gaps and respond to emerging issues;
- The department takes advantage of external investment opportunities; and
- There is evidence of savings being made through new ways of working.

Through the implementation of the Delivery Plan Dale & Valley Homes will address the key recommendations of the Indicative Inspection Report, to ensure that a good two star rating is achieved at a full Best Value inspection six months after the organisation has been set up. Dale & Valley Homes will:

- Strengthen service user and resident focus by clearly publicising commitment to high standards of service, responding promptly to queries and issues raised by residents, proactively managing estates and basing all services on resident needs and expectations;
- Strengthen performance management by basing service development on valuable customer feedback, proactively monitoring performance to identify areas of poor performance and sharing good practice;
- Respond promptly and agree a strategic approach to emerging issues for residents and landlords by using resources efficiently and economically, responding to the needs of minority groups and providing clear commitments and guidelines on the company's approach to service development and delivery based on legislation and good practice.

Q10 Full Best Value Inspection of the ALMO 2006

The Housing inspectorate will undertake a full Best Value inspection of the organisation, functions and operation of Dale & Valley Homes and its links with the Council in November 2006. This inspection will take place 6 months after Dale & Valley Homes has been established.

SECTION 5: TENANT ISSUES

In this section we will:

- Summarise how tenants and leaseholders of dwellings for which Dale & Valley Homes will be responsible have been consulted about the ALMO proposal;
- Set out how the Council has established whether a majority of tenants and leaseholders fully appreciate the implications of the ALMO proposal, including the requirement for a 2 star rating from the inspectorate to qualify for additional resources;
- Provide evidence of tenants' and leaseholders' support for the ALMO proposal, providing details and dates as appropriate; and
- Provide the details of Tenant Management Organisations.

Q11 Tenant and leaseholder Consultation

The Council has undertaken an extensive programme of consultation with customers and key local stakeholders since July 2005. The Council has taken an innovative approach to the consultation exercise by working closely with the Customer Panel and its nominated Customer Panel ALMO Steering Group, in designing and delivering an inclusive programme of consultation.

The Customer Panel is made up of representatives from each of the district's 13 constituted tenants and residents groups. In January 2005 the Customer Panel nominated 11 representatives to become the Customer Panel's own ALMO Steering Group to work with the Council and PS Consultants, the Independent Tenant's Advisor, to devise a programme of consultation for customers on the ALMO proposal.

The following table sets out the programme of consultation delivered across the district.

Activity	Date	Method	Outcome
Posters, leaflets and articles in Council publications	Jan 2005 onwards	Wear Valley Matters and Wear Valley Housing Matters	Continually raised awareness of ALMO proposal
Name the ALMO competition	Feb 2005	Wear Valley Housing Matters/Council website	35 entries received
Mini Community Conference on housing issues	June 2005	Mini Community Conference in partnership with LSP Housing Thematic Group	Open invitation to tenants/leaseholders and members of the community to attend a presentation and workshop on the ALMO proposal

Activity	Date	Method	Outcome
Information stands, presentations and suggestion boxes at summer fayres and shows	August 2005	Bishop Auckland Show and Wolsingham Agricultural Show	At Wolsingham Show the Wear Valley District Council Housing information marquee was visited by up to 5000 people over 2 days. Suggestions were received on the ALMO proposal and name and logo.
Annual Customer Panel Bus Tour	August 2005	Bus tour of the district led by members of the Customer Panel	Customers and Council staff handing out "goodie" bags of information on the ALMO and knocking on doors to check customer understanding of the ALMO proposal. 25 requests from customers to be included on a dedicated ALMO information database.
All tenant newsletter, explaining the ALMO proposal and advertising tenant Board member vacancies	August 2005	Newsletter prepared by PS Consultants and agreed by the Customer Panel ALMO Steering Group, GONE and the Council	3 applications for a place as a tenant representative on the ALMO Board.
Provision of a freephone number for tenants to contact PS Consultants	August 2005 - onwards		Approx 50 calls received since August 2005.
Publications, including a fact sheet, posters and leaflets available to all tenants in all offices	August onwards	Fact sheet prepared by PS Consultants. Information available in all offices for customers to access. Stand complete with posters and information in the Civic Centre. Suggestion box provided.	Suggestions on the ALMO name and requests for further information received.

Activity	Date	Method	Outcome
PS Consultants visit to all tenants and residents groups	August 2005 – Nov 2005	ITA visiting all tenants and residents groups across the district	PS Consultants giving presentation on ALMO proposal to all tenants and residents groups across the district.
Letter to all tenants	Oct 2005	Letter to all tenants from the Chair and vice chair of the Customer Panel advising on the ALMO proposal and advertising vacancies on the ALMO Board	28 requests for information received from customers on the ALMO proposal and application forms for the Board. 11 completed Board Member application forms received by PS Consultants.
Second newsletter distributed to all tenants "Test of Opinion Newsletter"	Nov 2005	Includes information on the ALMO proposal and a test of opinion questionnaire and another letter from the Chair and Vice Chair of the Customer Panel advising of the importance of completing and returning the questionnaire.	33% response rate with 92% of respondents stating that they support the Council's proposal to establish Dale & Valley Homes
Election newsletter distributed to all tenants	Dec 2005	A newsletter and ballot form inviting tenants to elect tenants to the ALMO Board	Awaiting outcome

All of the publications and presentations provided by the Council and PS Consultants have highlighted that access to the additional £27M of ALMO monies is dependent on the Council achieving a "good" two star rating at a full Best Value inspection six months after the ALMO is established.

Q12 Test of Opinion Questionnaire

In November 2005 the Council worked in partnership with PS Consultants and the Customer Panel ALMO Steering Group to prepare a second newsletter for distribution to all tenants and leaseholders entitled "Time to Decide about the ALMO: Yes or NO?" The second newsletter set out:

- Why the Council is proposing to set up an ALMO;
- How ALMOs work;
- What will happen if tenants say "yes" to the ALMO;

- How tenants can have their say; and
- How tenants can find out more

The newsletter included a “Test of Opinion” questionnaire, which asked customers to indicate if they did or did not support the Council’s proposal to establish an ALMO to manage, repair and improve Council homes. The newsletter and questionnaire also included a letter from the Chair and Vice Chair of the Customer Panel, asking customers to prioritise the completion and return of the questionnaire. The newsletter and questionnaire were reviewed amended and agreed by the Community Housing Task Force and Government Office for the North East.

PS Consultants managed the distribution of the newsletter and the return and counting of the questionnaires. The newsletter and questionnaire were distributed to all tenants and leaseholders on the 18 November 2005. The results were passed to the Council on the 7 December 2005. The questionnaire achieved a 33% response rate, with 92% of respondents indicating that they support the Council’s proposal to establish Dale & Valley Homes.

Q13 Tenant Management Organisations

There are no tenant management organisations responsible for the management of any of the properties for which Dale & Valley Homes will be responsible.

SECTION 6: THE ALMO BOARD

In this section we will:

- Set out the proposed composition of the ALMO Board in terms of the numbers of Council, tenant and independent members;
- Explain how and by whom the Council, tenant and independent members of the ALMO Board are chosen, and how long their initial term of appointment is;
- Provide brief details of the Board members chosen to date;
- State how the appointment process ensures that independent members include people with relevant experience and provide details of any skills audits undertaken;
- Describe what arrangements have been devised to handle any conflicts of interest for Board members; and
- Provide details of any training that has or will be arranged for ALMO Board members.

Q14 The Composition of the ALMO Board

Dale & Valley Homes' Board of Directors have been appointed in accordance with the recommendations of the Community Housing Task Force's "ALMO Governance Resource Pack" and the Office of the Deputy Prime Minister's "Guidance on Arms Length Management of Local Authority Housing".

The shadow Board of Dale & Valley Homes includes representation from tenants, local authority nominees and independent members with the experience of housing, regeneration, social cohesion, finance or other responsibilities. No one group is in a majority on the Board. The Board of Directors of Dale & Valley Homes is made up of 15 members. This includes 5 tenants, 5 local authority nominees and 5 independent representatives.

Q15 Board Appointments

Local Authority Nominees

Local authority nominees are selected at the Annual Meeting of the Council in May. When selecting local authority nominees the Council observes the following principles:

- Council nominees are serving Councillors;
- Councillors serving on the ALMO Board should not play a significant role in decisions within the Council that relate to the ALMO and its functions;
- Council nominees reflect the political make up of the Council;
- The skills knowledge and experience of potential ALMO Board members;
- Gender, race and age profiles in relation to the local community; and
- Clarification of the roles and responsibilities of the position including the consideration of potential and significant conflicts of interest.

Tenant Representatives

The Council believes that tenant and leaseholder Board members should be elected to the Board by other tenants to ensure that they are genuinely representative. The Council undertook a recruitment drive from September to late October to encourage the nomination of potential Tenant Board members. 11 applications were received in total. All 11 applicants were shortlisted for an interview. 9 tenants agreed to attend a selection interview in early November 2005, the remaining 2 tenants withdrew their applications due to other commitments. The selection interviews were undertaken by the Customer Panel ALMO Steering Group, with support from PS Consultants and the Council's personnel department. As a result of the selection interviews six tenants were identified as being eligible for membership of the Board of Directors. The election process began in December 2005 and by the 21 December 2005 five tenants were appointed to the shadow Board of Directors for Dale & Valley Homes.

Independent Members

Independent members of the shadow ALMO Board were appointed following a competitive recruitment process. The Council has issued information on independent Board member vacancies to the general public since August 2005, through posters and leaflets and the Council's website. A "Recruitment Evening" was held for people interested in becoming an independent member of the shadow ALMO Board in October 2005. Advertisements for independent Board members were placed in the local press and on the Council's website on the 23 November 2005. 24 people requested an application pack from the Council and 11 were completed and returned. Shortlisting for an interview process was undertaken on the 4 January 2006 by the shadow ALMO Board's local authority nominees and tenant representatives. Interviews were conducted by tenant representatives on the shadow ALMO Board and local authority nominees on the shadow ALMO Board, with advice from the Council's personnel department.

As part of the application process independent members of the Board were asked to complete a skills audit questionnaire directly copied from the "ALMO Governance Resource Pack". This information has been used to determine the relevant experience of independent Board members. Tenant representatives and local authority representatives have also completed the skills audit questionnaire to enable the development of an appropriate training programme.

Brief details of the Board Members chosen to date

LOCAL AUTHORITY NOMINEES	
NAME	DETAILS
Cllr Olive Brown	Elected 1974. Leader of the Council 1995-2005. Deputy Chair: Policy and Strategic Development Committee 2005. Council's nominated representative to the NE Assembly and representative to European Committee of the Regions.
Cllr Ron Grogan	Vice Chairman: Housing Services Committee 1992-94. Chairman: Regeneration Committee 1994-95.
Cllr Geoff Mowbray	Deputy Chair: Regeneration Committee 2005. Member of Strategic Management Group. Constitution Officer and Secretary of the Local Government Committee.
Cllr Thomas Taylor	Elected in 2003. Member: Central Resources Committee, Development Control Committee and Licensing Committee.
Cllr David Wilson	Elected in 2003. Deputy Chair: Licensing Committee. School Governor. Auditor.
TENANT REPRESENTATIVES	
NAME	DETAILS
Unconfirmed	Awaiting result 21.12.05
Unconfirmed	Awaiting result
Unconfirmed	Awaiting result
Unconfirmed	Awaiting result
Unconfirmed	Awaiting result

INDEPENDENT MEMBERS	
NAME	DETAILS
To be appointed	Appointment 11.01.06
To be appointed	
To be appointed	
To be appointed	
To be appointed	

Initial Term of Appointment

The Memorandum of Understanding and Articles of Association for Dale & Valley Homes state that all Board members will be in position until the second Annual General Meeting.

Q16 Conflicts of Interest

Dale & Valley Homes will receive substantial amounts of public funding and must demonstrate the highest standards of conduct and probity. The Council has therefore worked in partnership with its legal advisors to adopt a Code of Conduct which clearly details what is acceptable behaviour and what is not acceptable behaviour for the Board of Directors of Dale & Valley Homes.

The Code of Conduct includes a "Declaration of Interests by Board Members Form" which Board members must complete. The form stipulates that it is a Board members duty to advise the Board should a specific situation arise which the Board member has external interests, either themselves or through a relative that may conflict with the interests of the company. Interests are declared under Article 32 of the Articles of Association of the company and pursuant to section 317 of the Companies Act 1985.

Q17 Board Training

The following table illustrates the initial training plan for the shadow ALMO Board:

Training	Provider	Date, Time and Venue
"A Day in the Life of an ALMO Board Member"	David Taylor Gooby, Board Member, East Durham Homes	17 May 2005, 6.00pm Council Chamber
Shortlisting and interviewing skills	Wear Valley District Council Personnel Department	4 January 2006, 10.00am Committee Room
What is an ALMO? <ul style="list-style-type: none">▪ Duties and responsibilities of a Board Member▪ Memorandum and Articles of Association▪ Conflicts of interest▪ Moving forward with the ALMO	Anthony Collins Solicitors	16 January 2006 6.00pm Council Chamber
The role and responsibilities of the ALMO: <ul style="list-style-type: none">▪ Working with the Council▪ The Management Agreement	Anthony Collins Solicitors	23 January 2006 6.00pm Council Chamber
Team Building Away Day	PS Consultants	15 February 2006 venue to be confirmed
Governance arrangements and a clear role for the ALMO Board	PS Consultants	1 March 2006 venue to be confirmed

Through initial discussions with PS Consultants the following general training programme has been agreed:

- Legal Responsibilities of Board;
- 2 visits to existing ALMOs to assess the governance arrangements and work of the company;
- Repairs & Maintenance (Strategic level);
- Housing Management Principles (including the findings of the indicative inspection of the Housing Department in Sept 2005.);
- Best Value & general principles of KLOEs;
- Housing Finance; and
- Equality & Diversity / Health & Safety / Employment Law

Proposed agendas for Board meetings have also been developed, these are attached in the “Supporting Evidence and Documentation” CD ROM submitted with this application.

In addition to the proposed training programme, it is recognised that a number of Board members are new, either to housing or to the management of housing as it relates to an ALMO. Therefore Board members will also be encouraged to attend regional and national housing seminars and conferences as organised by other ALMOs, the ODPM, the National Federation of ALMOs the Audit Commission and the Chartered Institute of Housing.

SECTION 7: GROUP STRUCTURE

Q18 Group Structure

Wear Valley District Council's existing housing stock is relatively small. Therefore Dale & Valley Homes is a single Arms Length Management Organisation with a single Board of management. There is no group structure for Dale & Valley Homes.

SECTION 8: DOCUMENTATION

In this section we will set out:

- Whether the agreement between the Council and the ALMO and the ALMO's Memorandum of Understanding and Articles of Association are based on those devised by the template group;
- Any significant variations made to these documents; and
- The initial duration of the agreement between the Council and the ALMO and what provisions the agreement makes for renewal.

We will also include a copy of the Delivery Plan for the ALMO's work with this application.

Q19 Documentation

Both the Management Agreement between Wear Valley District Council and Dale & Valley Homes and the Memorandum of Understanding and Articles of Association are based on those devised by the Template Group. Documents showing all the changes made to the template documentation together with a table of reasons for key variations are included in the "Supporting Evidence and Documentation" CD ROM submitted with this application.

Q20 Duration of Agreement

Wear Valley District Council and Dale & Valley Homes have agreed that the Management Agreement will last for an initial period of 5 years with the option to renew the agreement for 5 years.

Q21 Delivery Plan

A Delivery Plan focusing on the output and performance targets for Dale & Valley Homes is included in the "Supporting Evidence and Documentation" CD ROM submitted with this application.

SECTION 9: STAFF ISSUES

In this section we will set out:

- Details of discussions held with staff about the ALMO proposal;
- Details of how many staff will initially work for the ALMO and whether they will be transferring from the Council;
- Details of how many of its staff will be directly employed by the ALMO and how many will be on other terms and reasons for and the expected duration of any terms other than direct employment;
- TUPE arrangements; and
- Future pay, terms and conditions of ALMO staff.

Q22 Discussions with Staff

The Council has undertaken informal and formal consultation with all the Council's staff. Informal consultation with all the Council's staff has included:

- Use of the Council's internal Communications Forum (which includes a representative from each of the Council's departments) to design an effective and inclusive programme of staff consultation;
- Emails to all staff informing them of progress in the ALMO project and advising them of who to contact should they have any questions;
- The establishment of a "database" available to all staff on the Council's intranet, which includes ALMO updates and events, Government Guidance on the establishment of the ALMO, the Council's bid, information on briefing sessions, useful contacts and a suggestion box;
- Informal staff briefing and update sessions have been provided for all staff throughout 2005;
- A newsletter and factsheet for all staff on what an ALMO is and how it affects them;
- The production and display of posters and leaflets in all offices and in the Council's depot; and
- Staff focus groups on the ALMO proposal and the ALMO name

Formal consultation with staff affected by the proposal to establish an ALMO includes:

- Meetings with all union representatives and the Council's personnel department;
- Formal and structured briefing sessions for staff affected by the establishment of the ALMO in the Housing Department and within the support services sections of the Council;
- Meetings between the Director of Housing Services, the Council's Head of Personnel and managers, teams and members of staff affected by the ALMO proposal; and
- Formal TUPE consultation, including a letter sent to employees affected by the ALMO proposal and trade unions informing them of:

- The transfer;
- The reason for the transfer;
- Their transferral to the ALMO;
- The legal, economic and social implications of the ALMO;
- Their right to object to the transfer; and
- Any other measures that may affect employees

The Council has determined which roles will potentially become part of the ALMO and which groups of staff will be affected. This includes staff on temporary contracts, absent through maternity or sickness and casual and agency staff and secondees. 41 members of staff will initially work for Dale & Valley Homes. 39 of these members of staff will transfer from the Council to Dale & Valley Homes. These posts are identified for full TUPE transfer as they directly relate to the housing management function. These staff do not include the Council's direct labour workforce. No members of staff are currently on secondment. Two new posts will be created as a result of the establishment of Dale & Valley Homes. These include the Officer Head of Dale & Valley Homes and a Head of Service for ALMO Finance and Administration (Company Secretary). These posts will be filled through standard personnel processes.

Throughout the development of Dale & Valley Homes the Council has been mindful of the role of staff who provide a support service to the housing service. The Council has considered the Community Housing Task Force's good practice briefing note on "Dealing with Staffing Issues in Arms Length Housing Management Organisations" and has reviewed whether the duties of support services staff are concentrated on housing issues for a majority of their working time. The Council has identified that whilst there are members of staff within all the departments of the Council who undertake work for the Housing Department, for a majority of support services staff the volume of this work does not exceed 50% of their average workload.

The Council proposes that Service Level Agreements (SLAs) be established between the Council and Dale & Valley Homes to continue the provision of these support services for the first year of Dale & Valley Homes. During the first year Dale & Valley Homes will subject the SLAs to a series of Best Value reviews to determine if value for money is being achieved and to demonstrate independence. Dale & Valley Homes will then determine if an alternative service provider is appropriate for the future delivery of support services. If the SLA proves to be providing value for money and Best Value and if no alternative service provider is identified Dale & Valley Homes will continue to work in partnership with the Council.

Q23 The Transfer of Staff

The Council understands that the employees to whom TUPE applies are all those who are employed in the service transferring immediately before the transfer. The transfer will be based on TUPE Regulations. The employee's contract of employment transfers and the employee will retain continuity of employment for all statutory and contractual rights. The employee and all

terms and conditions will go across unchanged to Dale & Valley Homes. Dale & Valley Homes will be a scheduled body eligible for inclusion in the Local Government Pension Scheme. Membership of trade unions will not be affected.

Q24 Future Arrangements

The terms and conditions of transferred staff will be protected by TUPE regulations. The terms and conditions of new staff will be broadly comparable to those of transferred staff. The future terms and conditions of employment for ALMO staff after the transfer and under TUPE will be determined by Dale & Valley Homes' Board, in light of certain circumstances. Any local changes to the future terms and conditions of staff will be introduced by Dale & Valley Homes in consultation with trade unions.

SECTION 10: FUTURE PLANS AND THE DECENT HOMES TARGET

In this section we will:

- Provide the latest forecasts of expenditure and show how the profile provided with the original bid for funding has changed
- Discuss efficiency gains
- Indicate the expected progress in increasing the number of dwellings that meet the decent homes target

Q25 Table 1: Funding Profile as per ALMO bid

Year	DHS Needs (£000)	Regeneration (£000)	Total Investment (£000)	MRA (£000)	Additional ALMO Resources (£000)	Total Resources (£000)
2006/07	7977	277	8254	2433	5821	8254
2007/08	8073	286	8359	2363	5996	8359
2008/09	8200	295	8495	2295	6200	8495
2009/10	7430	257	7687	2293	5394	7687
2010/Dec 2010	5697	171	5868	2283	3585	5868
TOTAL	37,377	1,286	38,663	11,667	26,996	38,663

Table 1 shows the level of expenditure as set out in the Building Costs Model. The table shows expenditure “smoothed” across each of the years on an even basis to prevent a concentration of expenditure in any one year. The profiled expenditure also includes catch up repairs and newly arising needs. The profile is based on additional ALMO monies being accessed by Dale & Valley Homes from April 2006/07.

Table 2: Funding with “smoothing” of expenditure

Year	DHS Needs (£000)	Regeneration (£000)	Total Investment (£000)	MRA (£000)	Additional ALMO Resources (£000)	Total Resources
2006/07	7977	0	7977	2433	1714	4147
2007/08	8073	436	8509	2363	7292	9655
2008/09	8200	850	9050	2295	7706	10001
2009/10	7430	0	7430	2293	6856	9149
2010/Dec 2010	5697	0	5697	2283	3428	5711
TOTAL	37,377	1,286	38,663	11,667	26,996	38,663

Table 2 illustrates changes to reflect the appropriate timing of works to be undertaken and efficient procurement. This is because the profile in Table 1 assumes that funding will be available to Dale & Valley Homes from April

2006/07. Since Dale & Valley Homes will not be subject to a full Best Value inspection until November 2006 (at the earliest) Table 2 takes into account the fact that Dale & Valley Homes may not access additional monies until January 2007. This change also allows for the improved planning of works and also will enable Dale & Valley Homes to ensure that effective procurement is undertaken

Table 2 also sets out the delivery of regeneration works over 2 years rather than 5 years. These works will be subject to only one main contract and will ensure economies of scale are realised.

Efficiency

The Council has recognised the importance of the 2004 Gershon Report "Delivering Efficiency in Local Services". The Council has begun to actively explore ways of targeting resources on front line services, by making efficiency savings through more efficient working practices. The Council has:

- Begun to make efficiency savings in the way resources are spent on capital works and the maintenance and management of Council homes;
- Undertaken a Best Value review of procurement using advice from IDeA ;
- Used Egan's "Rethinking Construction" principles in tendering exercises;
- Tendered the repairs service in 2003;
- Introduced a new rechargeable repairs policy to reduce inappropriate expenditure;
- Involved external auditors in assessing procurement processes;
- Established new partnering arrangements;
- Increased the rationalisation of back office functions and transactional services through the introduction of the AGRESSO financial management system and the consolidation of cost centres;
- Assessed service provision against budgets; and
- Undertaken joint procurement partnership working with other Councils from across County Durham and the region.

The Council will work in partnership with Dale & Valley Homes to ensure that the company continues to achieve efficiency savings and demonstrates value for money in service delivery. Efficiency savings will continue to be allocated to service areas in accordance with the prioritisation of objectives of the individual service plans, which are directed by the priorities of the Housing Strategy, the Council Plan and the Community Plan. The objectives of service plans will continue to be developed in partnership with customers, staff and key local stakeholders. Dale & Valley Homes will also have the flexibility to use efficiency savings to develop new services that fully reflect the aspirations and needs of customers. Customers will continue to be involved in the review, design and delivery of the Dale & Valley Homes' services.

Dale & Valley Homes will also be responsible for taking and implementing decisions on the procurement of repair and improvement works as well as its own support services. These decisions will be accounted for in the ALMO's Delivery Plan. The Delivery Plan will reflect the principles of Best Value, the

findings of the Gershon Review and will follow best practice in procurement when tendering, letting and managing contracts. The Delivery Plan will have close linkages with the Council's developing "Procurement Strategy" which will set out processes, partnering arrangements and the scope for participating in procurement consortia. The Council's Procurement Strategy and the ALMO's Delivery Plan will also be linked to the Decent Homes Delivery Plan and the ALMO's performance management framework, risk management processes and financial management practices.

Q26 Table 3: Decent Homes: Numbers and % based on ALMO funding

Year	Decent Homes at Year End	Non Decent at Year End	% of Homes Decent at Year End
2005/06	2542	2080	55
2006/07	2845	1533	65
2007/08	1991	2157	48
2008/09	2712	1219	69
2009/10	3079	722	81
2010/Dec 2010	3711	0	100

Table 3 shows the numbers and percentages of homes that will be made decent as a result of accessing additional funding from January 2007. Additional ALMO works will complement existing programmes of improvements to elements such as kitchens, bathrooms, windows and heating systems.

Table 4: Programmed Expenditure on Elements

Element	DHS/ALMO Programme 2006/10 (£M)	MRA Funded Programme 2006/10 (£M)	Total Expenditure 2006/10 (£M)
Kitchens and Bathrooms	8.67	3.27	11.94
Electrics	0.66	0.50	1.16
Heating and insulation	1.57	2.00	3.57
Windows and Doors	4.82	4.60	9.42
Structural	2.46	0	2.46
External works	3.20	0	3.20
Roof coverings	2.13	1.30	3.43
Roof structure	1.03	0	1.03
Demolitions	1.16	0	1.16
Sustainability	1.29	0	1.29
TOTAL	26.99	11.67	38.66

Table 4 shows proposed levels of expenditure on elements up to 2010. The Table also identifies the level of additional works resulting from additional ALMO funding and those works financed by MRA monies as well as the total expenditure required.

SECTION 11: ANY OTHER INFORMATION

Q27 Supporting Evidence and Documentation

The following information is attached on 2 CD ROMs and may assist the Secretary of State in his consideration of the Council's application for his approval under section 27 of the 1985 Housing Act.

Section	Question Number	Evidence
1	2	<ul style="list-style-type: none"> ▪ Stock Condition Survey 2002
4	9	<ul style="list-style-type: none"> ▪ Repairs and Maintenance Service Inspection Report, Audit Commission, 22 November 2001 ▪ Reinspection Repairs and Maintenance Service Report, Audit Commission, 19 June 2003 ▪ Indicative Inspection of Housing Services Department, Audit Commission, 19 September 2005
5	11	<ul style="list-style-type: none"> ▪ Wear Valley Matters all issues from January 2005 ▪ Wear Valley Housing Matters all issues from January 2005 ▪ Copy of the Council's webpage on "The Future of Council Housing" ▪ Leaflet advertising Mini Community Conference 8 June 2005 ▪ Powerpoint presentation for Mini Community Conference 8 June 2005 ▪ PS Consultants newsletter August 2005 ▪ PS Consultants factsheet August 2005 ▪ PS Consultants freephone business card ▪ Programme for the Customer Panel Tour of the district ▪ Posters advertising the Bishop Auckland Show and Wolsingham Show ▪ PS Consultants presentation to tenants and residents association groups ▪ Poster and leaflet advertising Board recruitment evening October 2005 ▪ Letter from Customer Panel to all tenants October 2005 ▪ Housing Services Committee Report 17.11.05 "ALMO Update"

Section	Question Number	Evidence
	12	<ul style="list-style-type: none"> ▪ PS Consultants newsletter "Time to Decide" November 2005 ▪ PS Consultants "Time to Decide Questionnaire" November 2005 ▪ PS Consultants reminder postcard "Time to Decide" November 2005 ▪ PS Consultants poster "Time to Decide" November 2005 ▪ PS Consultants "Time to Decide" report November 2005
6	15	<ul style="list-style-type: none"> ▪ Housing Services Committee Report 11.05.05 ▪ Application pack for Independent Board members ▪ PS Consultants election newsletter for tenants November 2005 ▪ PS Consultants ballot paper November 2005 ▪ PS Consultants election reminder posters November 2005 ▪ PS Consultants election report December 2005
	16	<ul style="list-style-type: none"> ▪ Code of Conduct for the Board of Directors for Dale and Valley Homes (to follow shortly) ▪ Agendas for shadow ALMO Board meetings (to be developed)
	17	<ul style="list-style-type: none"> ▪ Presentation "A Day in the Life of an ALMO Board Member" 17.05.05
8	19	<ul style="list-style-type: none"> ▪ Management Agreement ▪ Memorandum of Understanding and Articles of Association ▪ Tables setting out key variations to the template documentation
	21	<ul style="list-style-type: none"> ▪ Dale & Valley Homes Delivery Plan
9	22	<ul style="list-style-type: none"> ▪ Action Plan for staff communication and consultation July 2005 ▪ Staff newsletter and factsheet August 2005 ▪ Staff posters August 2005 ▪ Director of Housing Services' presentation to all staff on ALMO proposal Nov 2005

Additional information: CD ROM 2

- Wear Valley District Council's original ALMO bid;
- GONE letter of sign off for Stock Options Appraisal process January 2005;
- Letter of acceptance from ODPM June 2005;
- Letter of acceptance of BCM November 2005;
- Wear Valley District Council Plan;
- Wear Valley District Community Plan;
- Housing Department Service Standards; and
- Risk Assessment of the ALMO July 2005

**SUMMARY REPORT BY ANTHONY COLLINS SOLICITORS LLP TO
WEAR VALLEY DISTRICT COUNCIL ON THE PROPOSED
MANAGEMENT AGREEMENT BETWEEN
DALE & VALLEY HOMES AND WEAR VALLEY DISTRICT COUNCIL**

1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to provide Wear Valley District Council (the “Council”) with a summary of the key provisions in the proposed Management Agreement between the Council and Dale & Valley Homes (the “Agreement”).

2. INTRODUCTION

- 2.1. The relationship between the Council and Dale & Valley Homes will have two separate and distinct aspects to it:

the contractual framework

- 2.1.1. there will be a contractual relationship between the Council and Dale & Valley Homes with the Council purchasing certain housing management services from Dale & Valley Homes. This contractual relationship is set out in the Management Agreement; and

the constitutional framework

- 2.1.2. there will be the relationship between the Council and Dale & Valley Homes with the Council as sole owner of Dale & Valley Homes and how Dale & Valley Homes governs itself. This constitutional relationship is set out in the M&A.

- 2.2. In this report we shall look at the contractual framework.

3. THE CONTRACTUAL FRAMEWORK – AN INTRODUCTION

- 3.1. The Agreement sets out the contractual relationship between Dale & Valley Homes and the Council. Essentially, Dale & Valley Homes will be carrying on the same housing management functions as the Council, albeit on a slightly different basis, focusing on the delivery of services to the tenants.
- 3.2. The ODPM has issued guidance called “Guidance on Arms Length Management

of Local Authority Housing – 2004 edition” to assist local authorities setting up Almos and apply for additional funding.

- 3.3. In this guidance the ODPM identifies the following key features of an Almo:
- Council retains ownership of the housing stock;
 - Council remains the legal landlord;
 - Tenants remain secure tenants of the Council; and
 - Significant degree of independence from the Council.
- 3.4. The ODPM states that “*Beyond these requirements it is for local authorities to devise arrangements which best suit their circumstances, encouraging a business-like and innovative approach to the management of the housing stock.*”
- 3.5. The ODPM therefore expects Almos to have a significant degree of independence from its local authority. However, there is a tension between this requirement and the EU procurement regime.
- 3.6. Because of the timescales involved and the Council’s aim to appoint Dale & Valley Homes as its managing agent, it is important that the Agreement is **not** caught by the EU procurement regime, requiring the tendering of public service contracts.
- 3.7. Put very briefly, in order to achieve this aim, in our view, the arrangement has to satisfy two tests:

First Test

- 3.7.1. The Agreement must enable the Almo arrangement to fall into one of the following two situations:-
- it has to demonstrate that the Council will be exercising a control over Dale & Valley Homes similar to that over its own in-house departments; or
 - conversely, that Dale & Valley Homes is not independent of the Council in terms of decision-making. It is arguable that this second test is substantially achieved through Dale & Valley Homes being a company which is 100% controlled by the Council.

Second Test

- 3.7.2. In addition, Dale & Valley Homes must carry out the “essential part of its activities” with the Council. The Agreement includes a requirement for Dale & Valley Homes only to provide services to a third party with

the Council's consent; this should enable the Council to monitor whether the essential part of Dale & Valley Homes' activities are carried out with it.

- 3.8. When preparing the Agreement, therefore, there is a balancing act to be achieved. On the one hand there is the need to satisfy the ODPM that Dale & Valley Homes will have operational independence whilst, on the other, there is the need to avoid being caught by the EU procurement regime. This is one of the reasons why Almos are not "arms length companies" as defined by S.68 of the Local Government and Housing Act 1989; the relationship is closer than that but not so close as to stifle the Almo's operational independence.
- 3.9. We have drafted the Agreement to take into account both the ODPM's guidance and the tension between satisfying the ODPM's requirements whilst avoiding the EU procurement regime. We shall now consider some key provisions in the Agreement.

4. THE CONTRACTUAL FRAMEWORK – THE DETAIL

- 4.1. The Agreement has been drafted to take into account:
 - 4.1.1. submissions from the Council's officers;
 - 4.1.2. submissions from the Council's Almo Project Team;
 - 4.1.3. the ODPM guidance on Arms Length Management Organisations and specifically the template Management Agreement developed by the local authority template group; and
 - 4.1.4. good practice and our experience.

PART A– PARTNERING IN DELIVERY BETWEEN DALE & VALLEY HOMES AND THE COUNCIL

- 4.2. ***Aims and Objectives:*** Clause 1 of the Agreement sets out the aims and objectives of the parties. This clause is included to set the tone of the Agreement and ties together, amongst other matters, the goal of separating the strategic housing function of the Council from the landlord function that is to be provided by Dale & Valley Homes. Throughout the Agreement, both parties' rights and obligations are then linked back to the delivery of these key aims and objectives.
- 4.3. ***Delivery Plan:*** Each year Dale & Valley Homes will have to prepare a draft business plan for the provision of the Services (called the Delivery Plan) for the next financial year. This Delivery Plan must be approved by the Council. The Delivery Plan will set out what Dale & Valley Homes will provide in terms of services to tenants and the standards expected to be achieved. It also details the resources that will be required and the key strategic goals.

- 4.4. **Commitment to the Community:** The Services set out in the Delivery Plan are part of an important relationship between the Council and the community and therefore the policies and activities of Dale & Valley Homes should support the relevant Council strategies.
- 4.5. **Equal Opportunities:** Dale & Valley Homes will be committed to adopting an equivalent or broadly similar equal opportunities policy to that of the Council.
- 4.6. **Tenant Involvement:** The Council has a partnering arrangement with its tenants and leaseholders and to further this Dale & Valley Homes will honour its own Tenant Compact (based on the Council's existing Tenant Compact) to support and encourage tenant involvement.

PART B – PERFORMANCE RESPONSIBILITIES OF THE COUNCIL

- 4.7. **Best Value:** This section sets out the processes required to be adopted by the Council in accordance with its Best Value obligations (i.e reference to Best Value Performance Plans and Best Value Performance Indicators), and those required to be adopted by Dale & Valley Homes so as to facilitate the Council's compliance with Best Value (for example see clause 6.5). Dale & Valley Homes is required to deliver to the Council an annual performance plan which the Council will then look at to consider whether any changes should be made to the way in which functions or Services are delivered.

PART C - PERFORMANCE RESPONSIBILITIES OF DALE & VALLEY HOMES

- 4.8. **Future Delivery Plans:** Dale & Valley Homes will provide to the Council drafts of the annual sections of the Delivery Plan to the Council each year. The Council will be able to, in the first instance, notify Dale & Valley Homes if changes are required to any of Dale & Valley Homes' proposals on the basis that they do not deliver on the aims and objectives set out in Part A. If there is still an absence of agreement then the Council can refer the matter to the Liaison Procedure (see below).
- 4.9. **Annual Performance Plan:** Each year Dale & Valley Homes will have to prepare a performance plan which analyses the provision of the Services throughout the previous twelve months, focusing on those areas which were successful and unsuccessful, including an identification in Dale & Valley Homes' view of the reasons for the successes and failures.
- 4.10. **Almo Service Review:** Dale & Valley Homes will be under an obligation to review the service it provides to the Council to, amongst other things:
- 4.10.1. analyse whether it should be providing the Services;
 - 4.10.2. analyse its objectives in providing the Services;

- 4.10.3. assess its performance in providing the Services by reference to any relevant Best Value Performance Indicators;
- 4.10.4. assess the competitiveness of its performance in providing the Services by comparison with similar service providers; and
- 4.10.5. meet the Council's statutory obligations to review all functions.

PART D – STRATEGIC RESPONSIBILITIES OF DALE & VALLEY HOMES

- 4.11. Dale & Valley Homes is required to assist in the development of corporate strategies and work with other agencies, bodies and organisations in various partnerships etc as may be required.

PART E - STRATEGIC RESPONSIBILITIES OF THE COUNCIL

- 4.12. The Council is under a duty to consult with statutory or voluntary bodies in relation to matters stipulated by the Council's Representative and Dale & Valley Homes is required to support and assist in such consultations.
- 4.13. If Dale & Valley Homes requests the Council to do so then the Council should consult with tenants about the provision of services under the Agreement; all other tenant consultation is to be by Dale & Valley Homes.

PART F – RESPONSIBILITIES OF DALE & VALLEY HOMES

- 4.14. This section is one of the largest in the Agreement and sets out how Dale & Valley Homes will provide the services and management of staff and resources.
- 4.15. **Services:** Dale & Valley Homes agrees to provide the Services set out at Annex 3 of the Agreement in return for receiving the Management Fee.
- 4.16. **Service Standard:** The Services shall be delivered in accordance with:-
 - 4.16.1. due skill, care and diligence;
 - 4.16.2. the aims and objectives set out in Part A of the Agreement;
 - 4.16.3. the Delivery Plan;
 - 4.16.4. Best Value Performance Indicators;
 - 4.16.5. Council guidelines;
 - 4.16.6. reasonable instructions from the Council Representative;
 - 4.16.7. applicable legislation; and
 - 4.16.8. in a manner which shall promote the Council's reputation and with

regard to the interests and welfare of tenants.

- 4.17. **Interruption in Service:** Dale & Valley Homes must notify the Council if it is unable or fails to provide the Services or if there is anything which prevents or would hinder Dale & Valley Homes from complying with the Agreement.
- 4.18. **Statutory Requirements:** Dale & Valley Homes is required to comply with all statutory requirements. We have introduced a specific requirement to comply with the Local Government Act 2003 and the new Prudential Borrowing Code, so as not to be in breach of its Memorandum and Articles of Association.
- 4.19. **Access to Premises and Staff:** Dale & Valley Homes shall allow the Council access to its premises to inspect work performed or any records or documents in connection with the Services. The Council is also allowed to interview any staff involved in the provision of the Services.
- 4.20. **Emergencies:** Dale & Valley Homes must ensure that in the event of an emergency Dale & Valley Homes' personnel will be available to advise the Council and take responsibility for that emergency until it can be handed over to another agency.
- 4.21. **Employees:** Dale & Valley Homes is required by the Agreement to employ sufficient staff to provide the Services and shall ensure that the staff are qualified, competent and skilled to provide the Services in accordance with Council guidelines, relevant policies and legal requirements. Dale & Valley Homes will appoint a senior person as its representative to supervise Dale & Valley Homes staff.
- 4.22. **Assets:** Dale & Valley Homes shall maintain any vehicles, equipment or other assets that it requires to provide the Services. Dale & Valley Homes shall also be responsible for their maintenance and, if necessary, replacement. At the end of the term, or if the contract is terminated, those assets used wholly or mainly in the provision of the Services must be transferred to the Council. This ensures that any assets that may be derived from other activities of Dale & Valley Homes (for example, management agreements with housing associations) will not automatically be transferred to the Council.
- 4.23. **Contracts:** Dale & Valley Homes will administer the Council's contracts and any assigned to it as detailed in the First Schedule.
- 4.24. **Assignment:** Dale & Valley Homes will not permitted to assign the Agreement but is permitted to sub-contract the provision of Services with the written agreement of the Council.
- 4.25. **Contracts with Third Parties:** Dale & Valley Homes will not be able to provide services to any other person or party other than the Council without the Council's consent. This means that the Council can ensure that Dale & Valley Homes focuses on delivering a good housing management service and achieving, at

least, a good inspection rating and access additional funding.

- 4.26. **IT:** There are detailed provisions regarding computer software and it is stated in the Agreement that Dale & Valley Homes may have access to data stored on the Council's computer systems to further the performance of Services. The terms and conditions of the use of such software and data will be agreed between Dale & Valley Homes and the Council. However, Dale & Valley Homes must comply with the Data Protection Act 1998.
- 4.27. **Confidentiality:** there are detailed provisions that set out both parties' rights and duties in respect of confidential information, personal data and access to information.
- 4.28. **Insurance:** Dale & Valley Homes must maintain adequate insurance to cover its liability to the Council, to its employees and to third parties.
- 4.29. **Provision of Information:** The Agreement has detailed provisions regarding the provision of information to the Council so that the Council can act in accordance with its statutory obligations. This also includes regular meetings with the Council's Representative and co-operating with other Council departments. The Agreement makes detailed provision for co-operation with the Audit Commission, the provision of information and for allegations of fraud.
- 4.30. **Complaints:** The Agreement also provides for a system of dealing with complaints by tenants, including the adoption of an equivalent or broadly similar complaints policy to that of the Council.
- 4.31. **Legal:** Dale & Valley Homes must notify the Council if it becomes aware of any legal proceedings that may be commenced against either the Council or itself.

PART G - RESPONSIBILITIES AND RIGHTS OF THE COUNCIL

- 4.32. The Agreement provides that the Council will make available to Dale & Valley Homes certain assets listed in the Second Schedule and will lease the premises listed in the Third Schedule to Dale & Valley Homes on such terms and conditions as are set out in the Seventh Schedule. The Agreement also deals with use of premises during a civil emergency, for example to make provision for persons made homeless and to co-ordinate and supervise the operation of the provision of temporary accommodation.
- 4.33. The Agreement provides that Dale & Valley Homes will not be liable for any failure to perform provided that it can be shown that the liability would not have arisen if the Council had properly complied with their duties. The Council will not be liable to Dale & Valley Homes for any loss, damage or injury caused by the provision of Services by Dale & Valley Homes except for any deliberate or negligent act of the Council or Council employees which gives rise to death or personal injury.

PART H - FINANCIAL ARRANGEMENTS

- 4.34. The Agreement sets out (in the Sixth Schedule) the detail in relation to the transfer of monies to Dale & Valley Homes and the calculation of Dale & Valley Homes' fee for providing the service (called the "Management Fee"). Dale & Valley Homes may collect rents from tenants on the Council's behalf and the rent monies shall be given directly to the Council. Any surplus may be used by Dale & Valley Homes with the Council's consent to deliver any schemes that form part of the Delivery Plan subject to the Council not requiring such sums for any of its obligations which are the subject of Council resolutions or incorporated in Council budgets.
- 4.35. We have also included provision for Dale & Valley Homes not to undertake any transaction that may affect the Council's affordable borrowing limits.

PART I – EMPLOYMENT AND STAFFING

- 4.36. The Agreement provides details in relation to employees that are transferring from the Council to Dale & Valley Homes. Up until the date that the employees transfer to Dale & Valley Homes, the Council shall be responsible for their salaries, national insurance contributions etc and Dale & Valley Homes will be required to employ those staff on similar terms and conditions. At least six months the expiry of the Agreement, Dale & Valley Homes must provide to the Council details of employees employed by Dale & Valley Homes so that the Council or any other third party may assess the legal position on termination.
- 4.37. Additional clauses have been added in relation to the transfer on of employees to any subsequent employer, which transfers will also be subject to TUPE. Dale & Valley Homes must use its best endeavours to ensure employees who are members remain members of the superannuation pension scheme. Dale & Valley Homes is also required to protect employees by requiring any subsequent employers to provide broadly comparable pensions.
- 4.38. Dale & Valley Homes is required to adopt equivalent or broadly comparable personnel policies including but not limited to those policies as set out in the Eleventh Schedule.
- 4.39. The Agreement also includes a specific provision requiring Dale & Valley Homes to consult and negotiate with recognised trade unions and to establish a formal consultation procedure in consultation with the Council's Representative.
- 4.40. The Agreement also places certain obligations on Dale & Valley Homes in respect of the terms and conditions of employment for new employees who are not transferred from the Council in order to avoid creating a "two tier" workforce. The Council is required to impose these obligations under the Local Government Act 2003.

PART J - MONITORING AND MANAGEMENT

- 4.41. This Section of the Agreement requires the Council and Dale & Valley Homes to meet at such level and so often as may be reasonably necessary to ensure that the Agreement is honoured and the Delivery Plan performed. There is the power for the Council Representative to issue instructions to Dale & Valley Homes so long as these instructions do not fundamentally vary the nature of the Services to be provided.

PART L – TERM

- 4.42. The Agreement provides for a term of 5 years from the commencement date unless extended by the Council for one or more periods of up to 5 years.

PART M –VARIATIONS ETC

- 4.43. **Variations/Alterations:** The Council may either unilaterally vary the Services to be provided or vary the Services in accordance with representations made by Dale & Valley Homes upon reasonable written notice. If the variations are significant then Dale & Valley Homes has the right to object and the issue is resolved via the Dispute Resolution Procedure. Other variations may be made if the stock being managed varies by an increase or decrease of 10%.
- 4.44. **Termination:** The Agreement sets out circumstances where the Council may terminate the Agreement (see clauses 65.1 or 65.2). The Council may also either itself provide the Services or procure through a third party the provision of whole or part of the Services where it is entitled to terminate the Agreement. The Council will contractually restrict itself only to exercise its right to remove Board Members of Dale & Valley Homes where it could terminate the Agreement. If the Agreement is terminated then the Council may re-occupy premises, re-possess assets and pay a third party to provide the services.
- 4.45. **Dispute Resolution:** There are two type of dispute resolution procedure under the Agreement:
- 4.45.1. **Liaison Procedure:** sets out a three stage escalation process. First, there is a meeting between the Council 's Representative and the Organisation's Representative. Secondly, if the issue is still unresolved a meeting will take place between the relevant Chief Officer of the Council and Dale & Valley Homes' Chief Executive. Thirdly, if the issue is still not resolved *the Council* can refer it to mediation. Under the Liaison Procedure the Council can ultimately direct Dale & Valley Homes to implement any changes the Council reasonably deems necessary to resolve the issue and to fulfill the aims and objectives set out in Part A of the Agreement.
- 4.45.2. **Dispute Resolution Procedure:** sets out a four stage escalation process. First, there is a meeting between the Council 's

Representative and the Organisation's Representative. Secondly, if the issue is still unresolved a meeting will take place between the relevant Chief Officer of the Council and Dale & Valley Homes' Chief Executive. Thirdly, if the issue is still not resolved *either party* can refer it to mediation. Fourthly, if mediation does not resolve the dispute or the non-referring party does agree to mediation the matter will be referred to an expert for determination.

The majority of provisions allow disputes to be determined, if necessary, by reference to the Dispute Resolution Procedure. The Liaison Procedure only applies where the Agreement specifically states that it applies to that clause.

- 4.46. The rationale behind including the Liaison Procedure is that it will only apply to certain key strategic issues for the Council. For example, any dispute relating to the draft Delivery Plan can go to the Liaison Procedure. Therefore, for example, if there is a dispute about the draft Delivery Plan the Council has the final say. This approach hopefully sets out a more partner-like approach between the parties whilst recognising the importance of the Council's strategic responsibilities and providing an emphasis on delivery of the aims and objectives of the Agreement.

PART N – NOTICES AND OTHER MATTERS

- 4.47. This section of the Agreement provides for the service of notices, states that the Agreement will be subject to English law, and provides that there shall be no partnership between the Council or Dale & Valley Homes; such that Dale & Valley Homes is not authorised to incur expenditure on the Council's behalf, make any representations or warranties on its behalf unless expressly covered by the Agreement.

PART O - DEFINITIONS AND INTERPRETATIONS

- 4.48. Sets out the definitions of various terms used within the Agreement.

Anthony Collins Solicitors LLP
22 December 2005

**SUMMARY REPORT BY ANTHONY COLLINS SOLICITORS LLP TO
WEAR VALLEY DISTRICT COUNCIL ON THE PROPOSED
MEMORANDUM & ARTICLES OF ASSOCIATION FOR
DALE & VALLEY HOMES**

1. PURPOSE OF THE REPORT

- 1.1. The purpose of this report is to provide Wear Valley District Council (the “Council”) with a summary of the key provisions in Dale & Valley Homes proposed Memorandum and Articles of Association (the “M&A”).

2. INTRODUCTION

- 2.1. The relationship between the Council and Dale & Valley Homes will have two separate and distinct aspects to it:

the contractual framework

- 2.1.1. there will be a contractual relationship between the Council and Dale & Valley Homes with the Council purchasing certain housing management services from Dale & Valley Homes. This contractual relationship is set out in the Management Agreement; and

the constitutional framework

- 2.1.2. there will be the relationship between the Council and Dale & Valley Homes with the Council as sole owner of Dale & Valley Homes and how Dale & Valley Homes governs itself. This constitutional relationship is set out in the M&A.

- 2.2. In this report we shall look at the constitutional framework.

3. THE CONSTITUTIONAL FRAMEWORK

What is Dale & Valley Homes?

- 3.1. Dale & Valley Homes will be established as a not for profit organisation which is capable of managing the total housing stock of the Council.
- 3.2. Dale & Valley Homes will be a company limited by guarantee registered at Companies House. The Council’s liability, as sole owner of Dale & Valley Homes, will be limited to £1.00. This means that if Dale & Valley Homes was wound up the Council could only be required to pay £1.00 towards any outstanding debts

of the organisation. Clearly, the Council would still have obligations as the owner and landlord of the housing stock and potential subsequent employer of Dale & Valley Homes' staff.

- 3.3. As a not for profit company, Dale & Valley Homes must use any surpluses it makes to further its objectives.
- 3.4. Dale & Valley Homes will be managed by a Board of fifteen. On this Board five Board Members will be nominated by the Council, five Board Members will be elected by the Council's tenants and five Board Members will be independent persons who are recommended by the Board and appointed by the Council.
- 3.5. The relationship between the Council, as owner, and Dale & Valley Homes is set out in the M&A. The M&A also sets out what the Board can do and how it must conduct itself.
- 3.6. The M&A has been drafted to take into account:
 - 3.6.1. submissions from the Council's officers;
 - 3.6.2. submissions from the Council's Almo Project Team;
 - 3.6.3. the ODPM guidance on Arms Length Management Organisations and specifically the template M&A developed by the local authority template group; and
 - 3.6.4. good practice and our experience.

4. KEY PROVISIONS IN THE MEMORANDUM OF ASSOCIATION (THE "MEMORANDUM")

- 4.1. The Memorandum principally sets out the objects (or aims) and powers of Dale & Valley Homes.

Name (clause 1 of the Memorandum)

- 4.2. The organisation must be registered with a name. It is proposed that the name of the organisation be Dale & Valley Homes Limited.
- 4.3. In managing the business of Dale & Valley Homes the Board must ensure that it only carries out activities that are both within its objects and which it has power to do.

Objects (clause 3 of the Memorandum)

- 4.4. The objects of Dale & Valley Homes are set out at Clause 3 of the Memorandum. Its primary objective will be to manage the Council's housing stock. The objects clause has also been drafted, however, to include a variety of other objects so that Dale & Valley Homes has the flexibility to be able to complete other work without being unnecessarily limited by its objects clause. This would include, for example, working with Wear Valley Local Strategic Partnership.

Powers (clauses 4 & 5 of the Memorandum)

- 4.5. Dale & Valley Homes can only carry out an activity where it has power to do so. Clause 4 of the Memorandum sets out what powers Dale & Valley Homes has. Dale & Valley Homes has all the powers it may lawfully have in order to fulfil its objects, subject to obtaining the consent of the Council in specified circumstances (see paragraph 6.3 below).
- 4.6. Clause 4 of the Memorandum then sets out a detailed list of some of the powers Dale & Valley Homes has. This is not an exhaustive list of its powers. The reason we have included these detailed provisions is to assist its Board to assess whether or not Dale & Valley Homes has the power to carry out a certain activity. In our view, it is beneficial to be able to point to a specific power rather than rely on the general statement at the beginning of the powers clause.
- 4.7. In our view, limitations to the powers clause should generally be avoided because it is extremely difficult to foresee actions that may need to be taken in the future. It is also important that the powers clause is as wide as possible to ensure that there are no subsequent questions raised about whether Dale & Valley Homes had the power to undertake certain activities.

Payments of Surpluses (clause 6 of the Memorandum)

- 4.8. There is a general ban on any payments being made back to the Council or to anybody else in terms of profit or surpluses to ensure Dale & Valley Homes remains a true "not for profit" company. There are exceptions to this general ban so that Dale & Valley Homes may continue to operate properly and pay, for example, its staff and also the Council for any services that the Council provides to it.
- 4.9. Board Members are entitled to be paid reasonable out of pocket expenses. The possibility of Board Member remuneration has been left open at this stage subject to statutory limits and ODPM guidance. This is to allow for limited payments equivalent to payments in the RSL sector if this decision is made. Board Members will benefit from insurance bought on their behalf by Dale & Valley Homes to protect them whilst they act as Board Members.

Membership (clauses 8 & 9 of the Memorandum and Articles 3, 4 & 5)

- 4.10. Members of a company (called Members in the M&A) have the right to receive notice of and to attend and vote at general meetings. The principal general

meeting (and often the only general meeting) held each year is the Annual General Meeting (“AGM”), the usual business of which is to receive the annual paperwork and to re-appoint the auditors.

- 4.11. Please remember that the proposed Member of Dale & Valley Homes is the Council in its corporate entity and nobody else.
- 4.12. Special items of business for Members may be dealt with at the AGM or at a special Members’ meeting called for that purpose (an extraordinary general meeting).
- 4.13. Special items of business include:-
 - 4.13.1. amending the M&A;
 - 4.13.2. changing the name of the organisation; and
 - 4.13.3. removing a Board Member from office.

5. KEY PROVISIONS IN THE ARTICLES OF ASSOCIATION (the “Articles”)

Proposed Membership of the Company (Articles 3, 4 & 5)

- 5.1. As we mentioned above, there will only be one Member of Dale & Valley Homes and that will be the Council. The Council will, in effect, therefore be the owner of the organisation.

Members’ Meetings (Articles 6-13)

5.2. *General*

As the Council is the only Member, the rules governing General Meetings of the Member and resolutions passed are slightly unusual.

5.3. *Calling a General Meeting (Articles 7-9)*

The Council may require that a General Meeting be arranged within 8 weeks. If the Board does not do so then the Council may arrange it. If the Board calls the General Meeting at its own request then it must give the Council at least 21 days’ notice. Bearing in mind there is only one member with one vote, the quorum is solely the duly authorised representative of the Council and there is

only ever one vote. The Board need not attend for the General Meeting to go ahead.

5.4. *Right of Tenants to attend General Meetings (Article 10)*

It is proposed that notice of a General Meeting be posted in places where the Board considers it will be brought to the attention of Tenants. Anyone who is a Tenant will then be entitled to attend and speak at a General Meeting of Dale & Valley Homes. Members of the public may attend a General Meeting but they may only speak at the discretion of the Chair. However, again, the only person who has a vote is the duly authorised representative of the Council.

5.5. *Member Decisions (Article 12)*

As there is only ever one vote in a General Meeting that belongs to the Council, it is possible for the Council to make a valid decision without a General Meeting but by writing to every Board Member and having it entered in Dale & Valley Homes' minute book so long as it is a decision made in its capacity as the Member of Dale & Valley Homes.

The Board Members (Articles 14 to 24)

5.6. *Functions of the Board (Article 18)*

The core functions of the Board are set out at Article 18. None of these functions can be delegated (including to a committee). This list is by no means a definitive list of the functions of the Board.

5.7. *Composition of the Board (Article 14)*

The Board will meet regularly during the year to perform its functions and will be made up of:-

- 5.7.1. five Tenant Board Members;
- 5.7.2. five Council Board Members; and
- 5.7.3. five Independent Board Members.

5.8. *Tenant Board Members (Article 21)*

We have included some general principles which apply to Tenant Board Members generally as follows:-

- 5.8.1. a person to be appointed as a Tenant Board Member must be a tenant of the Council. Leaseholders are viewed as tenants in the M&A;
- 5.8.2. it is proposed that the first Tenant Board Members will retire by rotation: one Tenant Board Member retiring at the second AGM; two Tenant Board Members retiring the following year; and two Tenant Board Members the year after that. There will be no retirements at the first AGM;

- 5.8.3. before each AGM at which a Tenant Board Member is to be appointed, elections will be held among the Tenants in such a manner as directed by the Board. It is proposed that an internal election procedure will be agreed during the course of 2006; and
- 5.8.4. the secretary will announce the results prior to or at the AGM and the elected person will be appointed as a Tenant Board Member.

5.9. ***Council Board Members (Article 20)***

The Council will appoint and remove Council Board Members by notice in writing at any time.

5.10. ***Independent Board Members (Article 22)***

- 5.10.1. There will be five Independent Board Members appointed by the Council following recommendation by the Board.
- 5.10.2. Independent Board Members will retire by rotation and, if there are no other candidates, the retiring member will be re-appointed if they are willing to act and the Board has not passed a resolution not to re-appoint. There will be no retirements at the first AGM. At the second AGM one Independent Board Member will retire, two Independent Board Members will then retire the following year and two the year after that.
- 5.10.3. The Council must be given between 7 and 28 days' notice before a General Meeting of any person it is proposed should be appointed as an Independent Board Member with details of that person.

5.11. ***Casual Vacancies (Article 23)***

- 5.11.1. Vacancies for Council Board Members must be filled by the Council within 3 months of a request by the Board to appoint. If the Council does not appoint within this time, the Board may appoint somebody to act until the next AGM.
- 5.11.2. Vacancies for Independent Board Members will be filled by the Council on recommendation by the Board.
- 5.11.3. A vacancy for a Tenant Board Member will be filled by the Board where there is less than a year left before they would have retired by rotation. Where there is more than a year left before they would have retired by rotation the vacancy will be filled by the Customer Panel.

5.12. ***Obligations of Board Members (Article 15 to 17)***

- 5.12.1. The Board is required to set out the obligations of Board Members, which must be reviewed from time to time. This obligation will be satisfied by the Board approving a draft Code of Conduct.
- 5.12.2. Article 16 sets out a summary of the main obligations that must be included in the Code of Conduct. Every Board Member will be required to sign up to the Code of Conduct.

5.13. ***Circumstances in which a Board Member will cease to hold Office (Article 24)***

The circumstances in which a Board Member will cease to hold office are listed in Article 24 and include situations in which he/she:-

- 5.13.1. resigns by giving notice;
- 5.13.2. fails to attend in any period of 12 months 25% of the Board meetings and the Board resolves that he/she should cease to be a Board Member;
- 5.13.3. fails to attend 4 consecutive Board Meetings without the permission of the Board and the Board resolves that he/she should be removed;
- 5.13.4. is a Tenant and is in serious breach of his/her tenancy agreement and 75% of the Board resolve that he/she should be removed;
- 5.13.5. is or becomes a person disqualified from elected membership of a local authority;
- 5.13.6. becomes bankrupt;
- 5.13.7. is suffering, or is believed to be suffering from a mental disorder;
- 5.13.8. is removed by resolution of 75% of the Board provided that the Member concerned has been given an opportunity to put his/her case to the Board;
- 5.13.9. is a Tenant Board Member and ceases to be a Tenant of the Council other than by way of a temporary decant;
- 5.13.10. is removed by the Council;
- 5.13.11. fails to sign the code of conduct within one month of their appointment and the Board resolve that he/she should be removed;

- 5.13.12. is a Council Board Member and becomes a tenant of the Council raising the number of tenants on the Board to more than 7 persons;
- 5.13.13. is an Independent Board Member and becomes a Tenant or Local Authority Person (this phrase includes someone who is or has been in the preceding two years a Councillor, an officer of the Council with a managerial or supervisory role, an employee who works in housing);
- 5.13.14. is a Tenant Board Member and becomes a Local Authority Person;
- 5.13.15. is or becomes an employee of Dale & Valley Homes or has been an employee in the preceding 2 years.

Powers of the Board (Articles 25-32)

5.14. *Management (Articles 25-32)*

The Board will manage the business of Dale & Valley Homes exercising all the powers of Dale & Valley Homes detailed in the Memorandum, including the power to borrow money. These powers are subject to the limits already mentioned.

5.15. *Delegation of Powers (Article 28)*

The Board may delegate their power to a committee (which must include at least two Board Members), to the Chair, Deputy Chair or to any executive officer any powers the Board considers desirable for that person or persons to conduct. This Article is subject to the non-delegable functions listed in Article 18.

Board Meetings (Articles 33-38)

5.16. *Quorum (Article 33)*

The quorum has been set at four Board Members subject to there being a minimum of one Tenant Board Member, one Independent Board Member, one Council Board Member and one other Board Member present.

5.17. *Voting (Article 34)*

Each Board Member present will have one vote at Board meetings. Resolutions are passed by a simple majority.

5.18. *The Chair and the Casting Vote of the Chair (Article 37 and 34)*

The Chair can be any Board Member. The Chair will have a casting vote in the event of equal votes being cast.

5.19. *Interests, Declarations of Interests and Conflict of Interests Situations (Articles 31 – 32 and 35-36)*

The Articles set out detailed rules in connection with Board Members' interests, declaring interests and whether or not Board Members can discuss and vote on a matter if they have an interest. Article 35(2) provides for three circumstances where a Board Member must declare an interest but need not leave the room and may vote on the matter:

- 5.19.1. in the case of a Tenant Board Member and the matter affects all, or a substantial number of tenants;
- 5.19.2. in the case of any Board Member if they are a director or other officer of a company which is a parent, subsidiary or associate of Dale & Valley Homes;
- 5.19.3. in the case of any Board Member if you are an official or elected member of any statutory body (eg the Council).

6. *Summary of the Council's Rights under the Constitutional Framework*

- 6.1. Only the Council has the right to do any of the following:
 - 6.1.1. amend the M&A including the objects and powers clause;
 - 6.1.2. change the name of Dale & Valley Homes; and
 - 6.1.3. approve the annual accounts.
- 6.2. In addition, the Council has the right to appoint and remove any Board Member of Dale & Valley Homes at any time. It is important to appreciate that this right is contractually restricted in the Management Agreement to those circumstances where the Council could terminate the Management Agreement (see summary report on the Management Agreement).
- 6.3. Importantly, because Dale & Valley Homes is wholly owned by the Council, a limit has been placed on certain powers so that they can only be exercised once it has first obtained the Council's consent. These limits ensure the Council can comply with the new ODPM rules on local authority borrowing and the CIPFA code on prudential borrowing. These powers include where Dale & Valley Homes wishes to:-

- 6.3.1. borrow money;
 - 6.3.2. make donations, loans or grants;
 - 6.3.3. receive capital payments or grants; and
 - 6.3.4. enter into a transaction that affects the Council's borrowing limits under the Local Government Act 2003.
- 6.4. Finally, because Dale & Valley Homes is a “regulated company” for the purposes of the Local Government and Housing Act 1989, it is under certain additional obligations. These are set out in the Local Authorities (Companies) Order 1995 and include:
- 6.4.1. providing sufficient information about its affairs to a Member of the Council to allow them to discharge their duties properly;
 - 6.4.2. providing information required to prepare the Council's accounts to the Council or its auditors; and
 - 6.4.3. not publishing or arranging for the publication of any material which in whole or part appears to be designed to affect public support for a political party.

Anthony Collins Solicitors LLP
22 December 2005