

<b>Classification:</b> Open	<b>Decision Type:</b> Key
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<b>Report to:</b>	Overview & Scrutiny Committee Cabinet	<b>Date:</b> 10 January 2024
<b>Subject:</b>	Strategic Housing Review – Management of Housing Stock	
<b>Report of</b>	Cabinet Member for Housing Services	

### Summary

This report follows the earlier reports considered by Cabinet in June, October and November 2023. This report provides Members with an overview of the activity that has taken place following the November report. Members are asked to review the report and agree the following recommendations.

### Recommendation(s)

- Note the work undertaken since the last update to Cabinet in November 2023.
- Note the outcomes of the staff consultation which took place between 13<sup>th</sup> November and 13<sup>th</sup> December 2023.
- Agree that, whilst in practical terms services will become integrated from 15<sup>th</sup> January as previously agreed, the legal transfer of housing management functions and TUPE of Six Town Housing staff will take effect from 1<sup>st</sup> February 2024 following TUPE consultation feedback from staff.
- Note the post transfer governance arrangements for housing management post 1<sup>st</sup> February 2024.
- Agree that, in the first instance, line management of all current Six Town Housing functions and staff will report to the new Director of Housing Operations post in the Council's Corporate Core under the leadership of the Executive Director (Strategy and Transformation). The five pillar delivery model described to Cabinet in November remains the overall aspiration for Housing Services, however, the revised proposal will ensure a 'safe landing' for housing functions and staff and a phased approach for transition to any future model.
- Agree that the company Six Town Housing will be retained with revised governance arrangements.

### Reasons for recommendation(s)

The recommendations made reflect both staff feedback through the TUPE consultation process and the continued progress of both the Six Town Housing Improvement Programme and joint work in preparation for transfer.

### Alternative options considered and rejected

Failure to make the changes set out would not show due regard for staff feedback through the consultation process and potentially would present risks to the effective delivery of housing functions post transfer.

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## Report Author and Contact Details:

Name: Kate Waterhouse  
Position: Executive Director (Strategy & Transformation)  
Department: Corporate Core  
E-mail: [Kate.waterhouse@bury.gov.uk](mailto:Kate.waterhouse@bury.gov.uk)

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## 1. Background

- 1.1 Following approval by Cabinet in November to the transfer of the management and maintenance of Council housing to direct control by the local authority, work commenced to undertake the necessary TUPE consultation with Six Town Housing staff and plan for the organisational activity required to enable the transfer. Each strand of activity has been supported by a comprehensive programme management approach and has included a strong emphasis on communication and engagement with residents as well as both Six Town Housing and current Council staff.
- 1.2 Alongside this work, the work programme to drive the improvement of core housing services in Bury has continued, led by the Interim Chief Executive of Six Town Housing.
- 1.3 The TUPE consultation process, led by Six Town Housing, took place between 13<sup>th</sup> November and 13<sup>th</sup> December 2023. This process has included a range of engagement opportunities for staff including virtual and physical 'drop in' sessions. Staff briefings on key topics of interest, focus groups led by relevant Council managers and weekly FAQs. Trade Union colleagues have been engaged fully throughout this process. Alongside this, directly affected Council staff (those proposed to receive new responsibilities through the transfer) have been consulted on the potential impact for them.

## 2. Consultation Feedback and Proposed Changes

- 2.1 Whilst a wide range of feedback and comments were received through the TUPE consultation process, four specific areas were frequently mentioned and should therefore be noted by Cabinet. These are summarised below along with the Council's proposed response.
- 2.2 **The Date of Transfer:** Six Town Housing staff raised concern that a mid-month transfer date may see some people financially disadvantaged because of the potential to be charged 'emergency tax' on their January pay. Whilst any such over-payment would ultimately be re-payable it would present potential short-term financial detriment. This issue only came to light following detailed work through the Finance Workstream. There is a continued commitment to working together as one team from 15<sup>th</sup> January 2024, however, the revised proposal due to this feedback is that the date of legal transfer is moved to 1<sup>st</sup> February 2024.
- 2.3 **Maintaining an identity as a Housing Function and taking time to work through the detail of any potential structural changes:** Staff raised concern that transferring current Six Town Housing functions to a dispersed leadership model immediately post transfer would present a potential risk to both the pace of the ongoing improvement programme and the identity of a housing function. This is a particular risk in the context of the new regulatory framework for Social Housing which will be launched in 2024. The proposal is therefore for all current Six Town

Housing functions to transfer under the leadership of the new post of Director of Housing Operations in the Council's Corporate Core, with the Executive Director (Strategy & Transformation) providing leadership until the post is filled. There remains an aspiration to deliver against the model described and agreed by Members in November, however, to ensure any structural changes do not impede delivery and allow time to co-design this work with staff this transition will be progressed on a phased basis over the course of 2024.

- 2.4 **Clarity on tenant communications and the Six Town Housing Brand:** Through the consultation process officers have confirmed that the intention is that staff will post-transfer refer to themselves as Bury Council staff. ID badges and communications will reflect this from the 15<sup>th</sup> January 2024 however communications will confirm that the legal transfer of Six Town Housing staff to Bury Council will be the 1<sup>st</sup> February 2024. To make best use of tenants rents a phased approach to the transition of other branding (uniforms, vehicles, branded collateral etc) will be undertaken. Tenant communications have been drafted to confirm this, including neighbourhood roadshows which will commence from the 15<sup>th</sup> January 2024.
- 2.5 **Practical questions:** Six Town Housing staff raised a range of practical questions about what working for the Council be like and how systems, processes and procedures will change. A comprehensive organisational development plan has been developed to support the transfer and integration of functions. This work began with a post consultation event on 19<sup>th</sup> December 2023 attended by over 100 Six Town Housing staff with a follow-up induction and launch session planned for 15<sup>th</sup> January 2024.
- 2.6 Work is now progressing on the practical actions needed to facilitate the legal transfer of employment and ongoing support, engagement and development of current Six Town Housing colleagues post transfer.

### 3. Future Options for the Company

- 3.1 It is proposed that, subject to agreement by the Cabinet and the current Six Town Housing Board, the Six Town Housing company is retained. The termination agreement will set out that the direct management of all Housing Revenue Account (HRA) council housing stock will be resumed by the Council and all staff currently employed by the Company will transfer to the Council. The Company will remain to manage the small number of housing stock which it directly owns, and which sits outside the HRA.
- 3.2 As the Company's housing stock remains "social housing" the Company will maintain its registration and regulation under the Regulator of Social Housing. To ensure the Company's housing is properly and compliantly managed it is proposed that there will be a new management agreement between the Company and the Council whereupon the Council will take on the management of this stock. The new management agreement will form part of the termination agreement to ensure there is no actual or perceived break in the continuity of management of the Company's housing stock and services to its tenants.
- 3.3 The Company will still exist as a legal corporate entity, still own 104 houses, may continue to hold leases and contracts, and will remain a Private Registered Provider of Social Housing (PRPSH) regulated by the Regulator of Social Housing (RoSH). This is necessary because there will be insufficient time to make any other arrangements in the time available before transition is complete. These activities will

be undertaken by the Council under the new management agreement and overseen by the Company's new Board.

3.4 The Council will be the sole shareholder of the Company and the functions described above and arrangements in the new management agreement will continue. The potential matters for consideration include:

- allowing a wider range of tenures to be made available to local residents than simply those which the Council can use pursuant to its housing functions;
- to provide a stable entity for partnering with the Council in its discharging its homelessness functions;
- to develop more new build housing and/or acquire and improve existing housing from other entities as a high-quality responsible landlord promoted by the Council;
- to invest in new housing with any reserves retained within Six Town Housing that are agreed could be used for these purposes; and
- to partner with developers and builders for access to affordable homes provided under section 106 agreements.

3.5 Social housing includes low-cost rental (such as affordable rent properties) and low-cost home ownership. Registered providers include local authority landlords and private registered providers (such as not-for-profit housing associations and for-profit organisations).

3.6 This option will require the Council to ensure the Company is able to provide RoSH with the regulatory assurance and viability requirements on both the Council and Six Town Housing in retaining a sub-1,000 home private Registered Provider as a subsidiary of a local authority Registered Provider.

#### **4. Current Board arrangements**

4.1 Existing Board arrangements the Six Town Housing Board is led by the Chair. Board Members include the Interim Chief Executive, Elected Members appointed by the Council, Independent and Tenant Members.

4.2 The current Board configuration will not be required post transition to Council. Post transition, the Company will only retain circa 104 owned properties and management/leasing of a further 34 properties owned by Mosscaire St Vincent Housing and 12 Sherbourne House leases, it is therefore proposed that a smaller Board would be established in accordance with the Company articles and the current Board would resign their positions.

#### **5. Post termination governance arrangements**

5.1 Cabinet agreed to terminate the current management arrangement by mutual consent by way of a deed of termination in November 2023.

#### **6. Future governance - Housing Advisory Board**

- 6.1 It is recommended that a Housing Advisory Board would be established and constituted under s.102(4) of the LGA 1972 to advise the Executive on relevant matters relating to the housing services and stock.
- 6.2 The primary roles of the Board would be to inform policy strategy, operations, compliance and ensure a strong tenants voice. Advise the Cabinet on decisions that affect Tenants. The Board would consist of:
- 5 Elected Member appointments (to include 2 opposition members to sit on the Board)
  - Cabinet member for Housing to Chair the Board – this would ensure that the Board would be assured that there is a clear connection between it and Cabinet.
  - 3 Tenant advisory appointments
  - 2 Independent Members – To be determined
  - Officers attending on an ex officio basis (Director of Housing Operations, Finance and Legal advisors)
- 6.3 In order to ensure that there is continuity it is proposed the two existing Tenant Six Town Housing Board Members will be asked to join the Housing Advisory Board. Member nominations from party leaders will be subject to Cabinet approval to the Board, Leaders may wish to nominate those currently sitting as Six Town Housing Board Members.
- 6.4 The Board could exercise powers up to key decision level however all key decisions would be subject to Cabinet decision making. This would also allow for overview and scrutinise decisions and all for pre scrutiny of cabinet decisions. It is proposed the Board would:
- Review draft reports on significant decisions to the Council's Cabinet/Council and Scrutiny in relation to the housing functions.
  - Monitor performance and delivery of the consumer standard including Tenant satisfaction measures.
  - Set and monitor annual performance and satisfaction targets in accordance with the Social Housing (Regulation) Act 2023.
  - Align the delivery of housing services to the neighbourhood hub model.
  - Monitor the impacts of investment in ensuring we maintain decent homes, fire and building safety (all compliance) and customer satisfaction.
  - Oversight of development arising from the capital programme.
  - Commission and receive service audits and reviews.
  - Receive updating report on the status of the HRA.
  - Receive and consider complaints data to inform service delivery changes and developments.
  - Monitor the debt management and financial inclusion services to ensure that tenancies are sustained whilst income is managed.
  - Oversight of the tenant management organisation.
  - Promote equalities and the diverse interest of tenants and leaseholders.
  - Act in accordance with the Council's constitution.
- 6.5 A terms of reference will be drafted to include the following:
- The Board would meet regularly throughout the year at least six meetings set to be included in the Council's annual timetable of meetings, all meetings will be in person.

- The Board would be serviced by the Director of Housing Operations, supported by Democratic Services. The Board's role and purpose would be similar to that of the existing Board of Six Town Housing as currently as it relates to housing functions, delivery and performance.
- In order to streamline governance all audit reports would be received by the Council's audit committee.
- Quarterly performance data on the housing function would be received by Cabinet as part of the Council's quarterly performance reporting arrangements.
- Scrutiny oversight of the Board

6.6 Legal and financial due diligence is underway. This information is critical to the transfer of the service. Work carried out in relation to contractual due diligence has highlighted that work will be required between the transfer date and the new financial year to strengthen this area of activity. A workplan will be developed to ensure that this is prioritised.

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#### **Links with the Corporate Priorities:**

An integrated approach to the management of council housing for tenants will help realise the Let's do it Strategy of public service reform and the Housing Strategy objectives of safe, high quality and mixed tenure housing offer.

Successful delivery of these strategies relies upon new localised arrangements which draw upon the strengths of local communities and reflect the distinct identities of the six towns which make up the borough.

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#### **Equality Impact and Considerations:**

Inclusion and equity must be at the heart of the Council's approach to the management and maintenance of its housing. An EIA was provided to support the recommendation to return the housing stock to direct Council control.

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#### **Environmental Impact and Considerations:**

The model for management and maintenance of council housing contributes to the achievement of a carbon neutral Borough by 2038. STH has made progress in establishing approaches and pilot schemes. Investment through the Housing Capital Programme to modernise and refurbish council housing provides the opportunity to enhance delivery and be cost effective within a fully scaled Council-wide programme.

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#### **Assessment and Mitigation of Risk:**

<b>Risk / opportunity</b>	<b>Mitigation</b>
Implementation of the agreed vision and service models	Communications Plan, Stakeholder engagement
Financial sustainability of the Housing Revenue Account – PEST environment – within the context of the Council's Financial pressures	Financial capacity Inflation, cost controls  Development of a robust HRA Business Plan

Operating within the Regulatory environment	Effective regulatory preparation. Performance management & continuation of the improvement journey
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**Legal Implications:**

Cabinet provided the Director of Law and Governance a delegation to enter into all legal arrangements to support to the return of management of the housing stock, this report sets out in the body the proposals for the retention of Six Town Housing as a company and future governance arrangements. The proposed governance arrangements are set out at part 6 of this report.

**Financial Implications:**

Any financial implications arising from this decision will be contained within the Housing Revenue Account and reflected in the February 2024 budget setting report.

**Appendices:**

None.

**Background papers:**

- Cabinet report, November 2023 - <https://councildecisions.bury.gov.uk/documents/s37681/Strategic%20Housing%20Review%20Future%20Management%20and%20Maintenance%20of%20Council%20Housing.pdf>
- Cabinet report, October 2023 - <https://councildecisions.bury.gov.uk/documents/s37282/Strategic%20Housing%20Review%20Part%20A.pdf>
- Cabinet report, June 2023 - <https://councildecisions.bury.gov.uk/documents/s35772/Strategic%20Housing%20Review.pdf>

**Please include a glossary of terms, abbreviations and acronyms used in this report.**

Term	Meaning