

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 14th June 2010

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WARD(S): All

PORTFOLIO: Neighbourhoods and Renewal - Councillor Swindlehurst

PART I **NON-KEY DECISION**

HOUSING FUTURES - PROVISION OF HOUSING MANAGEMENT SERVICES – UPDATE REPORT

1. **Purpose of Report**

This report updates Members of the progress to date with planning the return of housing management services to direct provision and the winding up of the company, People 1st (Slough) Ltd. In accordance with statutory requirements from 1st July 2010.

2. **Recommendation(s)/Proposed Action**

The Cabinet is requested to resolve:

- (a) That the progress to date in engaging, informing and consulting our tenants and staff on the proposal to return housing services to in-house provision be noted,
- (b) That the decision to bring forward the transfer date to 1st July 2010 following the mutual agreement of the People 1st board and the Council to the early termination of the management agreement be endorsed (para 5.4 refers)
- (c) that further decisions relating to the successful reintegration of People 1st staff and services into the council be delegated to the Assistant Director of Housing in consultation with the Commissioner for Neighbourhoods and Renewal, the Strategic Director of the Green & Built Environment and the Strategic Director of Resources with an update report being brought to Cabinet in September 2010
- (d) Whether, to enable member scrutiny of the Housing Futures project it should be referred to the Neighbourhood & Renewal Scrutiny Panel as a standing item

And the Cabinet is requested to recommend to Council:

- (e) That the Council's scheme of delegation for housing related functions formerly undertaken by staff within People 1st (Slough) Ltd be amended as indicated in Appendix A (para 5.11 refers)

3. **Community Strategy Priorities**

The provision of good quality, inclusive and efficient housing services are fundamental to delivering the Council's community strategy priorities and as such,

ongoing, meaningful consultation with staff, tenants and stakeholders is essential in the design of structures and services that will deliver services to meet identified need.

4. **Other Implications**

(a) **Financial**

There are no financial consequences inherent within this report and the costs associated with the project are being closely monitored by the project board. To date there are three main expenditure items; the tenant's consultation exercise, external legal advice required for company closedown and TUPE and the ongoing communication strategy to staff and stakeholders. There has been no additional expenditure committed through the change of transfer date and all expenditure to date would have been required at the end of the contract.

(b) **Risk Management**

Since initiating the review of housing management service delivery in January of this year, the project has been managed tightly using Prince II principles and documentation. The project board initially met on a fortnightly basis but as we approach the transfer date this has increased to weekly meetings to ensure the project remains on target and issues are resolved as they occur. The recent change of transfer date from December to June is an example of where the project management has identified an issue and resolved it to the benefit of all. The project board will continue to meet throughout 2010 until such times as the final structure of the returning services has been determined and the staff assimilated into the council structure.

(c) **Human Rights Act and Other Legal Implications**

With the accelerated time scale agreed, we are now within the formal stages of TUPE consultation and communication with all staff in People 1st. Elsewhere the due diligence process is well underway to safeguard the council's interests by determining in advance the outstanding assets and liabilities of People 1st before they are legally transferred to the council. Face to face meetings have occurred with the Department for Community and Local Government (CLG) and Homes and Communities Agency (HCA) and one is planned with the Audit Commission (AC) to appraise them of the situation in Slough and our proposals for future service delivery to ensure that we remain in accordance with the pseudo-legislative requirements for delivering front line services.

(d) **Equalities Impact Assessment Implications**

The future determination of the delivery method for housing services will be subject to an equalities impact assessment and the results reported to members accordingly.

5. **Supporting Information**

Background

- 5.1 As members will be aware from reports to the special cabinet in March 2010, the council duly endorsed the decision to return to in-house provision of housing

management and allied services following a 'test of opinion' among tenants and leaseholders which showed overwhelming support for the proposal.

- 5.2 The project has continued to make progress in planning for the transfer and in the three months since taking the decision the focus has primarily been on engaging with and reassuring the staff of People 1st in relation to the continuation of employment and the formal TUPE process. In April, two workshops were held with middle managers and four with front line staff to determine the links and synergies each service has with each other and those across the council. Additionally staff were encouraged to explore what issues or blockages currently prevented them from being effective in the jobs and also what simple improvements could be made to make service delivery quicker or more efficient.
- 5.3 In May, three sessions were held for all staff to ask questions and seek information or reassurance about the transfer, the TUPE regulations, pensions, harmonisation and all other employment related matters. The dialogue resulted in a series of questions and answers which were then typed up and circulated to all staff as a series of FAQ's.
- 5.4 Throughout the consultation period it became clear that despite all the assurances and information that the project team could offer, staff within People 1st were still understandably anxious about the transfer to the council and it was felt that this would continue to be a barrier to service reorganisation and improvement over the remaining six months of the company. Having discussed this issue the Project Team considered options for accelerating the transfer process and proposed a change to the transfer date to the nearest available quarter day being the 1st July 2010.
- 5.5 Initially there were two challenges to the successful transfer of staff and business back to the council in such a short timescale; early termination of the management agreement could only occur with the mutual agreement of the council and the board of People 1st and the detailed statutory requirements associated with the aforementioned TUPE legislation.
- 5.6 The mutual consent of the People 1st board was secured by convening a board meeting on the 5th May where a single report was presented explaining the issues caused by a protracted transfer process and this was duly endorsed by all members present. To assist with the TUPE process external legal advice was sought from Trowers a firm of solicitors considered to be leaders in the field of ALMO and local authority housing business and who coincidentally are also retained by LB Hillingdon as they plan the return of Hillingdon Homes and its services back to the council in September 2010. The advice received confirmed that TUPE legislative requirements could still be met and staff's positions safeguarded within the tight timescale.
- 5.7 Accordingly all staff received notification on the 7th May that the new transfer date had been approved and that the formal TUPE process was in operation. Key dates were agreed between Human Resources and the Staffside Trade Union representatives and staff will now receive their formal letters of transfer on 3rd June, after the agreed appeal period during which any staff member may challenge the details pertaining to them being TUPE transferred.
- 5.8 It has been possible to undertake this TUPE transfer in such a short space of time because the proposal is to 'lift and shift' the whole organisation from People 1st to

SBC without any change in details. Staff will have the same pay dates, salaries, grades, reporting lines, job titles and place of work. Nothing will change for staff other than signage, letter-headings and other elements of corporate branding.

- 5.9 Throughout May and June officers from legal and finance for both SBC and People 1st will be pursuing a process of Due Diligence which essentially means that all liabilities and assets of the company will be identified and quantified prior to the official winding up of the company. This would be of greater importance if this were a company takeover of an external agent but of course in the case of People 1st staff from the council have been working closely with their colleagues on many projects and are already aware of much of the organisation. Additionally, as a wholly owned company any liabilities belonging to People 1st were already liabilities to the council in reality. Nonetheless it is good practice to undertake this investigation work and ultimately the transfer will proceed smoothly and without unforeseen issues.
- 5.10 When the HRA budget and People 1st management fee were set by Cabinet in March, it was on the basis of 9 months of funding taking the company through to December 2010. As this has now changed the budgets will be readjusted such that People 1st receive funding through to the end of June and the Housing Revenue Account will retain the funding for the rest of the financial year in separate but identical cost centres this will allow a continuation of service with funded operational budgets established from day one.
- 5.11 To enable continuity of service delivery the Council will also need to adopt an amended scheme of delegation for officers. Attached to this report at appendix A is a list of current and proposed delegations which Cabinet may recommend to Council for adoption. Once endorsed further delegations to specific officers will be undertaken and an audit trail maintained to provide clarity on who is authorised to act on behalf of the council.
- 5.12 Although it is only four years since staff transferred from the council to People 1st there has been considerable turnover such that the majority of staff now employed are not former SBC colleagues. Accordingly working within a unitary authority will be a new experience for many staff and to help the transition all staff will be attending an induction day giving the background to the authority and enabling colleagues to understand its aims and objectives and its structure. The induction courses have been arranged for the first two weeks in July, as close to the transfer date as is possible. New ID cards have also been ordered for all transferring staff not only so that they begin to feel part of the organisation but also to ensure unhindered access to each of the council buildings.
- 5.13 With the abolition of People 1st Members have lost a form of engagement with the management of housing services given that they no longer have five seats on the management board. Member involvement will be crucial in the coming months as the returning services are reorganised and embedded within the council. Accordingly cabinet may wish to consider making the Housing Futures project a standing item on the Neighbourhood & Renewal Scrutiny Panel or of establishing a specific task and finish group to oversee the transition.
- 5.14 Similarly tenant involvement is temporarily lessened with the loss of the management board however as the new structures and services evolve, officers will explore options for incorporating tenants and leaseholders into the decision making and performance management process. This of course will accord with the

requirements of the new Tenant Services Authority (TSA) regulatory regime which was introduced in April of this year.

6 **Comments of Other Committees**

- 6.1 This report will be presented to the Neighbourhood and Renewal Scrutiny Panel on the 17th June 2010

7 **Conclusion**

- 7.1 This report demonstrates that the project board has sustained the significant work rate associated with this proposal and has further determined that it would be in the best interests of tenants and leaseholders and staff of both the Council and People 1st to accelerate the proposal and to transfer all staff to the council at midnight on the 30th June 2010.

8 **Background Papers**

None

9 **Appendix**

Appendix A – Scheme of delegation for functions currently undertaken by People 1st (Slough) Ltd. on behalf of the council.

Appendix B – Letter sent to all People 1st staff – 26th March 2010

Appendix C – Letter sent to all People 1st staff - 7th May 2010