



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Richard Webb

Date: 12th December 2012

Subject: Future of Council Housing Programme - update

Author of Report: Vicky Kennedy, 0114 293 0241

Summary:

Council housing in Sheffield represents approximately 18% of the city's housing stock. It is currently managed by Sheffield Homes – the Council's Arms Length Management Organisation. Following a tenant ballot in February 2012 in which 88.2% of tenants voted for housing services to be brought into the council, Cabinet took the decision in March 2012 to do so.

It has been agreed that Sheffield Homes staff will transfer to the Council on 1st April 2013. This will involve a transfer of Sheffield Homes staff to the Council in accordance with the Transfer of Undertakings (Protection of Employment) Regulations.

Intensive consultation has been undertaken with tenants, other customers and staff to establish how they want housing services to be delivered in the future. The campaign used a variety of engagement channels and was a huge success – involving over 2500 people from a wide range of ages, ethnic backgrounds and geographical areas.

The feedback received has been used to determine what the priorities need to be for the service design phase of the Programme, which started in earnest in November. Eight Project Groups have been set-up to deliver the service design work, based on the areas which customers said are most important to them.

Engagement with customers and staff will continue to be at the heart of the Programme throughout the service design phase, and opportunities to link to other projects and share learning will be maximised.

Reasons for Recommendations:

At its meeting on 21st March 2012, Cabinet asked for a report to be brought back to Cabinet at a suitable time to 'set out the proposed organisational structure and a timetable for implementation'.

This report satisfies that request – in its details of the location of Sheffield Homes teams from 1st April 2013, and in its update on the progress of the Programme as a whole.

Recommendations:

That Cabinet:

- Notes the updates given in this report.
 - Requests that a further report be presented to Cabinet when the outcomes of the service design work are known, detailing the longer-term proposals for the structure of housing services.
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Background Papers:

Future of Council Housing Cabinet Report, 21st March 2012
Future of Council Housing Equalities Impact Assessment, July 2012
'It's Your Shout' consultation feedback – summary report, October 2012

Category of Report: OPEN

Statutory and Council Policy Checklist

• Financial Implications
YES Cleared by: Liz Orme
• Legal Implications
YES Cleared by: Gillian Duckworth
Equality of Opportunity Implications
NO Cleared by: Bev Coukham
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
YES
Property implications
NO
Area(s) affected
City-wide
Relevant Cabinet Portfolio Leader
Cllr Harry Harpham
Relevant Scrutiny Committee if decision called in
Safer and Stronger Communities
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO



Future of Council Housing Update Report for Cabinet 12th December 2012

1 Summary

- 1.1 Council housing in Sheffield represents approximately 18% of the city's housing stock. It is currently managed by Sheffield Homes – the Council's Arms Length Management Organisation. Following a tenant ballot in February 2012 in which 88.2% of tenants voted for housing services to be brought into the council, Cabinet took the decision in March 2012 to do so.
- 1.2 It has been agreed that Sheffield Homes staff will transfer to the Council on 1st April 2013. This will involve a transfer of Sheffield Homes staff to the Council in accordance with the Transfer of Undertakings (Protection of Employment) Regulations.
- 1.3 Intensive consultation has been undertaken with tenants, other customers and staff to establish how they want housing services to be delivered in the future. The campaign used a variety of engagement channels and was a huge success – involving over 2500 people from a wide range of ages, ethnic backgrounds and geographical areas.
- 1.4 The feedback received has been used to determine what the priorities need to be for the service design phase of the Programme, which started in earnest in November. Eight Project Groups have been set-up to deliver the service design work, based on the areas which customers said are most important to them.
- 1.5 Engagement with customers and staff will continue to be at the heart of the Programme throughout the service design phase, and opportunities to link to other projects and share learning will be maximised.

2 What does this mean for Sheffield People?

- 2.1 The Council is landlord to just under 49,000 tenants in around 42,000 homes, and there are a further estimated 10,500 'other occupants' who also form part of these households. The Council also has 2,200 leaseholders living in ex-council flats and maisonettes purchased under the Right-to-Buy.
- 2.2 Overall, council housing in Sheffield represents around 18% of the city's housing stock.
- 2.3 In addition to those people living in its properties, the Council's housing service also has a significant number of 'other' customers – for example, the 76,500 non-tenants who are currently on the housing register.
- 2.4 As stated in the Council's corporate plan 'Standing up for Sheffield', we need to "... make the best possible use of our resources to meet the needs of Sheffield and its people making sure that we are only investing in efficient services that people and local communities really need."

2.5 The aim of the Future of Council Housing programme is exactly that – to ensure that our housing service meets the needs of tenants, leaseholders and residents, and to maximise the amount of rental income we re-invest into frontline services and homes.

3 Outcome and sustainability

3.1 The overarching aim of the Programme is to provide excellent quality housing management services that ensure homes and neighbourhoods are well-managed and maintained to decent standards within the constraints of a 30-year Housing Revenue Account (HRA) business plan. Doing so will help ensure that that our estates and neighbourhoods are sustainable.

3.2 Specifically, the Programme aims to support the Council's corporate plan by:

3.2.1 Providing desirable and well-maintained homes that are an affordable and attractive choice for residents.

3.2.2 Using our role as landlord to contribute and support sustainable communities through joint-working, integrated services and a holistic approach – supporting people in developing their financial, economic and social potential.

3.2.3 Taking a 'one-stop' approach to service delivery to streamline the customer journey and therefore help the most vulnerable receive the help they need.

4 Update on the progress of the Programme

4.1 Background information

4.1.1 The Council currently has a Management Agreement with Sheffield Homes, its Arms Length Management Organisation, for the delivery of council housing services. This agreement was due to end in March 2014. A ballot of tenants was held in February 2012, at which 88.2% of those taking part voted to have their homes managed directly by the Council in the future. Overall turnout at this ballot was over 55%.

4.1.2 After considering the outcome of the ballot, and other feedback from tenants and leaseholders, Cabinet took the decision in March 2012 to integrate housing management services into the Council. The Future of Council Housing Programme has been established to manage this process.

4.1.3 Governance of the Programme is supported by a Programme Board, which comprises of senior managers from Sheffield Homes and the Council, The Chair of Sheffield Homes Board, Tenant Governors and Councillors.

4.1.4 Decision-making was delegated by Cabinet to the Executive Director of Communities, in consultation with the Cabinet Member for Homes and Neighbourhoods. The Programme Board provides opinion, guidance and challenge to inform this decision-making.

4.2 Ending of the Council's Management Agreement with Sheffield Homes

4.2.1 The Management Agreement between the Council and Sheffield Homes was due to end on 31st March 2014. However, the Cabinet Member for Homes and Neighbourhoods in conjunction with the Executive Director (Communities)

determined, in line with authority delegated by Cabinet, that the ending of that agreement should be brought forward to 31st March 2013.

4.2.2 This earlier termination date allows savings from, and benefits of, the integration of housing services to be realised sooner. This means savings can be reinvested into homes and frontline services and improved outcomes for customers achieved earlier.

4.2.3 The revised termination date still enables sufficient time for meaningful consultation with customers, staff and other stakeholders about the future shape of housing services.

4.3 New structure as from 1st April 2013

4.3.1 Following consultation with staff and Trade Unions, the initial organisational locations of Sheffield Homes teams within the Council from 1st April 2013 has now been agreed. These details are given in the table below.

4.3.2 These 1st April 2013 organisational locations are the initial locations for Sheffield Homes staff, chosen to minimise any potential disruption to services and to keep Sheffield Homes teams intact at the point of transfer.

4.3.3 The longer-term organisational structure of housing services will be determined based on the outcomes of the service design work, which will take place over the coming months.

Sheffield Homes Team	Proposed SCC Portfolio	Proposed SCC Executive Director	Proposed SCC Director
Access to Housing	Communities	Richard Webb	Director lead for Council Housing
Asset Management	Communities	Richard Webb	Director lead for Council Housing
Area Housing Teams	Communities	Richard Webb	Director lead for Council Housing
Community Engagement	Communities	Richard Webb	Director lead for Council Housing
Customer Care and Communications	Resources	Laraine Manley	Julie Bullen, Director of Customer Services
Estates and Environment	Communities	Richard Webb	Director lead for Council Housing
Executive and Executive Support	Communities	Richard Webb	Director lead for Council Housing
Finance & Procurement	Resources	Laraine Manley	Eugene Walker Director of Finance
H&S and Facilities	Communities	Richard Webb	Director lead for Council Housing
Heating, Mechanical and Electrical	Communities	Richard Webb	Director lead for Council Housing
HIST	Communities	Richard Webb	Bev Coukham, Director of Business Strategy
Home Improvement (Decent Homes)	Communities	Richard Webb	Director lead for Council Housing
HR & OD	Resources	Laraine Manley	Julie Toner, Director of Human Resources

Income Management	Communities	Richard Webb	Director lead for Council Housing
Leaseholder Services	Communities	Richard Webb	Director lead for Council Housing
Lansdowne / Hanover Projects	Communities	Richard Webb	Director lead for Council Housing
Maintenance Partnership	Communities	Richard Webb	Director lead for Council Housing
Older Persons Independent Living	Communities	Richard Webb	Director lead for Council Housing
Partnership Services	Communities	Richard Webb	Director lead for Council Housing
Planning & Performance	Communities	Richard Webb	Bev Coukham. Director of Business Strategy
Supported Housing	Communities	Richard Webb	Director lead for Council Housing
Tenancy Management and Enforcement	Communities	Richard Webb	Director lead for Council Housing
Vacants Management	Communities	Richard Webb	Director lead for Council Housing

5 Feedback from ‘It’s Your Shout’ consultation campaign

5.1 This intensive phase of consultation with tenants, leaseholders and other customers took place over the summer, and was a huge success. It was designed to involve as many customers as possible in a conversation about how housing services should be delivered in the future.

5.2 A variety of engagement channels – both traditional and more innovative methods – were used, including:

- A short questionnaire-postcard sent to every tenant and leaseholder with tenants’ magazine “InTouch”.
- Recruitment of over 40 Community Consultation Volunteers to encourage people in their local area to engage in the consultation.
- Attending festivals, fun-days and ‘pop up’ stalls across the city.
- Community Cafés held with established groups, aimed at facilitating more in-depth discussions.
- An on-line staff survey for Sheffield Homes and Council staff.

5.3 As a result, over 2,500 customers provided feedback to help to design the future shape of the housing service. The campaign was very successful not only in terms of the numbers involved, but also in terms of the profile and demographics of those engaged with.

5.4 Customers in all geographical areas of the city responded, and the profile of respondents in terms of ethnicity, age and disability is in line with that of our tenants as a whole (see 11.2 of this paper). This shows that the “It’s Your Shout” campaign has been truly inclusive.

5.5 A report outlining and analysing the feedback received from the consultation was presented to the Programme Board in October 2012. It explains that the cleanliness and attractiveness of neighbourhoods, the maintenance of homes and tackling antisocial behaviour are the issues which customers most wanted to give their views on.

5.6 Other issues were also shown to be of importance to customers, and all of these key areas have been used to shape the forthcoming 'service design' - as described in Section 6 below.

6 The service design phase of the Programme

6.1 The feedback received from the consultation has been used to determine what the main priorities need to be for the service design phase of the Programme. Service Design Project Groups are being set-up, based around these priorities:

- **The opportunity to have my say:** Focusing on the future shape of engagement and governance structures.
- **Well-maintained homes and neighbourhoods:** Focusing on investment in homes and the areas in which people live.
- **Clean, attractive neighbourhoods:** Looking at the effective management of neighbourhoods – predominantly the public and shared spaces, and neighbourhood amenities.
- **A quick and effective response to Anti-Social Behaviour (ASB):** Exploring the potential for housing services to contribute to the Council's ASB Review, and vice-versa.
- **Easy access to services:** Focusing on how we join up the right teams and partners to deliver services in a holistic way.
- **A home to suit my needs:** Looking at how we can provide the right homes in the right locations, to help people lead healthy and successful lives.
- **Making the most of our available income:** Focusing on maximising rental income and the effective management of tenancies. Also on how we can support tenants in improving their own financial capability.
- **Joined-up services that better support me:** Exploring the potential to integrate housing and other services so that a co-ordinated response can be made to the particular needs of individuals, families and communities.

6.2 Engagement with customers will continue to be at the heart of the Programme throughout the service design phase. Each of the above Project Groups will be led by a Steering Group which will include at least 3 customers, working alongside senior Council and Sheffield Homes officers. These customers will be heavily involved in directing the work of the Project Groups and will contribute to the recommendations they make.

6.3 A wider group of customers and other stakeholders will also be involved in the service design once the Project Groups are underway. As with the "It's Your Shout" campaign, a variety of engagement tools will be used to ensure that this wider group is as representative and broad-reaching as possible.

- 6.4** Staff will also be heavily involved throughout the service design phase. A Staff Link Group has been established comprising of management-level representatives from each team within Sheffield Homes. The purpose of this group is to support the communication between the FoCH Programme and staff – particularly in terms of the service design work. This Group will be a key engagement channel during this phase of the Programme.
- 6.5** This service design work will not be undertaken in isolation. There are already a number of other projects and initiatives taking place in both the Council and Sheffield Homes which link to the Project Groups, and opportunities for joint-learning, sharing ideas, using existing relevant data and tapping into newly-emerging practices will be maximised.
- 6.6** The Project Groups will involve representatives from all relevant parts of the Council, and outcomes will be underpinned by the aims laid down in the Council’s Corporate Plan.
- 6.7** Scoping sessions for all of the Projects Groups were held in early November, and the service design work will began in earnest from the end of November onwards. This work is expected to continue past April 2013.

7 Financial Implications

- 7.1** Savings to the Housing Revenue Account have been identified by having housing services directly managed by the Council. Any savings will be made across both the Council and former Sheffield Homes teams.
- 7.2** It is anticipated that savings of at least £1.2million will be made– through reduced senior management posts and removal of duplication of activity. These savings are expected to be realised post-transfer over a two-year period. More detailed financial information will be produced after the service design work has been undertaken and the long-term structure of the new housing service is established.

8 Legal Implications

- 8.1** The legal implications of ending the Management Agreement with Sheffield Homes were addressed in the earlier phase of the Programme – as detailed in the Future of Council Housing report to Cabinet in February 2012.
- 8.2** The transfer of staff from Sheffield Homes to the Council must be done in accordance with the Transfer of Undertakings (Protection of Employment) (“TUPE”) Regulations (revised 2006). The regulations are designed to protect the rights of employees in a transfer situation enabling them to enjoy after the transfer the same terms and conditions, with continuity of employment, as per their former employment.
- 8.3** The Council must:
- Take over responsibility for the contracts of employment of all Sheffield Homes employees employed at the time of transfer.
 - Take over all rights, liabilities and obligations arising from those contracts
 - Take over any collective agreements made by or on behalf of Sheffield Homes in respect of the transferring employees and in force immediately before the transfer.

- 8.4** There is a duty on both Sheffield Homes and the Council to inform and consult with the representatives of employees who may be affected by the transfer. This is usually achieved by consulting with their Trade Union representatives.
- 8.5** Failure to properly consult can result in payment for lack of consultation, which may be up to 13 weeks' pay for each individual employee (otherwise known as a Protective Award). The transferor and transferee are both liable for any award of compensation made by an employment tribunal for failure to inform and consult.
- 8.6** There is no defined period after the transfer when it is certain that TUPE protection ends – there is no fixed time after the transfer where protection ceases and terms and conditions can be varied. This timeframe is individual to each transfer and will vary from case to case. The TUPE regulations do allow for changes to be made if they are due to an economic, technical or organisational reason (eg. as a result of the service design work). Consultation requirements would surround any such changes, and will only be made in line with HR and Legal advice.
- 8.7** A TUPE project plan is in place, and this element of the Programme is being managed via the Business Infrastructure Workstream – which comprises of senior officers from the Council and Sheffield Homes, including HR leads.

9 Human Resources Implications

- 9.1** As outlined above, a TUPE transfer of Sheffield Homes staff will be undertaken.
- 9.2** To maintain staff morale, and therefore help ensure that service delivery is not impacted on by the transfer, it is important that robust consultation with staff is undertaken – not just the legally-required TUPE consultation. This is being done in a variety of ways – face-to-face briefings, Intranet updates, roadshows, staff newsletters and via the Staff Link Group (referred to above).
- 9.3** One of the key tasks going forward will be to create robust induction plans for both SCC and SH staff, covering both the cultural aspects resulting from the integration of the two organisations and any organisational aspects such as the potential management of different sets of terms and conditions of employment.

10 Environmental and sustainability implications

- 10.1** There are no immediate environmental and sustainability implications arising from this report. Any such implications arising from the service design Project Groups will be identified in a future report to Cabinet.

11 Equality of Opportunity Implications

- 11.1** An Equalities Impact Assessment (EIA) has been undertaken for this Programme, and signed off by the Communities Business Strategy Team. This Assessment has given assurance that the consultation methods used during the It's Your Shout campaign ensured that the consultation was fair, fully inclusive and effective.
- 11.2** Further reassurance of this is provided by the consultation results, in terms of the profiles of the respondents. As stated in 5.4 above, the profile and demographics of those who engaged in the consultation are broadly in line with those of tenants as a whole. The relevant figures are shown in the table below:

		It's Your Shout respondents	Tenant Profile
		%	%
Ethnicity	BME	13.3	14.6
	WBR	73.0	82.1
	Not given	13.7	3.3
Are you disabled?	Yes	25.7	31.6
	No	69.1	65.5
	Not given	5.2	2.9
Age	Under 25	5.7	6.7
	26-45	28.2	30.4
	46-65	32.5	32.0
	66-85	27.4	25.9
	86+	2.9	4.9
	Not given	3.3	0.0

11.3 A further EIA will be undertaken by Sheffield Homes as part of the TUPE transfer. Any changes resulting from the service design work – in terms of their impact both on groups of staff and also tenants – will be addressed if and when necessary, using the Council's Achieving Change Process. This would include the requirement to undertake an EIA at the appropriate time.

12 Alternative options considered

12.1 An alternative option for the organisational location of Sheffield Homes teams within the Council from 1st April 2013 was considered. This option involved dispersing Sheffield Homes teams more widely across the Council.

12.2 However, the long-term organisational location of Sheffield Homes teams within the Council will not be known until the service design work is completed. Therefore, to minimise any potential disruption to service delivery, and to reduce uncertainty for staff, the option to locate the majority of teams within the Communities Portfolio under a Director with lead responsibility for Council Housing was chosen.

12.3 Those teams who are transferring to a different location (eg. to the Resources Portfolio) are support services. For these specific teams, being located with the equivalent service in the Council will enable them to perform their function most effectively.

12.4 Although the majority of services will initially transfer to the Communities Portfolio, some teams will have regular interfaces with services within Place (eg. those working on council housing capital investment and strategy). This will help ensure that the necessary links are made to ensure that we maximise the benefits for integration.

13 Reasons for recommendations

13.1 At its meeting on 21st March 2012, Cabinet asked for a report to be brought back to Cabinet at a suitable time to 'set out the proposed organisational structure and a timetable for implementation'.

13.2 This report satisfies that request – in its details of the location of Sheffield Homes teams from 1st April 2013, and in its update on the progress of the Programme as a whole.

14 Recommendations

14.1 That Cabinet:

- Notes the updates given in this report.
- Requests that a further report be presented to Cabinet when the outcomes of the service design work are known, detailing the longer-term proposals for the structure of housing services.