



Haringey Council

Report for:	Cabinet	Item Number:	
Title:	The Future of Housing Review – Conclusions and Recommendations		
Report Authorised by:	Tracie Evans – Chief Operating Officer		
Lead Officer:	Tracie Evans – Chief Operating Officer		
Ward(s) affected:	All	Report for Key/Non Key Decisions:	Key
Signed:	Date: 4.9.15		

1. Describe the issue under consideration

- 1.1 The report is to consider the future approach to managing and investing in the Council's housing in Haringey. Four options have been identified for consideration which are:
- 1.2 The Council retains ownership of the housing stock and:
 - i) uses the existing ALMO model to deliver housing services (the "as is" option)
 - ii) brings the management of housing services back into the Council
- 1.3 The Council transfers ownership of its housing stock to;
 - iii) an existing housing association or other organisation
 - iv) a new Housing Association (or other delivery vehicle) set up for the purposes of receiving the stock and services.
- 1.4 This report provides an overview and summary of the process, options and recommendations.

2. Cabinet Member introduction

- 2.1 This Cabinet report is the covering report for two attached reports which are the culmination of a significant piece of cross-party work.



- 2.2 The priority of the Review has been to identify what future management arrangement will secure the best possible management, improvement and regeneration of homes in this borough in the coming years.
- 2.3 Given the rapidly changing picture in housing, it is important that the Council makes a clear decision about the future of housing management and improvement in Haringey. The report of the Future of Housing Review recommends that a new approach is adopted which combines retention of the arms-length management company to manage the majority of the stock, alongside a new development vehicle to lead and fund the regeneration of some of our major housing estates.
- 2.4 I wanted to thank all of the members of the Future of Housing Review, which had representation from Labour and the Liberal Democrat Group and tenant representation for the significant amount of time, effort and insight they have brought to this Review.

3. Recommendations

- 3.1 Cabinet is recommended by the Future of Housing Review Group to agree:

Housing Management:

- a) That Homes for Haringey is retained as the Council's Arms Length Housing Management company, and is offered an extended contract of 10 years in duration, with a review after 5 years, such extended contract to expire on 31st March 2026
 - b) That a new management agreement with Homes for Haringey is agreed, the approval of such agreement being brought back to Cabinet not later than March 2016.
 - c) That the new management agreement should include:
 - an expectation of continued improvement in performance, including reaching top quartile performance by March 2018, as per their business plan.
 - that Homes for Haringey expands its offer to involve and engage tenants in the management of their homes
 - that Homes for Haringey continues to maintain a high standard of leadership and staffing within the organisation and the board.
 - d) That at this time, the functions relating to homelessness and allocations services as set out in **Appendix A**, continue to be managed by Homes for Haringey as part of this contract to 31st March 2016.
- 3.2 Cabinet are also asked to note the following recommendations of the Future of Housing Review Group as set out in this report, sections 7, 8 and 9:

Development Vehicle:

- a) That a development vehicle is potentially the best solution to progress major estate renewal, maximise the potential for investment in the Council's housing stock, and the delivery of new social and affordable housing. That the Council should aim to replace the same number of affordable habitable rooms and that the deal for tenants is broadly comparable under the Vehicle. A separate



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report on this will be brought to Cabinet in due course.

Other estates:

- b) That the regeneration of Northumberland Park is considered in the context of a potential development vehicle.
- c) That given the high stock condition needs and repairs costs at Broadwater Farm, a solution is developed in conjunction with the residents in this context, and consultation with tenants should begin by December 2015.
- d) That a regeneration scheme at Noel Park is developed, which builds on the high land values and retains the estate within Council control for the long term and is self-funding.
- e) That those staff seconded to Homes for Haringey in 2014 from Community Housing Services, where it is appropriate to do so, be transferred to Homes for Haringey's employment. In addition, roles identified within Homes for Haringey that are in scope of the Business Infrastructure Programme and Customer Services Transformation will be transferred from Homes for Haringey to the Council. Trades Unions and employees will be consulted. Following this meeting, and if approved, the process by which this will happen will be agreed with the relevant parties. It is likely that TUPE will apply to both transfers.
- f) That any additional services that the Council considers it appropriate to commission through Homes for Haringey, or to transfer from Homes for Haringey to the Council, are identified by the Council through the Assistant Director of Regeneration - the agreement of such being either part of the management agreement, or as appropriate to the decision to be made. No specific change to Homes for Haringey's functions is proposed at this time.

Ongoing Investment needs

- g) That the Council determines an asset management approach that delivers the following:
 - Prioritisation between stock maintenance, regeneration and new -build housing.
 - Clear standards of maintenance to be achieved for the housing stock
 - Clarity of resources to meet those standards both in terms of amount and source
 - Programmes to meet those standards
 - Management of costs to help mitigate the continuing capital funding deficitThis should be in line with the Council's overall Capital Strategy, and should inform the HRA 30 year business plan.
- h) Based on the models established for this review the Council should develop a 30 year business plan that provides a balanced budget and manages the continuing capital funding deficit on the Council's housing stock. The Council should establish and maintain a consistent set of assumptions and financial approaches to Housing Revenue account management going forward.

Reviews:

- i) That Homes for Haringey must ensure a stronger system of reconciliations between work done, stock condition data and financial investment to ensure accurate physical and financial information



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are available at overall and estate level, such action to be in place by March 2016.

- j) That Homes for Haringey conducts a review of the leaseholder management service, consulting with leaseholders as to the best way forward, based on the formal and informal satisfaction survey results provided to the review, and reports to the Cabinet Member and Chief Operating Officer by March 2016. Such a review should ensure resulting increases in Leaseholder satisfaction rates.
- k) That Homes for Haringey carries out a review of repairs responsibilities to ensure that appropriate responsibility is borne by the Council and its tenants and leaseholders, and reports to the Chief Operating Officer and Cabinet member in early 2016.
- l) That there must be a review of the Council's rent policy, whilst recognising that the awaited rent regime changes due to be put in place shortly may prevent any changes to rent levels.

4. Alternative options considered

4.1 In the course of the review a number of options were considered and are listed below:

4.2 The Council retains ownership of the housing stock and:

- i) uses the existing ALMO model to deliver housing services (the "as is" option)
- ii) brings the management of housing services back into the Council

4.3 The Council transfers ownership of its housing stock to;

- iii) an existing housing association or other organisation
- iv) a new Housing Association (or other delivery vehicle) set up for the purposes of receiving the stock and services.

4.4 Options in 4.3 above also included consideration of the following alternatives:

- Tenant Management Organisation
- Co-operative model
- Community Gateway
- Tenant Management Owned Association

5. Background information

5.1 This review was established by Cabinet in July 2014 to examine the future of housing after March 2016 as the Homes for Haringey contract was coming to an end and there was to be no further Decent Homes funding.

5.2 The Council has 15,658 Council homes, managed currently by Homes for Haringey. There are 4,765 leaseholders, in addition. A significant amount of Decent Homes work has been done but little estate renewal. There are some technically complex and high cost estates. There is considerable demand and pressure on the Council's housing stock exacerbated by the Right to Buy reducing stock numbers.



6. The Review Process

- 6.1 The Review Group comprised a cross-party group of 5 members and a co-opted tenant, led by Councillor Strickland, the Cabinet Member for Housing and Regeneration. The group met from December 2014 to August 2015 to consider the future options considering the available evidence provided through the support of an Independent Adviser.
- 6.2 The process was run in accordance with DCLG guidance issued in 2004 and updated in 2006 and 2011, which stated that 'the existing ALMO arrangements should remain in place unless an alternative can be shown to have demonstrable benefits for tenants'. The process set out to be objective and fact-based, open and transparent.
- 6.3 Over the course of the 9 month review, evidence was gathered through:
- face to face interviews and site visits
 - performance benchmarking
 - analysis of stock condition information
 - Independent expert financial analysis
 - an independent test of tenant and leasehold opinion.
- 6.4 This evidence was then judged against the criteria for each option. During this process, the Review Group also identified other areas where it was felt necessary to make a recommendation for improvement.
- 6.5 *Site visits*
The Review Group had made a range of visits to view different approaches to housing management and investment. These included visits to:
- Waltham Forest
 - Newham
 - Rochdale
 - Salford
 - Homes for Haringey
 - Sunderland
- 6.6 The Independent Adviser also visited several housing organisations, and the Review Group heard from Homes for Haringey, Family Mosaic, and the Haringey Resident Scrutiny group.
- 6.7 From these visits and meetings, the Review Group identified some key lessons to apply to Haringey which were:
- The importance of local focus on housing
 - A need to concentrate on housing in its widest sense
 - The need to understand what an authority can and cannot deliver, and the need to have a range of skills and approaches
 - Most authorities were delivering housing services on a 'mixed economy' basis even if housing management was in-house i.e. they also had a local housing company or had a joint venture



6.8 *Benchmarking*

Detailed performance benchmarking was carried out across a variety of comparable organisations to Homes for Haringey, both in a national and regional context. Whilst benchmarking information must be treated with some caution due to differences in local application and context, this information confirmed that Homes for Haringey had improved significantly in the last two to three years, although the service was still mixed and weak in some areas. Significant scope for improvement remained

6.9 *Stock condition information and financial analysis*

Ridge and Partners have recently completed a stock condition survey commissioned by Homes for Haringey. From this, they had modelled two standards:

- High cost aspirational standard (Gold)
- Lower standard broadly equivalent to Decent Homes (Silver)

6.10 Financial analysis of the HRA had been carried out and resources modelled against the stock condition needs. With the gold standard there was a repairs' funding gap throughout the 30 year business plan period with a deficit of £250m, even at year 30. With the silver standard the gap existed until year 17 when the HRA starts to create additional surpluses. The peak funding gap on this standard was £50 million. This position has been made significantly worse by the recent rent decrease announced by government.

6.11 *Test of tenant and leasehold opinion*

CLG Guidance suggests that should changes be made to the organisation delivering housing management services, then a ballot should be held. However, government to do not require a ballot to be held should no change be made. Given that the views of tenants and leaseholders are important in this decision, a test of tenant and leasehold opinion was held. This informed the option appraisal.

6.12 This was run by an independent market research group, and aimed to gather tenant and leasehold views about what is most important to them about their housing service moving forward, and how well it appears to be run now. This was done predominantly through a telephone survey, but to ensure every tenant and leaseholder had the chance to participate, was followed up by postal and online surveys.

6.13 The results showed:

- low brand recognition of Homes for Haringey
- little support for transfer options
- increasing satisfaction amongst tenants
- recognition of recent improvement
- support for local provision of services
- leaseholder dissatisfaction with service
- the importance to tenants of involvement in service direction and governance

6.14 Generally, informal tenant views were positive concerning Homes for Haringey, recognising recent improvement, and suspicious of transfer options. Leaseholders were also cautious concerning



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transfer options and expressed some dissatisfaction with their present service, in contrast to tenants.

6.15 *Staff and Union views*

Staff had mixed views but were generally supportive of Homes for Haringey, again recognising recent improvement.

6.16 Trade Union colleagues were clear that they believed the service should return to direct in house management by the LB Haringey. They were also firmly of the view that there should be a ballot to determine tenants' wishes whatever option was recommended.

7. Consideration of the options

7.1 As set out above, the options are:

The Council retains ownership of the housing stock and:

- i) uses the existing ALMO model to deliver housing services (the "as is" option)
- ii) brings the management of housing services back into the Council

The Council transfers ownership of its housing stock to;

- iii) an existing housing association or other organisation
- iv) a new Housing Association (or other delivery vehicle) set up for the purposes of receiving the stock and services.

7.2 The Review Group considered the evidence gathered – as set out above – against each option. Detailed analysis of the options is contained in the attached report of the Independent Adviser.

7.3 Overall, the Review Group found that:

- No one solution delivers all that the Council requires and meets all the Criteria for Assessment perfectly.
- In particular there is no single solution that fully meets the Council's financial requirements and eradicates the Capital Funding deficit
- Therefore in common with other local authorities a mixed approach to delivering our housing ambitions is the proposed solution.

7.4 The Review Group therefore recommends that:

- A new contract is agreed with Homes for Haringey to provide housing management and related services on behalf of the Council for 10 years. This contract must, crucially, ensure that the organisation continues to improve performance and efficiency of service to become top quartile housing organisation, and continue to improve its engagement with residents.
- Alongside Homes for Haringey, a development vehicle is proposed to bring in additional expertise and funding sources to be able to improve the Council's existing home and estates, and to enable new homes to be built. This is considered by the group to be potentially the best solution, subject to viability testing. Without this, the Council will not be able to achieve its ambitions.



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7.5 A summary of the Review Group findings and recommendations is set out below.

7.6 **Option 1: Uses the existing ALMO model to deliver housing services (the “as is” option)**

7.7 The Review Group is strongly, and unanimously, in favour of the retention of the ALMO. This is because the ALMO has shown:

- Continued performance improvements over 3 years
- Strong tenant satisfaction ratings
- A significant record of financial savings and efficiencies, while delivering improved satisfaction
- Strong tenant involvement and this is a priority for tenants, as shown in the test of tenant opinion
- The successful delivery of new services and achievements outside housing management e.g. Community Housing Services (Homelessness etc), Project 2020
- The opportunity to commission further services
- That independent expertise and leadership on the board is adding value
- That it is able to move quickly to deliver and can make decisions without the constraints of the lengthy local authority process and procedure e.g. setting up the Housing Apprenticeship Academy and the not for profit Lettings Agency

7.8 In addition:

- The ALMO is an existing housing company structure that could be used for other purposes in future if required.

It should be noted that:

- Retaining Homes for Haringey as the housing management organisation brings no significant improvement to the financial picture.
- In September 2014, Homes for Haringey were transferred management of services relating to Allocations and Homelessness. In this new contract, the majority of services will remain with Homes for Haringey, as set out in Appendix A, for the duration of the new contract, apart from Private Sector enforcement functions which will remain with the Council. In addition, there is also a need to transfer staff to the Council from Homes for Haringey in accordance with the implementation of the Business Infrastructure and Customer services programmes. Additional changes to staffing may also be agreed from time to time.

7.9 **Option 2: The Council brings the management of housing services back into the Council**

7.10 The Review Group does not recommend returning the service to direct management by the LB Haringey. This is because:

- Based on the evidence received and results of the tenant survey, there is no demonstrable benefit to tenants in making this change based on performance, satisfaction, flexibility or financial reasons



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- Savings from the in house option will not significantly improve the overall HRA financial position
- There was a potential risk of a drop in performance if the service was brought back in house
- Although bringing the service in house would provide savings of around £500,000 per annum, those savings will make no significant impact on the overall financial position.
- Should the Council wish to set up a housing company in the future this would reduce those savings and cause duplication of work.
- Disbanding the ALMO removes the flexibility of having a housing company
- Bringing back in house would remove the ability to attract comparable high calibre staff through flexibility of structure and reward
- Structures and processes of Council inhibit speed and effectiveness of response

7.11 Option 3: The Council transfer the housing stock in whole or part to another organisation

7.12 The Review Group does not recommend pursuing large scale voluntary transfer. This is because:

- Future policy on large scale voluntary transfer was uncertain, and at present there is no programme after March 2016.
- The level of debt write off and subsidy required to do a large scale voluntary transfer is likely to make this financially unviable and unattractive to partners, lenders and the government.
- The test of tenant opinion shows little appetite for this amongst tenants
- There is no mindset amongst members or officers that this is the right solution which would make successful transfer extremely challenging
- Transfer of ownership of the Council's homes to another landlord may increase the complexity of regeneration programmes.

7.13 The Review Group does not recommend further consideration of partial transfers at this time, although it notes that some estates may be financially viable for partial transfer if no other solution is viable. The most recent changes proposed to the rent regime for social housing have however, made any form of tenanted transfer unlikely.

7.14 The Review Group did consider evidence regarding other options such as Co-Operative and Community Gateway models. Whilst the increased tenant involvement in these models appeared empowering, both of these options are stock transfer and are not recommended for the same reasons set out above.

7.15 Option 4: The Council establishes a Development Vehicle

7.16 To deliver improvements on major estates, the Review Group recommends that a development company is likely to be the most appropriate option. The Review Group sees the key advantages of this approach as being that a Development Vehicle:

- Brings significant additional investment to provide improvements
- Allow the Council to retain long term control of development and land



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- Offers an income stream that can be spent on the provision of further affordable and social rented housing.
- Unlike conventional development models, it delivers a long term return for the Council
- Will bring in capacity and expertise to deliver change and help mitigate the Council's major investment problems
- At present, maintains new build properties as available for letting at social rent, as the Right to Buy will not apply.
- It was likely that this solution would allow new housing and the replacement of old stock.

The Council is carrying out a separate study in this area which will confirm the detail of this option but members of the Review Group believed that this was likely to be the Council's best solution.

- 7.17 However, the Review Group also noted that this option is unlikely to be a refurbishment vehicle, and transfer would most likely be on the basis of decanting tenants and potentially offering them the opportunity to return.
- 7.18 The regeneration of Northumberland Park and Love Lane should be considered within the Council's study of the Development Vehicle, as this is the most likely solution for improving those areas.
- 7.19 The Review Group considered whether any of these options would work for Broadwater Farm, and identified that further, more detailed work is required to progress this. The Review Group therefore recommends that given the high stock condition needs and repairs costs at Broadwater Farm, a solution be developed in conjunction with the residents in this context, and consultation with tenants should begin by December 2015.
- 7.20 The Review Group recommends specific work is undertaken to agree a long-term plan for the improvement of the Noel Park estate and recommends a self-financing model is explored. As Noel Park has higher land values there is potential for a self financing scheme to be developed to deal with the repairs issues and the Review Group wishes this to be investigated. For preference the Review Group would wish to retain freeholds for the long term.

8. Other recommendations of the review

- 8.1 The Review Group and the Independent Adviser, in carrying out this review, identified some additional areas of improvement for recommendation as part of this report. These are:
- 8.2 As part of this contract, the ALMO should be charged with:
- an expectation of continued improvement in performance, including reaching top quartile performance by March 2018, as per their business plan.
 - expanding its offer to involve and engage tenants in the management of their homes
 - continuing to maintain a high standard of leadership and staffing within the organisation and the board.
- 8.3 Given the feedback from leaseholders in both the test of tenant opinion and in briefing meetings, the Review Group recommends that Homes for Haringey conducts a review of the leaseholder management service, consulting with leaseholders as to the best way forward, looking at other



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boroughs ways of working to improve the service provided for leaseholders. The review must ensure resulting increases in leasehold satisfaction

- 8.4 The review should include, but not be limited to:
- Communication with leaseholders
 - Arrangement for charging leaseholders for repairs and decent homes work
 - Structures for the representation of leaseholders
- 8.5 Given the ongoing capital investment deficit, made worse by the government's recent announcements of rent reductions, that the Council establish and maintain a viable 30-year HRA business plan that provides a balanced budget and prioritises the Council's aspirations between stock condition, new –build and regeneration and maintain a consistent set of assumptions and financial approaches to Housing Revenue account management going forward. The Council must also consider the best approach to delivering new build in a cost effective and efficient way.
- 8.6 The Council should also develop an asset management approach that sets clear standards for Council housing stock condition; prioritises and programmes work to meet those standards as best suits the position of the Housing Revenue Account including disposal of appropriate properties where it is prudent to do so. This is to be developed in conjunction with the Homes for Haringey and in line with the Council's overall capital and asset management strategy, and inform the HRA 30 year business plan.
- 8.7 Having recently undertaken a new stock condition survey, that Homes for Haringey ensures that regular reconciliations between work done, stock condition data and financial investment are carried out to ensure easily accessible and accurate physical and financial information are available at overall and estate level, such action to be in place from March 2016 latest.
- 8.8 Given the results of the test of tenant opinion, the Council should review the Council's rent policy, and the view of Review Group that changes should be seriously considered. However, the group also recognised the possible impact of the changes to rent policy announced in **the Government's** July budget.
- 8.9 Given the need to manage down costs as much as possible, that the Managing Director of Homes for Haringey carries out a review of repairs responsibilities to ensure that appropriate responsibility is borne by the authority and its tenants and leaseholders, and reports to the Chief Operating Officer and Cabinet member in early 2016.
- 8.10 The Independent Advisor's report also refers to the need to clarify the strategic and operational housing service functions. A review is already underway to ensure that this is completed, and this forms part of the Housing Transformation Programme. The transformation review and implementation are aimed to complete by April 2016.



9 Implementation of the recommendations

- 9.1 Although the recommended option represents the least change, there are four main areas of work to undertake in implementation. These are:
- The drawing up of a new contract for the ALMO, which represents updated ways of working with the company and reflects the current context.
 - TUPE transferring, as appropriate, to the employment of Homes for Haringey staff who were seconded to the ALMO in September 2014 from the Council's Community Housing Services.
 - TUPE transferring, as appropriate, staff to the Council from Homes for Haringey in accordance with the implementation of the Business Infrastructure and Customer services programmes.
 - Communication to residents regarding the decision and any additional changes, as required.
- 9.2 These areas of work require detailed thought, negotiation and consultation involving Legal, HR, Finance and other areas of the business to deliver. The timescale of March 2016 is also relatively short to deliver this, although not undeliverable.
- 9.3 An assessment of the cost of this work, over and above existing resources, is underway and is considered to be in the region of £100K. A review of the use of existing transformation resources is also being carried out, to consider if additional funds are required. If this is the case, a bid will be put forward to the Council's transformation fund for consideration.

10 Comments of the Chief Finance Officer and financial implications

- 10.1 It is clear that the expected funding available within the Housing Revenue Account is not sufficient to fund all the Council's aspirations for Housing in future years, which include maintenance of the existing stock, provision of New Build Housing and Regeneration of existing estates. The financial analysis underpinning this report has confirmed this position and recent legislative changes from central government, particularly the forced reduction in Council rents have widened the funding gap, as with Government grants now reducing or ending, this is now the source of nearly all HRA funding.
- 10.2 This wider funding challenge made the option of transferring ownership of the Council Housing stock to another organisation extremely unlikely to be achievable, as it would have required a very large debt write-off from central government to make this option attractive to Housing Associations.
- 10.3 Of the remaining options the cost difference between bringing the service back in house and retaining the existing ALMO model are not significant relative to the scale of the funding gap and thus not a key factor in the ultimate decision.
- 10.4 Whichever model is chosen for future Housing Delivery the funding position is very challenging and the Council will need to very clearly define its priorities in order to create its 30 year HRA business plan and to enable the available budget to be allocated most efficiently. It is likely that the Council will need to consider alternative funding solutions to realise its ambitions for Housing and the proposed Development Vehicle may well form part of these funding solutions, particularly for large estates with significant investment needs. Other options to improve the funding position and hence the viability of the 30 year business plan include a review of rent levels (within the limitations set by Central Government) and disposal of some stock to generate additional capital receipts.



- 10.5 However, notwithstanding the alternative funding options it is likely that the Council will require Homes for Haringey to make significant efficiencies in its operations over the life of the new contract to enable a balanced budget to be set and to ensure resources are used efficiently.
- 10.6 The existing management fee to Homes for Haringey is £35.6m per annum and funds the services within the Company account the largest element of which is Haringey Repairs Service, although the Company Account also includes tenancy management, estate services and other operational services.
- 10.7 Additionally within the HRA, Homes for Haringey manage services on the Council's behalf through the Managed Account, this largely relates to the collection of rent and service charge income amounting to £110m per annum, although some Housing Management costs are also met from this account.
- 10.8 Finally, Homes for Haringey also currently manage General Fund Homelessness services for the Council with a gross cost of £40m per annum, although the net budget is only around £1m per annum due to benefits income received.
- 10.9 The Council will need to agree exactly which services are to be provided by Homes for Haringey in the future before an appropriate future management fee for these services can be agreed, taking into account changes in budgets due to support service staff transferring back into the Council. As the transfer of staff under TUPE is being proposed the Pension Fund implications will also need to be considered.
- 10.10 Work to date on this project has been funded from funding approved by Cabinet in July 2015 and a successful Transformation fund bid. Implementation of the recommendations with this report may require additional funding around developing a new management agreement and facilitating staff transfers, this cost is expected to be less than £100,000 and can be agreed via the Transformation Fund, however officers are exploring options to deliver this work within existing budgets.

11 Comments of the Assistant Director of Corporate Governance and legal implications

The Assistant Director of Corporate Governance has been consulted in the preparation of this report.

Governance Issues

- 11.1 Should Cabinet resolve to agree the recommendation to retain the Council's Arms Length Housing Management company, then the resulting new management agreement will require the consent of the Secretary of State at the Department of Communities and Local Government pursuant to section 27 of the Housing Act 1985 ("section 27 consent").
- 11.2 The terms upon which the Secretary of State will give section 27 consent – particularly as to consultation with tenants - are set out in the guidance referred to at paragraph 6 in this report. In so saying, the Assistant Director, Corporate Governance understands that officers have spoken to relevant Homes and Communities Agency officials in August 2015, who confirmed that the consultation arrangements described in this report - and those proposed during the implementation period - will meet the Secretary of State's terms.



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- 11.3 In any event, consultation on any change in housing management arrangements is required pursuant to section 105 of the Housing Act 1985. It is considered that whether or not the management agreement with Homes for Haringey is renewed, consultation is required under this section. The consultation conducted, and proposed, satisfies the requirements of section 105.
- 11.4 Confirmation can also be given that under the initial guidance on ALMOs issued by Government in 2004, a management agreement for a period of 10 years with provision for a break after 5 years, was an example of acceptable practice.

Employment Issues

- 11.5 Two transfers of employees or functions are being proposed:-
- 11.6 Firstly, the transfer of those staff to Homes for Haringey's employment, who were seconded to Homes for Haringey in 2014 from Community Housing Services, as appropriate – i.e. not including staff who have left their employment, or where alternative solutions may provide a better service as in the case of the Private Housing Enforcement staff.
- 11.7 This transfer will not be a service provision change, because the functions that these staff are carrying out were transferred from the Council to Homes for Haringey from 29th September 2014, and are proposed to remain with Homes for Haringey once transferred. However, assuming Homes for Haringey does take on these staff, it is likely that TUPE will apply to this transfer.
- 11.8 Secondly, the roles identified within Homes for Haringey that are in scope of the Business Infrastructure Programme and Customer Services Transformation, will be transferred from Homes for Haringey to the Council. In effect, this will be an outsourcing by Homes to Haringey of the functions carried out by these roles, the functions to be carried out by the Council on Homes for Haringey's behalf. Providing that Homes for Haringey have employees dedicated to carrying out these functions, then it is likely that these employees will transfer from Homes for Haringey to the Council by virtue of TUPE .
- 11.9 The proposal that the function of Private Housing Enforcement will return to the Council from Homes for Haringey is, in effect, an in sourcing of this function. However, as the staff carrying out this function have remained Council employees (although seconded to Homes for Haringey) none of them will TUPE transfer when their secondment ends.

12 Equalities and Community Cohesion Comments

- 12.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 12.2 An EqIA has been completed which considers the impacts of the key options consulted on, including the recommended housing delivery model.



- 12.3 The proposed model represents the best outcome for minimising disruption to staff and securing many of the positive inclusive measures put in place for tenants by HfH.
- 12.4 The EqIA highlights the potential adverse impact of the current financial position for the council's future housing delivery model, including for groups with the protected characteristics.
- 12.5 The Council has identified a number of actions to mitigate the adverse impact of the future funding shortfall, including exploring alternative investment solutions through a development vehicle. These will be subject to further decision and impact assessment.

13 Reason for decision

- 13.1 Given how quickly things are changing in the world of housing policy, making a decision about the future is no simple task. That's why, over the last nine months, a group of councillors from both parties and a tenant representative have been meeting to think hard about how Haringey Council should manage, maintain and improve its homes in the future.
- 13.2 It is important that the Council makes a clear decision about the future of housing management and improvement in Haringey. These three reports of the Future of Housing Review explain why a new approach is needed which combines retention of the arms-length management company to manage the majority of the stock, alongside a new development vehicle to lead and fund the regeneration of some of our major housing estates.
- 13.3 The Review Group believe, based on the evidence presented by the Independent Adviser and Independent Financial Expert, that the recommendations put forward to Cabinet represent the best way forward for the management and long term improvement any maintenance of both existing and new homes in the borough.

14 Use of Appendices

Appendix A – List of services relating to Allocations and Homelessness that will continue to be managed by Homes for Haringey.

Part 2 – the Review Group's report taking the evidence and recommendations of the review and determining the recommendations to Cabinet

Part 3 – the Independent Adviser 's report, providing the objective evidence and fact finding from the review, and the conclusions that can be drawn from that.

15 Local Government (Access to Information) Act 1985

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Appendix A – Future of Housing Review Report to Cabinet 15.9.15

Below is a table setting out the services transferred from the Council to Homes for Haringey temporarily to March 2016, and where they will be managed on an on-going basis:

Service name:	Location
Homelessness	Homes for Haringey
Housing advice	Homes for Haringey
Housing Improvement – Private Sector enforcement	Council
Temporary Accommodation – procurement, support and management	Homes for Haringey
Assessments and Lettings	Homes for Haringey
Hearthstone (Domestic Violence Support)	Homes for Haringey
Income recovery, payments and support services	Homes for Haringey
Vulnerable adults support	Homes for Haringey
Sheltered Housing	Homes for Haringey