



Democratic Services
White Cliffs Business Park
Dover
Kent CT16 3PJ

Telephone: (01304) 821199
Fax: (01304) 872300
DX: 6312
Minicom: (01304) 820115
Website: www.dover.gov.uk
e-mail: democraticservices@dover.gov.uk

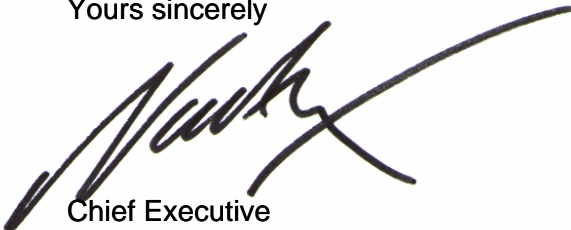
14 February 2011

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **SCRUTINY (COMMUNITY AND REGENERATION)** Committee will be held in the HMS Brave Room at these Offices on Wednesday 23 February 2011 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Rebecca Brough on (01304) 872304 or by e-mail at rebecca.brough@dover.gov.uk.

Yours sincerely



Chief Executive

Scrutiny (Community and Regeneration) Committee Membership:

Councillor G J Hood	(Chairman)
Councillor V J Revell	(Vice-Chairman)
Councillor D R Lloyd-Jones	(Spokesperson)
Councillor S C Manion	(Deputy Spokesperson)
Councillor C M Edwards	
Councillor A Friend	
Councillor L A Keen	
Councillor P A Lodge	
Councillor G Lymer	
Councillor R S Walkden	

DECLARATIONS OF INTEREST

Members are required to disclose the existence and nature of a personal interest at the commencement of the item of business to which the interest relates or when the interest becomes apparent. An explanation in general terms of the interest should also be given to the meeting. If the interest is also a prejudicial interest, the Member should then withdraw from the room or chamber.

NOTE: (1) By virtue of Rule 11 of the Members' Code of Conduct, a member must, if he/she is involved in the consideration of a matter at a meeting of an overview and scrutiny committee or sub committee, regard him/herself as having a personal and prejudicial interest if that consideration

relates to a decision made, or action taken, by another committee or sub committee of which he/she may also be a member.

- (2) This rule will not apply if the member attends the Scrutiny Committee/Sub Committee for the purpose of answering questions or otherwise giving evidence relating to that decision or action.

AGENDA

1. **APOLOGIES**

2. **APPOINTMENT OF SUBSTITUTE MEMBERS**

To note appointment of Substitute Members.

3. **MINUTES** (Pages 5-14)

To confirm the attached Minutes of the meeting of the Committee held on 17 November 2010, 15 December 2010 and 12 January 2011.

4. **EAST KENT (JOINT SCRUTINY) COMMITTEE**

There have been no further meetings of the Committee, its Sub-Committees or Working Groups, since the last meeting. The next meeting of the Committee is scheduled for 6 April 2011.

Kent County Council is the host authority for the municipal year 2010/11.

5. **PUBLIC SPEAKING**

Please note that in accordance with the agreed Protocol for Public Speaking at Overview and Scrutiny, the right to speak only applies to agenda item 11.

Members of the public wishing to speak must register to do so by no later than 2.00 pm on the second working day before the meeting.

6. **ISSUES REFERRED TO THE COMMITTEE BY COUNCIL, CABINET, SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE OR ANOTHER COMMITTEE**

There are no items for consideration.

7. **ITEMS CALLED-IN FOR SCRUTINY OR PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE, ANY INDIVIDUAL NON-EXECUTIVE MEMBERS OR PUBLIC PETITION**

Any individual Councillor may request that a matter is placed on the agenda of one of the Council's Overview and Scrutiny Committees.

Executive Decisions may be called-in by the Chairman or Spokesperson of the Scrutiny (Policy and Performance) Committee or any three non-executive members.

There are no items for consideration.

8. **CABINET DECISIONS RELATING TO ITEMS ON THE AGENDA** (Pages 15-17)

The following items were contained in the Record of Decisions:

- CAB 80: Delegation of Housing Management Functions to East Kent Housing

SCRUTINY FRAMEWORK

9. **FORWARD PLAN** (Pages 18-21)

It is intended that Members should use the Forward Plan to identify topics within the remit of the Committee for future scrutiny.

10. **SCRUTINY WORK PROGRAMME**

(a) It is intended that the Committee monitor and prioritise its rolling work programme (to follow).

(b) Fair Trade – Response of the Fair Trade Foundation on the achievement of Goal 5

"To meet goal five, a steering group does need to be convened and meet regularly, although you're right, there's no requirement that the council actually convene the group. It could equally be a group of residents or another community organisation that takes the initiative to set up and drive the group, but the District Council will need to be represented. We would hope that the existing Fairtrade Towns would also be represented on the District wide steering group; it sounds as if they could be key to ensuring that it builds and expands on what is already happening in those towns, and taps in to District-wide opportunities for Fairtrade."

EXECUTIVE – KEY DECISIONS

11. **DELEGATION OF HOUSING MANAGEMENT FUNCTIONS TO EAST KENT HOUSING** (Pages 22-69)

To consider the attached report of the Director of Housing, Culture and Community Safety.

Access to Meetings and Information

- Members of the public are welcome to attend meetings of the Council, its Committees and Sub-Committees. You may remain present throughout them except during the consideration of exempt or confidential information.
- All meetings are held at the Council Offices, Whitfield unless otherwise indicated on the front page of the agenda. There is disabled access via the Council Chamber entrance and a disabled toilet is available in the foyer. In addition, there is a PA system and hearing loop within the Council Chamber.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of

charge, and all agendas, reports and minutes can be viewed and downloaded from our website www.dover.gov.uk. Minutes are normally published within five working days of each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting. Basic translations of specific reports and the Minutes are available on request in 12 different languages.

- If you require any further information about the contents of this agenda or your right to gain access to information held by the Council please contact: Rebecca Brough, Democratic Support Officer, telephone: (01304) 872304 or email: rebecca.brough@dover.gov.uk for details.

Large print copies of this agenda can be supplied on request.

Minutes of the meeting of the **SCRUTINY (COMMUNITY AND REGENERATION)** Committee held on Wednesday 17 November 2010 at the Council Offices, Whitfield on at 6.00 pm.

Present:

Chairman: Councillor G J Hood

Councillors: C M Edwards
A Friend
L A Keen
D R Lloyd-Jones
R S Walkden

Also Present: Councillor S S Chandler

Officers: Director of Business and Community Transformation
Community Development Manager
Customer Services Manager
Democratic Support Officer

Apologies for absence were received from Councillors P A Lodge and V J Revell.

312 EAST KENT (JOINT SCRUTINY) COMMITTEE

The Democratic Support Officer informed the Committee as to the next scheduled meeting date.

RESOLVED: That the update be noted.

313 PUBLIC SPEAKING

The Democratic Support Officer advised the Committee that there had been no requests to speak at Committee.

314 ISSUES REFERRED TO THE COMMITTEE BY COUNCIL, CABINET, SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE OR ANOTHER COMMITTEE

There were no items for consideration.

315 ITEMS CALLED IN FOR SCRUTINY OR PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE, ANY INDIVIDUAL NON-EXECUTIVE MEMBERS OR PUBLIC PETITION

There were no items for consideration.

316 FORWARD PLAN

The Democratic Support Officer presented the Forward Plan to the Committee for its consideration.

RESOLVED: That the Forward Plan be noted.

317 SCRUTINY WORK PROGRAMME

The Democratic Support Officer presented the Work Programme to the Committee for its consideration.

RESOLVED: That the Work Programme be noted.

318 REVIEW OF THE COUNCIL'S RELATIONSHIP WITH THE VOLUNTARY AND COMMUNITY SECTOR

The Director of Business and Community Transformation, in conjunction with the Community Development Manager and the Customer Services Manager, was present to answer the key questions of the committee.

Q1. What is the role of Dover District Council in respect of the voluntary and community sector?

The 2008-2020 Corporate Plan stated that the Council would seek to deliver services in different ways, including devolving services to the community and voluntary sector and others.

Q2. What services, if any, are provided by the voluntary and community sector on behalf of the Council? In answering this question please make reference to: (a) Which organisations provide these services? (b) What is the proportion of the Council's overall services are provided by the community and voluntary sector? (c) How many of those services are statutory services? (d) How many of these are provided on an on-going basis and how many for a limited time period? (e) For those services that the Council directly funds, how much of the council's total budget does this represent?

The Director of Business and Community Transformation stated that a list was currently being compiled and the details would be reported to a future meeting of the Committee.

Q3. What consideration was given to the Council providing those services currently provided in partnership with the voluntary and community sector in-house?

It was expected that over time this relationship would develop further and the local community would be more involved in the delivery of services.

Q4. What degree of funding security, if any, is provided by the voluntary and community sector where it provides services on an on-going basis?

The Council had developed robust governance processes to ensure that the risk of an alternative provider defaulting on service delivery was properly managed. An example of this was the agreement with Vista Leisure.

Q5. Does Dover District Council provide funding or other support to the Voluntary and Community sector for activities other than the provision of services?

The Council primarily offered administrative support to organisations, using the expertise developed by the authority in delivering its own projects. This included assisting in the development of constitutions for voluntary and community groups, assisting in the completion of funding applications and attending meetings.

The Council administered the 'Bridging the Gap' fund on behalf of the Coalfield Regeneration Trust which provided money for small projects covering sports, clubs and community events. The Council's community team provided support and advice to groups drawing up bids for funds.

A recent audit by the Coalfields Regeneration Trust reported favourably on Dover District Council's administration of the fund.

The Kent Children's Fund Network was cited as another example of where the Council had helped establish governance arrangements to enable funding to be offered to community groups.

Q6. Does Dover District Council apply Treasury recommendations on sharing of risk when working in partnership?

A written answer would be provided in respect of this question.

Q7. How would define the term 'partnership working' in the context of the Council's relationship with the voluntary and community sector?

The nature of the relationship depended on how Dover District Council worked with the organisation – such as where it was the commissioner of a service or providing support and expertise to another group.

Q8. The Local Government and Public Involvement in Health Act 2009 (Section 138) places a duty on all local authorities to involve representatives from the local community when carrying out any of its functions:

(a) What steps has Dover District Council taken to involve the voluntary and community sector?

Dover District Council was a partner in the Dover and District Compact which represented local groups and public bodies working together to achieve objectives for the local community.

In response to a question from Councillor A Friend, it was stated that the same level of support was offered throughout the District.

(b) How has the council ensured that the consultation toolkit is embedded across the whole organisation?

It was acknowledged that although further work was needed to embed the toolkit across the whole organisation, significant progress had been made in the last eighteen months. This was supported by Corporate Management Team and the Cabinet and all budgeted consultation and communication required the toolkit to be used.

Q9. If you were to conduct a SWOT (Strength, Weaknesses, Opportunities and Threats) analysis of Dover District Council's relationship with the voluntary and community sector, what would it find?

- Strengths
 - Staff
 - Member awareness

- Corporate visibility
- Weaknesses
 - Resources
 - Capacity to engage
- Opportunities
 - Will of the community and voluntary sector
 - Public sector involvement framework
- Threats
 - Reductions in funding

Q10. What is the Council doing to ensure the views of the voluntary and community sector on the relationship are gathered?

The answer to this question would be provided in writing.

Q11. Please describe how the Dover and District Compact has changed the relationship between the Council and the voluntary and community sector?

The compact provided the Council with a greater understanding of how the sector worked and provided a focus for corporate strategic awareness in involving the community and voluntary sector.

Q12. The Dover and District Compact provides a framework for disagreement resolution. Has this framework been used and if so what lessons have been learnt in managing the relationship with the voluntary and community sector?

The disagreement resolution framework has not needed to be used to date although informally some discussions had been conducted with the Chairman about issues. The Council was willing to listen to the concerns of the community and voluntary sector.

Q13. What differences in DDC services provided, general treatment, consultation, communications etc. are there between those organisations who are members of COMPACT, and those who are not?

There was no significant difference in the treatment of organisations that were either in or out of the compact as the Council tried to treat all groups equally. The success of this approach was supported by the fact that the issue had not been raised by any of the Council's partners.

Q14. How has the Dover Gateway improved partnership working with the voluntary and community sector?

The Gateway had improved relationships between all parties and not just between Dover District Council and the community and voluntary sector. Currently, there were approximately thirty groups operating out of the Gateway and the Council had conducted discussions with the Dover and District Compact over the location of the Gateway to ensure a suitable venue was selected.

In Aylesham, the Council's area office had been moved to the new health centre as this offered a better facility.

Q15. What measures are taken to ensure that the voluntary and community sector providing services on behalf/in partnership with the Council conform to the same standards that would apply if the Council provided the service directly? ie Equality framework (Customer Access Reviews, etc) Health and Safety, Safeguarding Children, Data Protection, good employment practices, accountable and transparent governance arrangements, etc.

There were differences in how the Council dealt with volunteers and employees as different rules applied. While some level of local authority standards needed to be applied in dealing with the community and voluntary sector, it was hoped that overall the sector could be freed from some of the government bureaucracy that applied to the Council.

However, the members of the Committee were reassured that the Council would not commission any organisation that broke equality laws, health and safety legislation or recruitment processes.

Q16. What learning experiences have been gained from dealing with the diverse governance arrangements and working practices of organisations within the voluntary and community sector?

The key learning experience was that a 'one size fits all' approach did not work in respect of the community and voluntary sector.

In addition, as the role of the Council changes from service provider to service commissioner in the future along with other local authorities there was an opportunity to assist the voluntary and community sector by aligning standards across authorities.

There were challenges in engaging with the community and voluntary sector in the tendering process that would need to be resolved as the council sought to move to a new role as a commissioning body. An important part of this was to ensure that services that were being considered for alternative methods of delivery were approached on the basis of being an opportunity for the sector and not simply as a cheaper method of delivery for the local authority.

Q17. Does the Council have Service Level Agreements or similar in place where the voluntary and community sector provides services on behalf or in partnership with Dover District Council and how is services delivery measured to ensure value for money/fulfilment of statutory obligations?

It was stated that in monitoring services provided by the voluntary and community sector on behalf of the Council, it was important to consider the social return of any investment as much as the financial.

A more detailed written answer would be provided in answer to the remainder of the question.

Q18. How do you see the relationship between the Council and the voluntary and community sector developing over the next five years?

It was important that the relationship continued to align with the objectives set out in the Corporate Plan and that the community and voluntary sector take on an increased role in driving the agenda in future.

Q19. What scope is there for further or closer partnership working with the voluntary and community sector?

There was immense scope and tremendous willingness to make the partnership between the Council and the community and voluntary sector work more effectively. In particular, it was expected that the Coalition Governments proposals for the delivery of local authority services would make both the opportunity and the necessity of partnership working much greater.

RESOLVED:

- (a) That the Director of Business and Community Transformation, the Community Development Manager and the Customer Services Manager be thanked for attending the meeting and responding in an open and positive manner to the questions of the Committee.
- (b) That the Community Development Team be thanked for their hard work.

(Councillor R S Walkden declared a personal interest by reason of this membership of the Priory Forum.)

The meeting ended at 7.20 pm.

Minutes of the meeting of the **SCRUTINY (COMMUNITY AND REGENERATION)** Committee held on Wednesday 15 December 2010 at the Council Offices, Whitfield on at 6.00 pm.

Present:

Chairman: Councillor A Friend

Councillors: L A Keen (Minute Nos 375-376 only)
D R Lloyd-Jones
S C Manion
R S Walkden

Also Present: Mr P Acarnley (Deal Town Council)
Mrs P Brivio (Dover Town Council)
Mrs S Delling
Mr M Hinton (Christians Together in Dover)
Mrs S Jones (Deal Town Council)
Mr A Salisbury (Christians Together in Dover)

Officers: Chief Executive
Democratic Support Officer

Apologies for absence were received from Councillors C M Edwards, G J Hood, P A Lodge, J C Record and V J Revell.

369 ELECTION OF A CHAIRMAN

It was proposed by Councillor D R Lloyd-Jones, and duly seconded and

RESOLVED: That Councillor A Friend be elected Chairman for the duration of the meeting.

370 EAST KENT (JOINT SCRUTINY) COMMITTEE

The Democratic Support Officer informed the Committee as to the next scheduled meeting date.

RESOLVED: That the update be noted.

371 ISSUES REFERRED TO THE COMMITTEE BY COUNCIL, CABINET, SCRUTINY (POLICY AND PERFORMANCE) COMMITTEE OR ANOTHER COMMITTEE

There were no items for consideration.

372 ITEMS CALLED IN FOR SCRUTINY OR PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE, ANY INDIVIDUAL NON-EXECUTIVE MEMBERS OR PUBLIC PETITION

There were no items for consideration.

373 FORWARD PLAN

The Democratic Support Officer presented the Forward Plan to the Committee for its consideration.

RESOLVED: That the Forward Plan be noted.

374 SCRUTINY WORK PROGRAMME

The Democratic Support Officer presented the Work Programme to the Committee for its consideration.

The Chief Executive advised that he had requested the Chairman to suspend the scrutiny review of the community and voluntary sector until after the Delivering Effective Services restructuring had been implemented.

RESOLVED: (a) That the Work Programme be noted.

- (b) That the Review of Dover District Council's Relationship with the Community and Voluntary Sector be suspended until such time as the Delivering Effective Services restructuring could be implemented.

375 FAIR TRADE

The Democratic Support Officer advised that in accordance with a resolution of the Committee at a previous meeting, members of local Fair Trade groups had been invited to attend the meeting and provide their views on the Council's progress towards Fair Trade status.

The Committee was advised by the representatives of Steering Groups present that the formation of a steering group by Dover District Council was necessary if the Council was to achieve Fair Trade status. The cost of forming a steering group was minimal from the experiences of those groups formed in the District.

It was stated that Fair Trade encouraged people to think about where their food came from and while the primary benefit was overseas it did also benefit local producers.

Councillor L A Keen informed the Committee that Aylesham Parish Council was working towards Fair Trade status and welcomed the statement by the Dover and Deal Steering Groups that they would be doing more to encourage parish councils to work towards achieving Fair Trade status.

RESOLVED: It was agreed in the absence of the Chairman for the matter to be deferred to the next meeting of the Scrutiny (Community and Regeneration) Committee.

376 REVIEW OF MEMBER INSURANCE ON OUTSIDE BODIES

The Democratic Support Officer circulated information to the Committee on the outside bodies the Council currently appointed too.

RESOLVED: That the update be noted.

The meeting ended at 6.40 pm.

Minutes of the meeting of the **SCRUTINY (COMMUNITY AND REGENERATION)** Committee held at the Council Offices, Whitfield on Wednesday 12 January 2011 at 6.00 pm.

Present:

Chairman: Councillor G J Hood

Councillors: A Friend
L A Keen
D R Lloyd-Jones
P A Lodge
R S Walkden

Officer: Senior Democratic Support Officer

Also present: Councillor G Lymer
Rev M Hinton, Christians Together in Dover
P Brivio, Dover Steering Group
K Blackburn, Dover Steering Group
S C Delling, Deal Steering Group
P Acarnley, Deal Steering Group

Apologies for absence were received from Councillors J C Record and V J Revell

396 MINUTES

The Minutes of the meetings of the Committee held on 5 October 2010 were approved as a correct record and signed by the Chairman.

397 EAST KENT (JOINT SCRUTINY) COMMITTEE

RESOLVED: That the Minutes of the meeting of the East Kent (Joint Scrutiny) Committee held on 13 October 2010 be noted.

398 ITEMS REFERRED TO THE COMMITTEE BY COUNCIL, CABINET, SCRUTINY (COMMUNITY & REGENERATION) COMMITTEE OR ANOTHER COMMITTEE

RESOLVED: That it be noted that there were no items for consideration.

399 ITEMS CALLED IN FOR SCRUTINY OR PLACED ON THE AGENDA BY A MEMBER OF THE COMMITTEE, ANY INDIVIDUAL NON-EXECUTIVE MEMBER OR PUBLIC PETITION

RESOLVED: That it be noted that no items had been called in or placed on the agenda for consideration.

400 CABINET DECISIONS RELATING TO ITEMS ON THE AGENDA

RESOLVED: That it be noted that there were no items for consideration.

401 FORWARD PLAN

The Committee considered the Forward Plan for the period 1 January to 30 April 2011 but did not identify any items for action at the present moment.

RESOLVED: That the Forward Plan for the period 1 January to 30 April 2011 be noted.

402 SCRUTINY WORK PROGRAMME

In view of the continuing impact of the Council's Delivering Effective Services programme and ongoing changes within the Council, it would be necessary to review the Work Programme.

RESOLVED: That a report on the Committee's work programme be brought to the next meeting in February 2011.

403 FAIR TRADE

Representatives of local Fair Trade Steering groups who were present at the meeting were invited to join the debate on achieving Fair Trade status for the District and the means by which this could be achieved. Examples of work undertaken in Deal and Dover were given and it was noted that these had resulted in attaining three of the five goals set by the Fair Trade Foundation for achieving Fair Trade status. The fourth goal required media coverage and events to raise awareness which would be easily attainable by both the District and Town Councils. The fifth goal required setting up a steering group and would be the final goal to be achieved before Fair Trade status could be applied for.

Members reiterated that support would continue to be given by the District Council to the Town Councils' representatives who were actively encouraging Parish Councils and other bodies to support Fair Trade.

- RESOLVED: (a) To recommend to Cabinet that, having regard to the previous decisions of Council, by the end of 2011 this Council should achieve all five goals required for obtaining Fair Trade status and have submitted an application to the Fair Trade Foundation.
- (b) That the constitution and terms of reference of the steering group should be set out in a report to Cabinet given that full support has been pledged by representatives of other participating bodies in order to minimise the resources required from this Council.

The meeting ended at 7.00 pm

Decision Status	Record of Decisions	Alternative options considered and rejected (if any)	Reasons for Decision	Conflicts of interest (if any) declared by decision maker(s) or consultees (if any)
<p>CAB 80 7.2.11 Open</p> <p>Key Decisions Yes</p> <p>Call-in to apply (a) Yes (b) No</p> <p>Implementation Date (a) 15 February 2011 (b) 3 March 2011</p>	<p><u>DELEGATION OF HOUSING MANAGEMENT FUNCTIONS TO EAST KENT HOUSING</u></p> <p>(a) It was agreed:</p> <p>(i) That, subject to Council being satisfied that any impact on the General Fund and Housing Revenue Account (HRA) can be accommodated, and pursuant to the powers contained in, or having effect under the Local Government Acts of 1972 and 2000 and the Housing Act 1985, the powers and functions of the Executive, as set out in Appendix 1 of the report, be discharged by East Kent Housing Limited (EKHL) with effect from 1 April 2011.</p> <p>(ii) That the principles of the draft Owners' Agreement between Canterbury City Council, Shepway District Council, Thanet District Council and Dover District Council, and EKHL, be approved.</p> <p>(iii) That the principles of the draft Management Agreement between EKHL and Dover District Council, as detailed in section 4 of the report, be approved.</p> <p>(iv) That the Housing and Community Manager be appointed as the Council Representative under the Management Agreement, and be authorised to discharge the functions ascribed to him therein including, but not limited to, approving the draft year one Delivery Plan of EKHL as detailed in section 4.6 of the report, and that future appointments be made by the Chief Executive.</p>	<p>None.</p>	<p>At meetings held on 8 February and 3 March 2010 respectively, Cabinet (CAB 103) and Council (Minute No 454) agreed that an Arms Length Management Organisation was the preferred option for managing council housing stock in east Kent with Canterbury City and Shepway and Thanet District Councils. Following a further resolution of Cabinet on 6 September 2010 (CAB 19), Cabinet is now requested to formally delegate its housing management and</p>	

	<p>(v) That the Housing and Community Manager be appointed to the officer panel to be established under the Owners' Agreement, and be authorised to discharge the functions ascribed to him therein, and that future appointments be made by the Chief Executive.</p> <p>(vi) That the proposed staff transfer set out in section 5 of the report be noted.</p> <p>(vii) That Dover District Council enter into the Owners' Agreement and Management Agreement, subject to the Chief Executive, acting in consultation with the Leader of the Council and the Solicitor to the Council, settling the detailed terms of the agreements.</p> <p>(viii) That the Portfolio Holder for Community, Housing and Youth and the Lead Member be appointed to serve on the Dover Area Boards described in paragraph 2.5 of the report.</p> <p>(ix) That the establishment of a joint executive committee, comprising Canterbury City Council, Shepway District Council, Thanet District Council and Dover District Council, to be known as the East Kent Housing Owners' Committee, with effect from 1 April 2011, be approved.</p> <p>(x) That the terms of the Operating Arrangements for the Owners' Committee, as set out in Appendix 3 of the report, be approved.</p> <p>(xi) That the delegation of functions to the East Kent Housing Owners' Committee, as set out in Schedule 1 of the East Kent Housing Owners' Committee Operating Arrangements, be approved.</p>		<p>associated functions to East Kent Housing Limited and agree appointments to, and the operating arrangements for, the new joint committee.</p>	
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	<p>(xii) That the Cabinet Member with responsibility for Housing be appointed as the nominated member to serve, from time to time, on the East Kent Housing Owners' Committee in accordance with the East Kent Housing Owners' Committee Operating Arrangements.</p> <p>(xiii) That other Members of the Cabinet be authorised to act as substitutes for the Cabinet Member with responsibility for Housing, as mentioned in the East Kent Housing Owners' Committee Operating Arrangements.</p> <p>(xiv) That the Chief Executive be authorised to discharge the powers and functions of the Council in its capacity as a member of EKHL, and to act as the Council's representative at any meeting pursuant to Section 323 of the Companies Act 2006.</p> <p>(xv) That the proposed Financial Arrangements and provisional Management Fee, as set out in section 7 and Appendix 4 of the report, be noted.</p> <p>(xvi) That authority be delegated to the Director of Finance and ICT, in consultation with the Portfolio Holder for Corporate Resources and Performance, to settle the detailed financial terms.</p> <p>(b) It was agreed to recommend to Council that Cabinet decision CAB 80 of 7 February 2011 be endorsed.</p>			
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Forward Plan 2010/11 – 1 March 2011 to 30 June 2011

Key Decisions 2010/11	Item	Portfolio Holder	Scrutiny	Cabinet	Council
1	Preparation of the Local Development Framework	Environment, Waste and Planning	To be determined at key milestones	February 2010 to December 2012	February 2010 to December 2012
2	Approval of the Private Sector Housing Strategy 2010-2015	Economy & Special Projects and Community, Housing & Youth	20 January 2010	11 January 2010 and 12 April 2010 (Strategic Housing Executive Committee)	19 May 2010
3	To consider progress on the delivery of Dover Town Centre Investment Zone (St James)	Economy and Special Projects	20 January 2009	12 January 2009 and ongoing	3 November 2010 and ongoing
4	The Council's representations to the Gypsies and Travelling Showpeople Partial Review: Pitch numbers and distribution options for public consultation	The Secretary of State has announced the revocation of Regional Spatial Strategies. The requirement to assess need and to provide the planning framework for Gypsies and Travellers now rests with local authorities.			
5	To consider making available part of the Council's landholdings.	Use of the Council's land for the Dover Community Hospital is no longer necessary.			
6	To agree the principles of the North Deal Regeneration Initiative and approve the proposals	Economy and Special Projects	April-June 2011	April-June 2011	Executive Function
7	To approve proposals for the Dover Waterfront together with possible strategic supporting proposals at Western Heights and Farthingloe linked to the town centre	Economy and Special Projects	April-June 2011	April-June 2011	May/July 2011
8	To adopt the East Kent Local Strategic Partnership Sustainable Community Strategy	The East Kent Sustainable Community Strategy Action Plan is currently under further review taking into consideration changing external factors.			
9	Preparation of the Dover Urban Design Guide Supplementary Planning Document (SPD)	The Dover Urban Design Guide will now be incorporated and used as evidence to underpin the Site Allocations Document.			

Key Decisions 2010/11	Item	Portfolio Holder	Scrutiny	Cabinet	Council
10	Aylesham Design Code	This entry has now been removed as it is not considered necessary for the Code to be formally adopted by the Council.			
11	Approval of the Affordable Housing Delivery Plan 2010-2015	Economy & Special Projects and Community, Housing & Youth	Not applicable	11 January 2010 and 12 April 2010 (Strategic Housing Executive Committee)	19 May 2010
12	Approval of the Older Persons' Housing Strategy 2010-2015	Economy & Special Projects and Community, Housing & Youth	Not applicable	11 January 2010 and 12 April 2010 (Strategic Housing Executive Committee)	19 May 2010
13	Approval of a Housing Strategy 2010-2015	Community, Housing and Youth	23 July 2010	12 April 2010 and 5 July 2010 (Strategic Housing Executive Committee)	28 July 2010
14	To consider the receipt of tenders and the appointment of a contractor for the construction of the new Deal Indoor Tennis Centre	Access and Property Management	Not applicable	10 May 2010	19 May 2010
15	To consider the Harbour Revision Order and possible Transfer of the Port of Dover	Economy and Special Projects	April-June 2011	April-June 2011	May/July 2011
16	Preparation of the Deal Constraints and Opportunities Strategy	Economy and Special Projects	January 2011 – February 2012	January 2011 – February 2012	January 2011 – February 2012
17	Award of contract for Waste Services	Environment, Waste and Planning	12 October 2010	13 October 2010	3 November 2010
18	To consider making available part of the Council's landholdings for the positioning of Towers 2 and 3 for the proposed Cable Car	Economy and Special Projects	April-June 2011	April-June 2011	Executive function
19	The Managed Expansion of Whitfield Supplementary Planning Document	Environment, Waste and Planning	To be determined	13 September 2010 and March/April 2011	Executive function

Key Decisions 2010/11	Item	Portfolio Holder	Scrutiny	Cabinet	Council
20	Connaught Barracks Supplementary Planning Document	Environment, Waste and Planning	To be determined	To be determined	Executive function
21	Joint Venture/Collaboration Agreement with Major Landowner	Economy and Special Projects	To be determined	March/April 2011	Executive function
22	Preparation of Addendum to the Affordable Housing Supplementary Planning Document (SPD)	Environment, Waste and Planning	Not applicable	6 December 2010 and 5 July 2011	28 July 2011
23	Approval and adoption of the Food Law Enforcement Service Plan 2010/12 and the associated Food Sampling Policy Statement and Port Health Sampling Policy statements	This Service Plan has been withdrawn as it is no longer to be adopted this Council year.			
24	Approval and adoption of the Health and Safety Service Plan 2010/12 and the associated Intervention Plan	This Service Plan has been withdrawn as it is no longer to be adopted this Council year.			
25	Open Golf 2011	Access and Property Management	Not applicable	6 September 2010	29 September 2010
26	Approval of an amendment to the Council's Allocations Policy to enable the use of local lettings plans where appropriate	Community, Housing and Youth	22 September 2010	6 September 2010	Executive function
27	To consider an application to the Tenant Services Authority for consent to delegate the management of the Council's Landlord services to an East Kent ALMO; HRA budget requirements to complete the transfer; the proposed memorandum and articles of association of the proposed ALMO; and the nomination of a Member to the shadow board of the ALMO	Community, Housing and Youth	To be determined	6 September 2010	29 September 2010
28	Shared Services Timetable	Corporate Resources and Performance	1 November 2010	1 November 2010	Executive function
29	Future of the Travel Voucher Scheme	Community, Housing and Youth	1 November 2010	1 November 2010	Executive function

Key Decisions 2010/11	Item	Portfolio Holder	Scrutiny	Cabinet	Council
30	Fees and charges – agreement on levels for 2011/12	Corporate Resources and Performance	14 December 2010	6 December 2010	Executive Function
31	To set the Council's budgets for 2011/12	Leader of the Council	18 January 2011	7 February 2011	2 March 2011
32	To approve the delegation of the Council's Landlord Services to an East Kent ALMO	Community, Housing and Youth	23 February 2011	7 February 2011	2 March 2011
33	Tender for a Framework Contract for the Managing Agent function for gas servicing through the South East Consortium	Community, Housing and Youth	Not applicable	7 February 2011	Executive Function
34	Tender for Housing Response Maintenance and Void Work MTC 2011-2015	Community, Housing and Youth	Not applicable	7 February 2011	Executive Function
35	Report on proposals for the provision of PV Panels to the Council's housing stock	Community, Housing and Youth	23 March 2011	7 March 2011	Executive Function
36	To adopt the East Kent Local Investment Plan	Economy and Special Projects	Not applicable	10 January 2011	Executive function
37	To review all charges in respect of the Council's on and off street parking places	Access and Property Management	Officer delegated decision in January 2011 by Director of Property, Leisure and Waste Management		
38	Entry into a Planning Contributions Agreement pursuant to S.2 Local Government Act 2000	Economy and Special Projects	23 February 2011	28 February 2011	Executive function

- (Note: (1) Key Decisions which are shaded have already been taken and do not appear in this updated version of the Forward Plan.
- (2) The Council's Corporate Management Team reserves the right to vary the dates set for consultation deadline(s) and for the submission of reports to Cabinet and Council in respect of key decisions included within this version of the Forward Plan. Members of the public can find out whether any alterations have been made and may also inspect copies of Cabinet and Council agenda papers at the Council's website (www.dover.gov.uk.)

JOINT REPORT OF THE DIRECTOR OF HOUSING, CULTURE AND COMMUNITY SAFETY, DOVER DISTRICT COUNCIL AND CORPORATE DIRECTOR LANDLORD SERVICES, SHEPWAY DISTRICT COUNCIL

RESPONSIBILITY – PORTFOLIO HOLDER FOR COMMUNITY, HOUSING AND YOUTH

KEY DECISION

BUDGET/POLICY FRAMEWORK

CABINET – 7 FEBRUARY 2011

SCRUTINY (COMMUNITY & REGENERATION) COMMITTEE – 23 FEBRUARY 2011
COUNCIL – 2 MARCH 2011

DELEGATION OF HOUSING MANAGEMENT FUNCTIONS TO EAST KENT HOUSING

(Please note: Copies of the Owners and Management Agreement which are referred to in this report and which number over 100 pages have been put in the Members Room for reference)

Recommendation

Cabinet is recommended as follows:-

1. *Subject to Council being satisfied that any impact on the General Fund and Housing Revenue Account (HRA) can be accommodated, that pursuant to the powers contained in, or having effect under the Local Government Acts of 1972 and 2000 and the Housing Act 1985 with effect from 1 April 2011, the powers and functions of the Executive as set out in Appendix 1 to this report be discharged by East Kent Housing Limited.*
2. *To agree the principles of the draft Owners Agreement between Canterbury City Council, Dover District Council Shepway District Council and Thanet District Council and EKH as detailed in section 3 of this report*
3. *To agree to the principles of the draft Management Agreement between East Kent Housing and Dover District Council as detailed in section 4 of this Report.*
4. *That the Housing and Community Manager be appointed as the Council Representative under the Management Agreement, and be authorised to discharge the functions ascribed to him therein, including but not limited to approving the draft year one Delivery Plan of East Kent Housing as detailed in section 4.6 of the report and that future appointments be made by the Chief Executive.*
5. *That the Housing and Community Manager be appointed to the officer panel to be established under the Owners Agreement and be authorised to discharge the functions ascribed to him therein and that future appointments be made by the Chief Executive.*
6. *To note the proposed staff transfer as set out in section 5. of the report.*

7. *To enter into the Owners' Agreement and Management Agreement subject to the Chief Executive acting in consultation with the Leader of the Council and the Solicitor to the Council settling the detailed terms of the agreements.*
8. *To appoint two members of the Council to serve on the Dover Area Boards described in paragraph 2.5 of this report.*
9. *Approve the establishment of a joint executive committee comprising Canterbury City Council, Dover District Council, Shepway District Council and Thanet District Council, to be known as the EKH Owners Committee, with effect from 1 April 2011;*
10. *Approve the terms of the Operating Arrangements for the Owners Committee as set out in Appendix 3;*
11. *Approve the delegation of functions to the EKH Owners Committee as set out in Schedule 1 of the EKH Committee Operating Arrangements;*
12. *Appoint the Cabinet Member with responsibility for Housing from time to time as the nominated member of the Council to serve on the EKH Owners Committee in accordance with the EKH Owners Committee Operating Arrangements;*
13. *Authorises other members of the Executive to act as substitutes for the Cabinet Member with responsibility for Housing as mentioned in the EKH Owners Committee Operating Arrangements.*
14. *To authorise the Chief Executive to discharge the powers and functions of the Council in its capacity as a member of East Kent Housing and to act as the Council's representative at any meeting pursuant to Section 323 Companies Act 2006.*
15. *To note the proposed Financial Arrangements and provisional Management Fee (as set out in section 7. of this report and Appendix 4) and to delegate authority to the Director of Finance and ICT in consultation with the Cabinet Member for Finance to settle the detailed financial terms.*

Council is recommended as follows:-

1. *To endorse the decision of Cabinet made on 7 February 2011.*

Contact Officer: Christine Waterman, extension 2064.

Reasons why a decision is required

1. This report sets out the progress made in establishing an Arms Length Management Organisation (ALMO) - to be called East Kent Housing (EKH) – to manage the Council housing stock of Canterbury, Dover, Shepway and Thanet district Councils and the proposed arrangements between the Councils and EKH. Approval is sought to delegate responsibility for housing management functions to East Kent Housing Limited with effect from 1 April 2011.
2. This report also deals with the creation of a new joint committee and delegates functions to it relating to the ownership and control of EKH.

3. Council is asked to agree the recommendations set out above to enable management of the Council housing stock to be delegated to East Kent Housing.

Options available to the Council with an assessment of the preferred option

1. To accept the recommendations.

This is the preferred option.

Under this option this will enable the Council's landlord functions (as detailed in Appendix 1) to be delegated to the East Kent Housing ALMO. Members will note that worst case estimated set up costs in 2011/12 will incur additional costs to the Council's HRA of £237k, changing to a saving of £44k in 2012/13. Even if no additional savings were to be made this gives a payback period of five to six years.

The refreshed business case identifies that the project remains financially viable. Members are reminded, however, that the primary focus has always been on service improvement, and that managing the changes and ensuring tenants are involved in the change programme, and remain supportive of the proposals, requires a phased approach. Hence the business case has been developed on the basis of minimum change to frontline housing services in the first two years. During those two years, medium to long term plans will be developed to achieve the desired service improvement which, based on the experience of other ALMOs, will almost certainly generate greater efficiency savings which can be reinvested in the Council's Landlord Services.

2. Not to approve the Recommendations

Under this option the Council would be left to manage its housing stock alone and without the potential service and savings benefits outlined in this and previous reports which derive from the scale and focus of a shared housing service.

Information to be considered in taking the decision

- 1.1 First established in 2002, Arms Length Management Organisations (ALMOs) now manage almost one million Council homes on behalf of 61 local authorities.
- 1.2 ALMOs are usually companies limited by guarantee without share capital and with a Council as its sole member. The Board comprises Council nominees, tenants and independent members.
- 1.3 Ownership of the housing stock remains with the Council which is also the legal landlord. Tenants' rights and responsibilities are unchanged as they remain tenants and leaseholders of the Council.
- 1.4 The ALMO manages and maintains the Council's housing stock under the terms of a Management Agreement with the Local Authority. The Council pays the ALMO a management fee for carrying out these services on its behalf. This is funded from the Council's Housing Revenue Account (HRA). Any monies held by the ALMO must be applied solely towards the promotion of its objects as set out in its Memorandum and Articles of Association.
- 1.5 ALMOs have demonstrated that they offer a better service to tenants than any other form of Council housing management, achieving higher Audit Commission inspection ratings than all local authority managed housing and most housing associations. This

results primarily from ALMO's having a single focus upon providing housing management services and increased tenant involvement in decision making. In addition, ALMOs contribute two thirds of all local authority housing efficiency savings, although they manage just half the stock.

1.6 In order to delegate their housing management functions to an ALMO, local authorities must obtain consent under section 27 of the Housing Act 1985. The Secretary of State has delegated this responsibility to the Tenant Services Authority (TSA). Before awarding consent the TSA must be satisfied that tenants have been consulted and show a balance of support for the proposal to create an ALMO.

1.7 Both the Cabinet and the Council agreed in February and March 2010 (respectively) that an Arms Length Management Organisation (ALMO) was its preferred option for sharing Landlord Services in East Kent, subject to final agreement by each individual Council following the undertaking of appropriate consultation with tenants to satisfy the requirements of S27 of the Housing Act 1985.

1.8 In addition, the following was also agreed:

- The housing management functions to be undertaken by the ALMO.
- That the ALMO be set up as a company limited by guarantee.
- The governance and legal issues to be reflected in the Memorandum and Articles of the new organisation.
- That the board of the company will comprise twelve people – four elected members, one nominated by each of the participating Councils, four independents and four tenant/leaseholder representatives, one from each Council area.
- That Area Boards be set up in each participating Council area.
- That the Chief Executive be authorised to make any changes necessary to these proposals, in consultation with the Leader, and to pursue the project up to final Council approval to join the Housing Shared Service Vehicle.

1.9 More recently, in September 2010 Cabinet resolved:

That having regard to the outcome of the detailed tenant and leaseholder consultation, to: -

- Authorise the Chief Executive to submit an application to the Tenant Services Authority under Section 27 of the Housing Act 1985 for the delegation of its housing management service to the East Kent ALMO;
- Authorise the Chief Executive in consultation with the Leader of the Council to approve the Memorandum and Articles of Association of the East Kent ALMO, and
- Appoint a member of the Council to the Shadow Board of the ALMO.

1.10 Work has progressed in line with each of these resolutions and Cabinet is now being asked to formally delegate its housing management and associated functions to East Kent Housing so as to enable the project's aims to be realised, namely: -

- Delivering excellent customer service – aiming for 3 stars;
- Realising greater efficiencies and savings for reinvestment;
- Encouraging stronger and more prosperous communities;
- Improving procurement capacity;

- Providing additional investment for Council housing estates;
- Ensuring longer term resilience for the Councils individual Housing Revenue Accounts (HRAs);
- Establishing a stronger housing role for the Councils;
- Developing a stronger role for tenants in shaping housing services;
- Improving career opportunities for staff.

2. ESTABLISHING EAST KENT HOUSING

2.1 More specifically the substantial work undertaken to establish East Kent Housing has included:

- Developing and submitting an application to the Tenant Services Authority for consent to transfer management under S27 of the Housing Act 1985 following detailed tenant consultation.
- Developing the Memorandum and Articles of Association for the new organisation and incorporating East Kent Housing Limited
- Recruitment of a Shadow Board and establishing Area Boards for each Council area.
- Developing an 'Owners' Agreement that deals with significant issues of ownership and collaboration arrangements between the four Councils
- Developing a Management Agreement and delivery plans to govern the relationship between the districts as clients and East Kent Housing as service provider.
- Identifying staff to transfer to the ALMO and commencing formal staff consultation.
- Developing service agreements with existing support and other services
- Establishing the financial arrangements for the ALMO and determining the Management Fee payable to East Kent Housing by the Councils.

2.2 Obtaining Consent under Section 27 of the Housing Act 1985

2.2.1 A key requirement of this is the need to demonstrate that the proposed ALMO has the support of a majority of the tenants that would be affected and, in accordance with Tenant Compact principles, that they will continue to be consulted about the ALMOs operation and performance.

2.2.2 The results of the detailed consultation with tenants and leaseholders that demonstrate broad support for the sharing of housing management services through an ALMO were reported in September 2010.

2.2.3 Application has been made to the TSA to delegate functions to EKH under S27 of the Housing Act 1985. Consent was obtained on 21 January 2011.

2.3 Company Structure and Governance

2.3.1 The ALMO is constituted as a company limited by guarantee, of which each of the Councils is a member. The Memorandum and Articles of Association were approved by the Chief Executives of the four Councils on 15 December 2010 and the company was incorporated on 11 January 2011.

2.3.2 East Kent Housing will enter into a Management Agreement with each of the Councils, which will govern the provision of services by the ALMO. The Councils and the ALMO will also enter into an Owners Agreement which will set out the basis on which they

will co-operate with each other under the arrangement, and will also govern decision making of the Councils in respect of the ALMO.

2.3.3 The Memorandum and Articles of Association of the ALMO and the Management Agreements have been based on model documentation used for ALMOs across England. The Owners Agreement is a new form of document prepared specifically for this arrangement where four local authorities are involved.

2.3.4 The governance and contractual arrangements of EKH are set out diagrammatically in Appendix 6

2.4 **Board of Management**

2.4.1 The Articles of Association provides that the directors of the company will comprise four elected Members, one nominated by each Authority, four independents and four tenants, one from each Council area.

2.4.2 The shadow board, at that time comprising Council nominees and tenant representatives, met for the first time in November 2010. At this meeting, informed by suggestions submitted by tenants, leaseholders and staff, the Shadow Board decided on a name for the new organisation - East Kent Housing.

2.4.3 Recruitment to the shadow board is now complete with four independent members including the Chair, having been selected by the Councillor and tenant board members on 9 December 2010

2.4.4 A detailed induction and training programme has been developed and the first meeting of the full Board took place on for 11 January 2011.

2.5 **Area Boards**

2.5.1 Area Boards, based upon existing tenant consultative arrangements, are in the process of being established for each of the four Council areas.

2.5.2 The Area Boards provide for local accountability to both tenants and Council members and their role includes: -

- Monitoring the performance and service delivery of the ALMO within the local authority area in question
- Acting as a consultative body on matters relating to policies and services delivered by the ALMO
- Acting as a consultative forum for the relevant Council in relation to its ongoing duty to consult its tenants on key aspects of the housing service.

2.5.3 Each area board comprises two Councillors, one member of the EKH Board (who shall not be a Councillor) and the same number of existing tenant representatives as feature in the existing arrangements. However, all Councillors will be entitled to attend meetings of the Area Boards.

3. **OWNERS AGREEMENT**

3.1 The Owners Agreement sets out the principles of collaborative working between the Councils, and how they will, as members (owners) of the company exercise collective control over the ALMO. This is an essential requirement in order to take advantage of

the *Teckal* exemption from the competition requirements of the EU procurement regime.

- 3.2 In a typical ALMO arrangement, (one Council and one company) the ALMO is a sole member company and accordingly all membership-level decisions are decisions of the authority concerned. The UK Government has stated that these standard ALMO arrangements fall within the 'Teckal' exemption.
- 3.3 One element of the Teckal exemption is the "control test", which has been confirmed by case law as the exercise by a contracting authority or authorities of a power of decisive influence over the strategic objectives and significant decisions of its "controlled" entity.
- 3.4 The Owners Agreement provides that the Councils will collectively control the Strategic Objectives and Joint Decisions of, and in respect of, the ALMO. This is partly to assist compliance with the *Teckal* exemption, and partly to centralise decision making in respect of matters relating to the ALMO arrangement.
- 3.5 The Owners Agreement requires the ALMO to pursue the Strategic Objectives, which are the delivery of services to the Councils and the pursuit of its objects.
- 3.6 The Owners Agreement also provides for a two-tier joint decision making structure to ensure the necessary collective control of the arrangement amongst the four Councils.
- 3.7 The Joint Decisions are matters which are central to the operation of the ALMO. Some of these are matters which will be decisions of the Councils – for example, amendments to the ALMO's articles of association. The Owners Agreement provides that these decisions cannot be taken except with the agreement of the Councils in accordance with the joint decision making structure set up under the Owners Agreement
- 3.8 The first level of this structure is an Officer Panel. This is a panel of four officers, one from each of the Councils, each of who have delegated authority from the relevant Council to take decisions on behalf of that Council in respect of the ALMO.
- 3.9 Since a local authority may not delegate decision making to such a panel, each officer will make a decision on behalf of that Council, but decisions by the Officer Panel will only be binding when unanimous. In the event of a lack of unanimity in respect of any Joint Decision, the matter will be referred to a Joint Committee constituted of elected members which will have authority to bind the Councils in accordance with its terms of reference.
- 3.10 Any of the Councils may exit the arrangement by serving notice of intention to do so on each of the other Councils and the ALMO. The documentation currently envisages the giving of not less than 28 days' notice of a member's intention to withdraw from membership of the Company. Once this 28 day notice period has expired that Council may serve three months' notice to exit membership as provided for under the Articles. Following further discussion it is now intended to extend the notice periods to require a total notice period of 12 months.
- 3.11 In the event that a Council exits the arrangement, it will continue to be liable for obligations incurred while it was party to the arrangement, and will indemnify all of the other Councils and the ALMO from losses resulting from its cessation of membership.

3.12 The Owners Agreement can be terminated by all of the Councils agreeing in writing, and will terminate if the ALMO is wound up or if all the Management Agreements are terminated.

4. THE MANAGEMENT AGREEMENTS

4.1 Each of the Councils will enter into a bilateral Management Agreement with the ALMO. The Management Agreement which is based on the standard agreement published by DCLG, is the document which governs the relationship between the Councils as clients and the ALMO as service provider, and sets out the obligations of each party.

4.2 As there is not a single client unit across the four Councils, it is necessary to prepare four separate Management Agreements, each of which will be worded in identical terms, one for each of the four Councils. The agreements are differentiated by the Schedules, which provide for, amongst other things, separate Delivery Plans, and delegations of functions from each Council to the ALMO.

4.3 The key features of the Management Agreement are:

- The functions to be delegated to, and carried out by EKH. (as set out in Appendix 1)
- The standards to which they are to be carried out
- Arrangements for reporting on and monitoring performance.
- Requirements for the involvement of residents in decision making
- Staff to be transferred under the TUPE Regulations
- The financial relationship and obligations of each party
- Arrangements for liaison and consultation between the Council and the ALMO
- The ALMOs role in helping deliver the authority's housing strategy
- The length of the agreement, which is proposed be a 30 year period with 5 yearly break clauses
- Actions to be taken where there is non-compliance or failure

4.4 The Management Agreement can only be amended with the written consent of both parties. Any variation considered to have a material effect on the services provided to the other Councils constitutes a Joint Decision under the Owners Agreement and is therefore subject to collective Council agreement.

4.5 It will be for the Councils to determine any future management arrangements at the end of the agreement which could involve re-contracting, tendering to other management services or providing services in house.

4.6 The ALMO Delivery Plan

4.6.1 Each Management Agreement is built around a Delivery Plan which sets out how EKH will use the resources at its disposal to meet its responsibilities under the Management Agreement and its agreed performance priorities and targets.

4.6.2 EKH will be required to agree the Delivery Plan each year with the Councils and the draft year one Delivery Plan is shown at Appendix 2.

4.6.3 This follows the form of year one delivery plans in a number of other ALMOs, in that there is a strong initial focus on organisational development rather than specific service improvement. It does however highlight the areas where East Kent Housing would wish to focus its improvement and service development in future years.

4.6.4 Managers across the four Councils have been involved in the development of the Plan and Portfolio holders have been consulted about its content. The delivery plan will be supported by a detailed action plan which the Board of East Kent Housing will be expected to approve in March. It has previously been agreed that in the first year the ALMO would be expected to at least maintain performance at existing levels. This reflects the focus of the organisation on its set up and the re-organisation and restructuring that will take place in year one. A schedule of performance has been developed populated by data available from the four Councils at the end of the last financial year. It is proposed that this is updated before 1 April 2011 with data from the end of the third quarter for 2010/11 and this will form the bench mark of the first year of the ALMO's operation.

5. **ALMO Staffing**

5.1 Transferring Employees are detailed in Schedule Four of the Management Agreement. These are the managers and staff of the East Kent authorities that carry out 50 per cent or more of the housing management function duties in Appendix 1. Staff transferring from the Councils to the ALMO will do so under TUPE with their employment rights protected. Staff will transfer with their existing Council terms and conditions including pay structures. The majority of staff will continue to work in the same places that they do now but some groups of staff will be brought together straight away, for example the management team.

5.2 Formal consultation with Unions and all staff expected to transfer commenced on 5 January 2011.

5.3 Although some posts will be lost, others will be created. The net effect is expected to be a reduction in the region of 23 FTE (full time equivalent) posts in East Kent Housing. As ever the objective will be to avoid compulsory redundancy, and to redeploy and train staff to take on any new roles and responsibilities. The single service will undoubtedly provide new benefits and opportunities for many staff especially with regard to training, development and career enhancement.

6. **Support and Other Services**

6.1 Initially, and for the first two years of operation, it is intended that the ALMO will continue to use support and other services provided by the Council or by East Kent Services as set out in the ninth and tenth schedules of the Management Agreement.

6.2 The key principles defining the Service Level Agreements (SLAs) are that the year one service will be the same as the existing service provided to the in house landlord service team and secondly, that the cost will be equivalent to the existing re-charge to the HRA for the service. This principle, i.e. a similar service at no greater cost than existing will also apply to where alternative support service arrangements are intended to apply.

6.3 As the ALMO restructures and remodels its services during the course of the first year, it is anticipated that the ALMOs support requirements will be refined and fresh SLAs will be negotiated with the service providers.

7. **Financial Arrangements**

7.1 The over arching financial framework for the ALMO and the financial arrangements between the Councils and the ALMO are set out in Schedule 6 of the Management Agreement (Annexed at Appendix 4). This includes key issues such as the mechanisms for the calculation of the management fee and for its payment, the

treatment of surpluses on the management fee, the division of responsibilities for different transaction types, and the monitoring and reporting mechanisms that will be used.

- 7.2 The detailed financial business case model that was used to assess the likely HRA and General Fund impacts of the proposal, as reported on in the January 2010 report, has been reviewed and refreshed.
- 7.3 The conclusions of this financial modelling overall are summarised in the table below. This sets out the provisional total and this Council's year one management fee including both the start up costs and anticipated ongoing savings on a worst case basis. A more detailed breakdown is at Appendix 4. On this model DDC has an additional £237k cost in year one, mainly to cover initial set up and management team costs, with indicative savings of £ 44.8k in year two.

Expenditure In £000	Total cost 2011/12	Total cost 2012/13	DDC cost 2011/12	DDC cost 2012/13
EKH Management fee including current cost of service	-8991.8	-7868.1	-2303.9	-2021.5
Existing cost of service	8047.3	8047.3	2066.3	2066.3
Additional cost/saving to HRA	-764.8	179.3	-237.6	44.8

- 7.4 Appendix four shows how the financial model is progressing towards achieving savings of 10% per annum on its direct operating costs compared to what would otherwise be the case if individual in house landlord services were retained. This enables the growth in the HRA costs in year one (to cover start up costs) to be recovered on the worst case basis, within five to six years
- 7.5 Based on the experience of other ALMOs it is however anticipated that beyond year two, savings can be expected to increase significantly as medium to long term plans are developed and implemented in terms of support and service delivery efficiencies.
- 7.6 In its first year of operation (financial year 2011/12) the management fee will be based on the current cost for each Council. From year two it is proposed that the basis of calculation will switch to an activity based costing methodology. East Kent Housing will identify in the first six months of operation the main activities performed by its staff and the resources consumed in the pursuit of those activities. These cost drivers will determine revised apportionments of the management fee for each Council reflecting customer needs and requirements of each Council individually.
- 7.7 The management fee is therefore likely to change over time although the ALMO will effectively be cash limited in the first years to the same, or less, budget than current, and will only be able to work within the level of resources the Councils make available within the HRA. Furthermore with similar organisations established elsewhere, many have worked to a reducing level of management fee in the early years which then firmly places the onus on the new organisation achieving efficiency savings and improved value for money.

- 7.8 A detailed operational budget build will commence once the business case and management fees are agreed, and will be built around the management fee available to EKH.
- 7.9 Should East Kent Housing generate any surpluses on its management fee these will be allocated to the relevant Council where the surplus is clearly attributable to activities relating to a particular Council's housing stock. Otherwise it will be allocated based upon the proportions of the overall management fee payable by the four Councils.
- 7.10 The Agreement has been drafted on the basis that the ALMO will be free to spend any surplus equating to up to 5% of the Management Fee payable by the Council to East Kent Housing as it sees fit to improve or extend the services. Any surplus in excess of the first 5% of the management fee payable by the Council will be referred back to the Councils Representative for a decision as to how this is to be utilised.
- 7.11 Where a surplus is generated that will be recurring the Management Fee for the following financial year will be adjusted.
- 7.12 The HRA and Housing Capital Budgets for the forthcoming year will be approved by the Council, in accordance with their timetable and strategies. East Kent Housing staff will continue to support the Council's HRA finance team in determining, managing and reporting on these budgets.
- 7.13 East Kent Housing will be responsible for:
- Procuring expenditure (including raising orders, goods receipting, submitting invoices for payment)
 - Managing expenditure within budget.
 - Managing and processing income.
 - Assisting the Council's HRA Accountants in reporting financial performance against the budget including returning scheduled budget monitoring data within the agreed timescales
 - Assisting the Council's HRA Accountants in determining a robust budget & HRA Business Case
 - Assisting the Council's HRA Accountants with information required for year end processes, statutory returns and any associated audits.
- 7.14 In carrying out these functions East Kent Housing will fully comply with the latest version of the relevant Council's Financial Procedure Rules and Contract Procedure Rules. The Council's Section 151 Officer will retain control over access to the Council's financial information systems and will specify the levels of authorisation for East Kent Housing staff. These authorisation levels will be set in the context of balancing control of the Council's financial activities and the practical needs of delivering housing services to the tenants.
- 7.15 As agreed with the Councils' Section 151 officers the ALMOs financial system will be hosted by one of the four Councils. This option is advantageous as it will ensure that EKH is using a financial system that is tried and tested, meets audit requirements, will ensure EKH does not incur the cost and risks of stand alone financial system, reduces financial resources required by EKH, utilises resources already within the Councils and will allow EKH to adopt the hosts Financial Regulations and Contract Standing orders as their own. Both Shepway and Dover DC have expressed an interest and work is currently being undertaken to establish which authority can best meet the needs of EKH.

8. Pension Arrangements

- 8.1 In relation to the treatment of pension contributions, East Kent Housing will be treated as a separate employer for the purposes of the Kent Pension Fund and has been granted admitted body status into the scheme.
- 8.2 All staff will be transferred to the pension fund as “fully funded” so EKH will not commence trading with a pensions deficit.
- 8.3 Every three years the pension fund actuaries will re-value the ALMO’s pension fund “pot” and review the contribution rate to be made by EKH to the pension fund every year for the following three years.
- 8.4 Over time, if a deficit arises EKH will need to agree a rate of contribution to address the deficit, and this will be reflected in EKH’s costs.
- 8.5 With a new company, like EKH, the actuaries would normally provide a short time horizon to recover the deficit and this could lead to a high rate of contributions. However, local authorities normally negotiate a term of up to 20 years to repay their deficit. It is therefore proposed that the four partner authorities provide a written guarantee that they will underwrite any pension fund deficit, and that the actuary therefore can recover the deficit over a longer term and EKH will experience lower volatility in the level of pension fund contribution.
- 8.6 The accounting requirements for ALMOs differ to those for Local Authorities. Unlike the Council, EKH will, in its statement of accounts, need to show any pension fund deficit as a real liability and demonstrate how it will seek to address this. Current advice suggests that the written guarantee to be provided by the four Councils to underwrite the pension fund deficit will be sufficient to allow EKH to prepare its accounts on a going concern basis.

Background Papers

Draft Owners Agreement
Draft Management Agreement

N.B. Copies of the background papers are have been placed in the Member’s Room for inspection by members Dover District Council

Resource Implications

Requirement from Current Budget	Requirement for Additional Budget	
	Current Year	Full Year
Additional management fee from 2011/12 from the HRA		237,000

Comments from Finance

The report has been written in consultation with the Director of Finance and ICT and his views have been included in the body of the report.

Communication Statement

Tenants panels have been consulted throughout the project.

Impact on Corporate Objectives and Corporate Risks

Contributes to the Council's Corporate objective to have 'a wide range of good quality and accessible housing that meets the needs of the whole community'

Attachments

Appendix 1 - Functions to be delegated to East Kent Housing
Appendix 2 - Draft year 1 Delivery Plan
Appendix 3 - EKH Owners Committee Operating Arrangements
Appendix 4 - Financial Arrangements
Appendix 5 - EKH Housing Costs and Management Fee
Appendix 6 - Area Boards Terms of Reference
Appendix 7 - Diagrams of EKH Governance Structure

CHRISTINE WATERMAN

Director of Housing, Culture
and Community Safety

KEITH CANE

Corporate Director
of Landlord Services Shepway
District Council

The officer to whom reference should be made concerning inspection of the background papers is the Director of Housing, Culture and Community Safety, Dover District Council, White Cliffs Business Park, Dover, Kent CT16 3PJ. Telephone: (01304) 821199, Extension 2064.

FUNCTIONS TO BE DELEGATED TO THE SSV LANDLORD SERVICE

Co-ordination with corporate policy in relation to housing element of:	<u>Council</u>	<u>SSV</u>	<u>Both</u>
Community Safety	X		
Neighbourhood Renewal	X		
Regeneration	X		
Housing and Health	X		
Supporting People	X		
Sustainable Development	X		
Social exclusion	X		
Equalities and Diversity	X		
New tenancies			
Administration of Housing Register/Choice Based Lettings	X		
Housing allocations policy for Council housing	X		
Selection of tenants for vacant props	X		
Transfer list management	X		
Granting of new tenancies		X	
Successions		X	
Mutual exchange management		X	
Repairs and Maintenance			
Stock condition survey local authority housing		X	
Response repairs		X	
Contract and Planned Maintenance and Refurbishment Programmes		X	
Modernisation and Improvements		X	
Energy and efficiency		X	
Develops a business plan for investment in housing stock		X	
Implementation of annual investment programme: monitors delivery, manages programme		X	
Void and Empty Property Management			
Terminations		X	
Inspection		X	
Repairs		X	
Sustainable Communities			
Neighbourhood and Estate Management		X	
Enforcement of conditions of tenancy		X	
Evictions and court action to support enforcement		X	
Alterations to conditions of tenancy		X	
Illegal occupation		X	
Development of ASBO policy	X		
Responsibility for legal process to obtain Anti-Social Behaviour Orders		X	
Administering application prior to legal action for ASBO		X	
Regeneration and estate development			X

Estate Management			
Care taking on housing schemes		X	
Environmental Services		X	
Grass cutting/Ground maintenance		X	
Supported Housing			
Manage supporting people policy			X
Sheltered Housing Schemes		X	
Life Link Care line	X		
Supported Housing Schemes		X	
Refugees	X		
Homelessness Accommodation	X		
Temporary Accommodation	X		
Gypsies	X		
Medical adaptations		X	
Right to Buy			
Valuations	X		
Administration and calculation of discount		X	
Approvals	X		
Leasehold Management			
Finance			
Rent setting/service charges	X		
Rent accounting		X	
Recovery of Rent Arrears		X	
Recovery of other charges		X	
Financial Returns, Subsidy Returns	X	X	
Insurance of property and land	X	X	
Insurance claims		X	
Management of HRA capital resources			X
Preparation of HRA budgets	X		
Annual determination of SSV fee			X
Procurement			
Policy	X		
Letting of contracts in relation to delegated activities		X	
Tenant involvement in Housing Strategy			
Tenant participation		X	
Tenant consultation			X
Information to tenants		X	
Reports to tenants		X	
Other Assets (including lettings and management)			
Garages		X	
Shops and Buildings		X	
Estate offices		X	
Tenant Resource Centres or Tenant Offices		X	
Community Centres	X		
Clearance and disposal and dwellings			
Sale of dwellings	X		
Clearance and disposal of dwellings	X		
Compensation	X		
Decanting tenants			X

Housing Benefit and Council Tax Benefit administration	X		
Programme of Service Reviews	X		
Preparation of Business Plan for Housing Revenue Account	X		
Preparation of Delivery Plan		X	
Preparation of Service Plan		X	
Bidding for Capital Resources	X		
Monitoring Arrangements with the SSV			X
Developing and agreeing the annual delivery plan		X	
Monitoring the delivery plan achievement			X
Liaison with SSV on Housing Service Standards and Inspectorate requirements			X

East Kent Housing Delivery Plan and key objectives for 2011/12

Overview and Challenges. In setting up East Kent Housing the four councils set clear objectives for the new organisation. These included delivering excellent customer service, realising efficiencies, encouraging stronger and prosperous communities, improving procurement capacity, developing a stronger role for tenants in shaping the housing service, improving opportunities for staff.

While our key objectives are about improve efficiency and the quality of the service to our tenants, the first year will inevitably be focused on establishing the new organisation. There are significant challenges to be addressed in the first year including:

- Establish the new organisation and its management structure
- Developing the Board so that it can give clear and decisive leadership to the organisation
- Establish the principles of good governance at all levels in the management of the organisation
- Establishing robust systems and processes that ensure that the organisation is both effective and using its resources efficiently
- Integrating four different housing organisations into a single team with a clear focus on service improvement
- Developing a productive relationship with the four councils so that they understand the challenges faced by EKH in the first year and support our development
- Establishing working interfaces with the councils' financial and other systems
- Maintaining performance and service standards at existing levels while creating a structure and environment for sustained improvements in the years ahead

In designing and creating the new organisation we need to be mindful at all times of our mandate to improve services and efficiency and build an organisation that will be capable of delivering this.

Key Objectives for 2011/12

1. **Customer Excellence.** East Kent Housing aims to provide the highest possible standard of customer service and care. To meet this commitment we will:
 - Work towards the customer excellence standard
 - Establish consistent processes and procedures across EKH
 - Develop a robust complaint procedure

- Introduce a range of methods to assess what tenants think about our services and ask them to identify where they would like us to improve
- Develop quality management system that will ensure that learning from complaints and other feedback from tenants, informs decision making and the design of future services
- Work to ensure that the service remains accessible and responsive to elected members
- Develop our understanding of our residents and their needs and aspirations through improved customer profiling
- Explore new access channels giving tenants access to more services through the internet and other digital media
- Ensure that we have robust and rigorous processes to ensure that our tenants' homes are safe (i.e. fire and gas safety/asbestos/legionella)
- Work to establish the East Kent Housing brand with the tenants
- Design and implement a website through which tenants/leaseholders and other stakeholders can access information about EKH and its services
- Adopt equalities and diversity policy and strategy

2. **Integrating four services.** For EKH to work effectively and deliver the efficiencies required of us, it is important to streamline processes and establish common procedures across all four areas of operation. To achieve this we will:

- Review all priority systems and procedures inherited from the four councils
- Establish common procedures and working practices in all priority areas
- Establish a clear scheme of delegations, that is consistent with financial regulations of the four councils
- Develop an approach to risk management system & business continuity
- Work with EK Services to agree an IT strategy to integrate housing management systems & document management system and explore opportunities for better remote working

3. **Supporting the councils' strategic objectives.** EK Housing is committed to working with the four councils to make their districts a better and safer place to live. To meet this commitment we will:

- Continue to develop a robust approach to tackling anti social behaviour, developing a common approach based on best practice in the four local authority areas
 - Work with the four councils to develop more effective ways to reduce under occupation and overcrowding and make better use of the housing stock
 - Support the councils in the regeneration of their districts, especially in areas of concentrated deprivation
 - Support initiatives undertaken by the council or its agents to promote training and employment opportunities for tenants and their families
 - Support the councils in responding to new tenancy initiatives to ensure as far as possible consistency across East Kent
 - Help maintain the value of the councils' assets by delivering the annual planned maintenance/Capital programme
 - Work with the Councils to promote initiatives linked to their environmental and sustainability strategies
4. **Value for money.** The four councils agreed to establish EKH based on a business case that indicated that improved efficiencies could be achieved through four councils working together. EKH is tasked with delivering reductions in operating costs in excess of £1/2m per year, while delivering the improved services that have been promised to tenants. The cost reductions are consistent with those required of other council services. To improve value for money we will:
- Review staffing arrangements to ensure that the benefits of managing a larger organisation are reflected in the efficiency and effectiveness of our front line and back office services
 - Work with the four the accountancy team in the four councils to implement rent restructuring and support the council in its response to the new housing finance regime
 - Develop a five year rolling Business plan for EKH
 - Agree Audit Plan with EK Audit Partnership with a clear focus in year one of testing the effectiveness of control systems in EKH
 - Appoint external auditors to support in the development of internal financial and other control systems
 - Agree with the Board and Councils a three year programme of service/VFM reviews

- Review and develop the Service Level Agreements with the councils and EK Services to further define service levels and the expectations and requirements of East Kent Housing
5. **Resident empowerment.** Tenants and leaseholders will play a vital part in helping us raise standards and improve services. We support the enhanced role of tenants in the regulation and monitoring of their housing service. We will:
- Establish a structure of Area Board that gives local accountability to tenants and enhances their role in monitoring our performance and service delivery
 - Build on the success of the Joint Tenants and Leaseholders Group to expand opportunities for tenants from across the four local authority areas to work together help EKH develop its services and policies
 - Hold an annual event for all members of Area Board
 - Respond to the government regulatory framework, increasing the role of tenants in complaints management and in scrutinising performance
 - Produce an annual reports to tenants, describing performance for the last year and setting out our goals and targets for the forthcoming year
 - Consult with tenants about the current and future Delivery Plans and make our final plans available to tenants
 - Involve tenants in the ongoing review and design of our services
 - Support Councils to review the Tenants Compact to reflect the new arrangements in the ALMO
 - Develop and adopt in consultation with our tenants, a tenant involvement and communication strategy specific for East Kent Housing
 - Work to improve levels of resident satisfaction
6. **High quality work force.** Around 230 employees will transfer from the four councils to East Kent Housing. Each of the four councils have different ways of working, different processes and procedures, different cultures and approaches to the service. The challenge for EKH is to develop a common commitment from staff to the organisation and to our values, aims and goals. We will
- Developing and embedding a one team approach

- Establish appropriate mechanisms to consult and involve staff
- Deliver effective training and development to support the organisation's aspiration to provide first class standards of customer service
- Invest in the leadership of the organisation to give a clear direction to all its employees
- Establish a system of job evaluation for the organisation
- Introduce corporate systems to assess and appraise staff and to help identify their future training needs
- Work towards the principles of the Investors in People standard
- Introduce a robust system of managing attendance and reduce sickness levels
- Introduce regular staff surveys and other means to gather feedback
- Explore ways of allowing staff to work more effectively including the potential use of mobile technology

7. **Good Governance.** Establishing principles of good governance within the board and management of the organisation is critical to the success of the new organisation. To achieve this we will:

- Deliver training programme for the board
- Review board skills
- Introduce performance review system for board members
- Establish Area Boards to provide local accountability to local tenants and elected members
- Appoint external auditors
- Develop a governance manual for Board members
- Adopt a policy on openness and transparency to give tenants and other stakeholders access to decisions and information

8. **Equalities and Diversity.** East Kent Housing is committed to providing its services in a fair and equitable manner free from discrimination and prejudice. To achieve this we will:

- Adopt an equalities and diversity policy and strategy

- Appoint a Board member to champion our work in promoting equalities and diversities
- Establish an equalities and diversities group lead by a senior manager or director to promote good practice in the organisation
- Agree a programme to assess all aspects of our service and their impact on equalities and diversity
- Work to implement and comply with the Equalities Act 2010
- Provide training for staff, board members tenant representatives and contractors
- Work to embed equalities and diversities within the culture and working practices of the organisation
- Review access arrangements to offices and other facilities to confirm that they are DDA compliant
- Review arrangements for translation and interpretation services to ensure they are consistent across all four areas

9. Performance. For the councils the level and standard of performance will be a critical measure of the success of EK Housing. We will:

- Introduce performance management framework
- Develop performance reporting and accountability to Area Boards
- Provide timely performance reports to each council
- Meet with council representatives on a monthly cycle to review performance and service delivery
- Seek to improve the use of benchmarking
- Undertake a survey to assess the general level of satisfaction of tenants and leaseholders
- Maintain existing standards of performance in the first year of transition

Performance Plan

Actual Performance for **year 2009/10** (this will be updated to reflect performance at the end of quarter 3 2010/11)

	Canterbury	Dover	Shepway	Thanet
Stock-rented	5,221	4,589	3,455	3,110
Stock -Leasehold	337	437	202	361
Rent arrears at 31 st Mar 2010 (note 1)	£297,664.	£311,889	£169,458	£300,711
Rent arrears as at 31 Mar 2009	£324,700.	£330,336	£166,904	£316,966
% change 2009 to 2010	-8.3%	-5.58%	1.53%	-5.13%
Rent arrears per rented unit as at 31 st March 2010	£57.01	£67.96	£49.05	£96.69
Rent arrears as % of annual debit (Mar 2010)	1.43%	1.83%	1.3%	2.81%
No. Evictions 2009/10	14	8	3	14
Former tenant arrears at 31 st Mar 10	£309,017	£74,958	£94,053	£232,661
Garage arrears as at 31 st March 2010	£3,636.	£1,176	£3,270	£984
No. of garages	1,236	945	835	576
Debt per unit-garages	£2.94	£1.24	£3.92	£1.71
Leasehold service charges outstanding at 31 st Mar 2010	£37,000	£74,310.61	n/a	£190,551.77
Amount of former tenant arrears written off in year ending Mar 10	£81,334	£33,302	£49,965	£26,215
Former tenant arrears at 31 st Mar 10	£309,017	£74,958	£94,053	£232,661
Introductory tenancies (Yes or No)	Yes	No	yes	Yes

	Canterbury	Dover	Shepway	Thanet
Average time to re-let empty properties (year ending Mar 10)	20 days	29.79 days	28 days	17 days
Average time to re-let empty Properties (excl Sheltered housing and specialist housing)	20days	28.37 days	23.3 days	17 days
% of repairs done by appointment and appointment kept	99%	93.13%	99.2%	97%
% of Emergency repairs completed within time	99%	95.7%	100%	99.9%
Average number of days for non urgent repairs	7 days	11.2 days	n/a	8.4 days
% of responsive repairs completed n time	98%	90.7%	99.6%	97%
% of tenants satisfied or very satisfied with housing service	82.7% (2008-09)	84.3% (2008-09)	78.2% (2008-09)	80.8% (2008-09)
Number of Complaints received in year ending Mar 2010	108	93	21	25

EKH Owners Committee Operating Arrangements

Canterbury City Council

Dover District Council

Shepway District Council

Thanet District Council

together referred to as 'the Parties'

1. Key Principles

- 1.1 The Executive and full Council of each of the Parties has determined by resolution to establish this joint committee to become effective from 1 April 2010 for the purposes of exercising agreed functions in connection with the management of housing stock (and related activities) by East Kent Housing Limited across their 'combined administrative area'.
- 1.2 The joint committee will be established as the EKH Owners Committee (EKHOC).
- 1.3 The Parties are committed to a joint committee which provides oversight and decision making and co-ordination of services in relation to the management of housing stock and related activities by East Kent Housing Limited across the combined administrative area through mutual co-operation.
- 1.4 The Parties are committed to open and transparent working and proper scrutiny and challenge of the work of the EKHOC.
- 1.5 Any new Parties to these arrangements after they become effective will have all the same rights and responsibilities under these arrangements.
- 1.6 The Parties agree that, in the event of any conflict between the terms of these Operating Arrangements and the terms of the Owners Agreement, the terms of the Owners Agreement will prevail.

2. Definitions

- 2.1 'Decisions' means those decisions of the Parties delegated from time to time to the EKHOC to discharge.
- 2.2 'A shared service' means a service delivering functions as agreed by two or more of the Parties.
- 2.3 'The combined administrative area' means the local government areas of the city and district authority Parties combined.

- 2.4 'The Parties' means the authorities listed above.
- 2.5 'Voting Member' means the appointed elected members of each of the Parties.
- 2.6 'Host Authority' means the local authority appointed by the Parties under these arrangements to lead on a specified matter or function as set out in paragraphs 14 and 19.
- 2.7 'the ALMO' means East Kent Housing Limited (company number 07489230).
- 2.8 'Housing Management Services' means the services provided by the ALMO for the Parties from time to time.
- 2.9 'the Owners Agreement' means the agreement between the Parties and the ALMO dated [] as amended or varied from time to time.

3. Objectives

The objectives of the EKHOC are to:

- (a) act as the final decision making body for decisions to be made jointly by the Parties under the terms of the Owners Agreement in circumstances where all the Parties (through their delegated officer) have not reached unanimity;
- (b) act as the final arbiter of disputes arising under the Owners Agreement, as referred to in clause 9 thereof.

4. Powers and Functions

- 4.1 The EKHOC is established under section 20 of the Local Government Act 2000 and Regulations 4, 11 and 12 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000 and sections 101(5) and section 102(1) of the Local Government Act 1972 enabling the Parties to perform the functions referred to in the Schedule in the manner set out in these arrangements.
- 4.2 The functions of the EKHOC shall be those functions or services that are delegated to it by the parties from time to time as approved by resolution of the executive and/or full Council (as appropriate) of such of the parties as are minded to participate in those joint functions and services.
- 4.3 Any delegations to the EKHOC shall be made in a common form and shall not take effect until agreed by the executive and/or full Council (as appropriate) of all those Parties participating in the services.

5. Terms of Reference

The terms of reference for the EKHOC are as set out in the Schedule.

6. Membership and Voting Rights

The EKHOC shall comprise the Leaders of the Council of each of the Parties. The Leader of each Party may nominate one member of their Executive (who have been authorised by the respective Parties to act as substitutes) to substitute for the Leader as necessary.

7. Frequency of Meetings

The EKHOC will meet:

- (a) at least once between 1 December and 28 February annually and
- (b) whenever it is necessary for a Joint Decision of the Parties to be considered under the terms of the Owners Agreement and
- (c) at such other times as may be required.

8. Agenda Setting and Access to Meetings and Information

- 8.1 The agenda for the EKHOC shall be agreed by the chairman of the EKHOC following a briefing by relevant officers. Any member of the EKHOC may require that an item be placed on the agenda of the next available meeting for consideration.
- 8.2 Notice of meetings and access to agendas and reports will be in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Amendment Regulations 2000 and 2002 or sections 100A-K and Schedule 12A of the Local Government Act 1972, as appropriate.

9. Delegation to Officers

The EKHOC may arrange for the discharge of any of its functions by an officer of one of the Parties.

10. Meetings and Procedure

- 10.1 The Chairman and Vice Chairman of the EKHOC will be appointed by the EKHOC on the basis of the position being rotated annually, as follows, and repeated each four years:

	Chairman and Host Authority	Vice Chairman
Year 1	Canterbury City Council	Shepway District Council
Year 2	Thanet District Council	Dover District Council
Year 3	Shepway District Council	Thanet District Council
Year 4	Dover District Council	Canterbury City Council

- 10.2 In the absence of the chairman and the vice chairman at a meeting, the meeting will elect a chairman for that meeting.

- 10.3 The quorum of the EKHOC will be four with one member present from each of the four Parties. If the meeting is inquorate then it shall stand deferred for seven days to meet at the same time and in the same place when the quorum shall be three drawn from any of the Parties.
- 10.4 The EKHOC may approve rules for meetings and procedure from time to time.

11. Decision Making

Decisions of the EKHOC will normally be made by consensus. Alternatively, a vote shall be taken where the chairman or any Voting Member requests that a vote be taken. The vote will be by way of a show of hands. A simple majority shall be required in order for a resolution to be passed. In the case of an equality of votes the Chairman shall have a casting vote.

12. Forward Plan

Decisions of the EKHOC which will amount to a Key Decision of any Party shall be included within the Leader of that authority's Forward Plan.

13. Host Authorities and Allocation of Roles

- 13.1 In order to achieve the objectives of the EKHOC, the Parties will appoint a Host Authority which is for the time being the Authority shown as the Chairman and Host Authority in the table at clause 10.1.
- 13.2 Staff from the Host Authority who are commissioned to provide services, advice and support to the EKHOC will continue to be employees of the relevant Host Authority.
- 13.3 Responsibility for the following support services to the EKHOC will be allocated to the Host Authority:
- (a) the provision of legal advice and services
 - (b) the provision of financial advice and services
 - (c) secretariat support and services
 - (d) communications support and services
- 13.4 The cost of the services and advice set out in this section will be paid for by the Host Authority.

14. Amendments to these Arrangements

These arrangements may be amended by the unanimous agreement of the EKHOC following a recommendation approved by the Executive and full Council of each of the Parties.

15. New Membership and Cessation of Membership

- 15.1 Subject to the provisions of the Owners Agreement, new Parties may join the joint committee provided that the Executive and full Council of the joining Party (ies) and of all the Parties to these arrangements for the time being so resolve.
- 15.2 Any of the Parties which ceases to be a member of the ALMO shall cease to be a party to these arrangements on the date of such cessation.
- 15.3 On any of the Parties ceasing to be a party to these arrangements, these arrangements shall continue unless the remaining parties determine that those arrangements shall terminate. The benefits and burdens of such termination shall be agreed between the Parties and in default of such agreement shall be determined in accordance with 16.1.
- 15.4 Termination of these arrangements may occur by agreement of all the Parties.

16. Dispute Resolution

Any dispute between the Parties arising out of these arrangements shall be referred to a single arbitrator to be agreed between the Parties, or, where no agreement can be reached, and having regard to the nature of the dispute, by an arbitrator nominated by the chairman of the Local Government Association and will be carried out in accordance with the provisions of the Arbitration Act 1996 as amended or modified and in force for the time being.

17. Claims and Liabilities

- 17.1 The purpose of these arrangements and any actions taken under them is to assist all of the Parties (or those of the Parties as are engaged in any particular shared service). The Parties therefore have agreed that:
- (a) where one of the Parties nominated by the EKHOC to act on its behalf in respect of the Services undertakes actions or incurs liabilities in respect of the Services on behalf of the EKHOC (but not otherwise) then it shall be entitled to be indemnified by the other Parties for the appropriate proportion of all its costs and liabilities incurred in good faith
 - (b) where one of the Parties nominated by the EKHOC to act as Host Authority undertakes actions or incurs liabilities in that respect then it shall be entitled to be indemnified by the other Parties for the appropriate proportion of all its costs and liabilities incurred in good faith
 - (c) a Party carrying out actions in good faith on behalf of the EKHOC shall not (other than in the case of fraud and/or clear bad faith) be liable to claims from the other Parties (and there shall be no right of set-off against any claim for indemnity under (b) above) on the grounds that the actions that were taken were not the proper actions carried out properly or that the costs and liabilities incurred were not reasonably and properly incurred (as long as they were in fact incurred)
- 17.2 Each of the Parties shall at all times take all reasonable steps within its power to minimise and mitigate any loss for which it is seeking reimbursement from any of the other Parties.

18. Data Protection, Freedom of Information, Information Sharing & Confidentiality

- 18.1 Subject to the specific requirements of this clause, each of the Parties shall comply with its legal requirements under data protection legislation, freedom of information and associated legislation, and the law relating to confidentiality.
- 18.2 An authority will be appointed as a Host Authority for the purposes of ensuring compliance with any legislative or legal requirements relating to these issues should they arise directly in relation to the joint committee (as compared to information held by the Parties to these arrangements).
- 18.3 Each of the Parties shall:
- (a) treat as confidential all information relating to:
 - (i) the business and operations of the other Parties and/or
 - (ii) the business or affairs of any legal or natural person in relation to which or to whom confidential information is held by that Party("Confidential Information") and
 - (b) not disclose the Confidential Information of any other of the Parties without the owner's prior written consent
- 18.4 Clause 18.3 shall not apply to the extent that:
- (a) such information was in the possession of the Party making the disclosure, without obligation of confidentiality, prior to its disclosure or
 - (b) such information was obtained from a third party without obligation of confidentiality or
 - (c) such information was already in the public domain at the time of disclosure otherwise than through a breach of these arrangements or
 - (d) disclosure is required by law (including under Data Protection Legislation, the Freedom of Information Act 2000 and the Environmental Information Regulations 2004) or disclosure is permitted by the Human Rights Act 1998
- 18.5 The Parties may only disclose Confidential Information of another of the Parties to staff who need to know by reason of their work. Each of the Parties shall ensure that such staff are aware of, and comply with, these confidentiality obligations and that such information is not used other than for the purposes of the EKHOC.
- 18.6 If any of the Parties receives a request for information under the Freedom of Information Act 2000 and/or the Environmental Information Regulations 2004 then the other Parties shall (at their own expense) assist and co-operate to enable the request to be dealt with.
- 18.7 If a request for information is received then the Party receiving it shall copy it to the other Parties and consider when making its decisions any views of the other Parties.
- 18.8 Notwithstanding the provisions of 18.6 and 18.7 it shall be the Party receiving the request that is responsible for determining at its absolute discretion how to reply to the request.

19. Exercise of Statutory Authority

- 19.1 Without prejudice to these arrangements, nothing in these arrangements shall be construed as a fetter or restriction on the exercise by any of the parties of their statutory functions.

The Schedule

TERMS OF REFERENCE of the EKH OWNERS COMMITTEE

1. To act as the final decision making body for decisions to be made jointly by the Parties under the terms of the Owners Agreement in circumstances where all the Parties (through their delegated officer) have not reached unanimity.
2. To act as the final arbiter of disputes arising under the Owners Agreement, as referred to in clause 9 thereof.
3. To exercise any of the functions or services that the Parties may from time to time unanimously decide

East Kent (Housing Management) Committee Procedure Rules

These Rules are made supplemental to clause 10.4 of the EKH Owners Committee operating arrangements (“operating arrangements”) and are to be read in conjunction with them. In the event of conflict the operating arrangements shall prevail. “Joint Committee” means the EKH Owners Committee. Words and phrases not otherwise defined in these Rules shall have the meanings given them in the operating arrangements.

1. The operation of the Joint Committee

1.01 Who may make decisions

The arrangements for the discharge of functions are:

- i) the Joint Committee as a whole;
- ii) an officer of one of the Parties.

1.02 Sub-delegation of functions

- (a) Where the Joint Committee are acting as a whole, they may delegate further to an officer.
- (b) Even where functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated them.

1.03 The Joint Committee’s scheme of delegation

The Joint Committee’s scheme of delegation will be subject to adoption by it and may only be amended by it. It will contain any limitations or conditions.

1.04 Joint Committee meetings – frequency and venue

The Joint Committee will meet at least once between 1 December and 28 February annually, and whenever it is necessary for a Joint Decision of the Parties to be considered under the terms of the Owners Agreement and at such other times as may be required.

A meeting of the Joint Committee shall be summoned by the Chief Executive of the Host Authority who will give a minimum of five working days notice (or less in the case of urgency) or any other date convenient to the Chairman subject to the requirements of legislation.

1.05 Meetings of the Joint Committee

Meetings of the Joint Committee will be held in public except in so far as the matters for decision relate to issues which can be dealt with in private in accordance with the Access to Information requirements of the Local Government Act 1972.

1.06 **Quorum**

The quorum of the Joint Committee is as provided for in paragraph 10.3 of the operating arrangements.

2. **Conduct of meetings**

2.01 **Chair**

The Chairman will preside at any meeting of the Joint Committee at which he/she is present, and in his/her absence the Vice Chairman will preside. In the absence of both the Chairman and Vice Chairman the members present shall appoint another person to preside.

2.02 **Attendance**

Members of the public (including other members of the Parties) may attend all meetings of the Joint Committee except when exempt or confidential information is being considered where the press and public, may be excluded by resolution of the Joint Committee in accordance with the Local Government Act 1972.

2.03 **Order of business**

Meetings of the Joint Committee will include the following business:

- i) consideration of the minutes of the last meeting;
- ii) apologies for absence;
- iii) declarations of interest, if any;
- iv) matters referred to the Joint Committee by the East Kent Joint Scrutiny Committee whether by call-in or otherwise;
- v) consideration of reports from the Officers;
- vi) matters set out in the agenda for the meeting, which shall indicate which are key decisions, and which are Joint Decisions for the purposes of the Owners Agreement;
- vii) advice to Leaders on the items for their Forward Plans;

2.04 **Consultation**

Reports will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

2.05 **Timescales**

In considering matters in relation to budgetary issues the Joint Committee will have due regard to any appropriate timescale within which budgets have to be approved by the Parties.

2.06 Key decisions

Decisions of the Joint Committee which are key decisions shall only be taken provided that the matter in question is contained within each of the Parties Forward Plan or if not in all or any of the Forward Plans that decision can only be taken if any delay likely to be caused by the call-in process would seriously prejudice the interests of any of the parties or the public interest. The record of the decision and the notice by which it is made public shall state whether, in the opinion of the decision maker, the decision is an urgent one, and therefore not subject to call-in. The Chairman of EKJSC and the members of each of the parties affected by the decision must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the Chairman of EKJSC, the consent of the Vice-Chairman shall be required. In the absence of both the Chairman and Vice-Chairman, the consent of the Head of Paid Service for that party (or his/her nominee) shall be required. Decisions taken as a matter of urgency must be reported to the next available Full Council meetings of each of the parties, together with the reasons for urgency.

2.07 Recording of decisions

Following a meeting of the Joint Committee at which a report has been received and at which a decision has been made, the Host Authority shall ensure that a written statement is kept which must include the following:

- (i) record of the decision;
- (ii) record of reasons for the decision;
- (iii) details of alternative options considered;
- (iv) record of any conflict of interest declared; and
- (v) any dispensation granted by Standards Committee, where appropriate.

No decision will be made by the Joint Committee unless there is present at the meeting the Head of Paid Service of the host authority (or his representative) or the officer responsible for the housing management service is present or their representative and the Proper Officer for recording decisions is present which for this purpose shall be an officer of the host authority who is not the Head of Paid Service.

A written statement of the decision taken will be produced by the Proper Officer within two clear working days following the Joint Committee.

As soon as reasonably practicable following any decision of the Joint Committee which relates to any matter which is a Joint Decision or the resolution of a dispute for the purposes of the Owners Agreement, the Joint Committee shall take such steps as are necessary to notify:

- i) the ALMO; and
- ii) each of the Parties;

of its decision in relation to the matter.

SCHEDULE 6**FINANCIAL ARRANGEMENTS****(Clause 51)****1. The Transfer of Monies to East Kent Housing**

- 1.1. East Kent Housing will provide an annual VAT invoice to the Council with a schedule of payments for each instalment of the Management Fee payable in any given financial year. The invoice will be produced and electronically delivered to the Council 10 working days prior to the year to which it relates. Payment will be made in accordance with the schedule of payments to East Kent Housing's bank account by BACS, no later than the working day prior to the period to which it relates. Initially there will be 12 monthly instalments of the management fee, but this will be open to mutual negotiation to reflect any changes in the service, or practical cash flow management requirements.
- 1.2 If the Management Fee is in dispute, to maintain the cashflow of East Kent Housing, the Council will continue to pay the management fee and both parties will seek, as a matter of urgency, to rectify the issue in dispute. If the parties are unable to reach a resolution they will refer to Clause 67 of the management agreement.

2. Pension Contributions

- 2.1 East Kent Housing will be treated as a separate employer for the purposes of the Kent Pension Fund and has been granted admitted body status into the scheme. The pensions of the staff transferring to East Kent Housing will be deemed to be fully funded at the point of transfer and the initial calculation relating to the pension contributions in the Management Fee has been determined on this basis. Through the Management Fee, it will be necessary for the Council to make further contributions to fund subsequent deficits on the fund as calculated and re-calculated by the approved actuaries

3. Transaction Types

- 3.1 Due to the potential for unpredictability in the funding of Local Authority housing the calculation of the Management Fee is dependent on the resources available from the Housing Revenue Account (HRA). The fee is also likely to change, over time, to meet the priorities of the service users and the Councils.
- 3.2 There will be three main transaction types:
 - Transactions charged by East Kent Housing (the Management Fee)- for example salaries and office expenses)
 - East Kent Housing managed budgets (delegated functions HRA budgets for example responsive repairs expenses)
 - Direct Council payments (non East Kent Housing managed budgets – residual HRA budgets for example in respect of policy development relating the council housing stock.

3.3. The Management Fee is intended to reflect the management cost of the delegated functions. It will not include any amounts in relation to managed budgets themselves, as they remain with the Council.

4. Financial Arrangements for Transactions Charged by East Kent Housing

4.1 Fee

4.1.1 This transaction type covers all expenditure and any income accounted for under the management fee, including any service level agreements between East Kent Housing and:

- Council support services teams or facilities providers
- Council hosted support services (e.g. Dover District Council for Internal Audit Partnership services, East Kent Shared Services for ICT support).

4.1.2 The fee is calculated annually and incorporated into the Council's budget setting process, which allows both the Council and East Kent Housing to keep the service flexible and responsive, within the boundaries set by the Management Agreement.

4.1.3 A timetable will be agreed annually in June for the negotiation of the management fee and service level agreements to ensure both East Kent Housing and the Council can satisfy their own budget setting processes for the coming financial year. In addition East Kent Housing will provide an indicative management fee for two further financial years to aid the medium term financial planning of all parties.

4.2 Payment for Services Provided by or to the Council

4.2.1 Where East Kent Housing has a Service Level Agreement for support services with one or more of the Council (including East Kent Shared Services) or there is a prior agreed buy back arrangement for Council staff who perform duties on behalf of East Kent Housing, this will be separately chargeable on a monthly basis to East Kent Housing.

4.2.2 Where under prior agreement, East Kent Housing resources are used to undertake duties outside of the 'Delegation of Functions' scope (e.g. perform duties chargeable to the Council General Fund or residual HRA) these costs will be recovered separately on a monthly basis from the Council.

4.2.3 In both instances the invoicing party will provide an annual VAT invoice with an attached schedule of payments, *X days before the beginning of the financial year and payment will be made through BACS to the nominated bank account within X working days.*

4.3 Financial Arrangements

4.3.1 All expenditure incurred by East Kent Housing will be authorised by appropriate responsible officers employed by the organisation. In line with the Management Agreement clause 16.5, the mechanism for the authorisation of payments will be in accordance with the Financial Regulations and Standing Orders of East Kent Housing which will be aligned to the Council hosting the financial management system of East Kent Housing.

4.3.2 In line with good practice East Kent Housing will conduct regular budget monitoring which will be reported to its management team and Board and shared with the Council representative through regular monitoring meetings.

4.3.3 East Kent Housing's financial representative will alert the Council representative promptly to any projected significant under or over spends (in excess of 5% of the Management Fee) to East Kent Housing's budget.

- 4.3.4 East Kent Housing's financial representative will meet with the Council representative and the Section 151 Officers representative initially on a quarterly basis to discuss the current monitoring position and any relevant financial issues arising from East Kent Housing. The frequency of the meetings will be negotiable after year one and can be amended on mutual agreement.
- 4.3.5 East Kent Housing shall maintain its accounts in accordance with good accounting practice, any statutory or regulatory requirements and in such manner as will allow the Council to comply with requirements for the consolidation of accounts (if necessary) and will comply with any instructions issued by the Council to allow it to meet those requirements.

4.4 Calculation of East Kent Housing's Fee

- 4.4.1 In year one of operation (financial year 2011/12) the calculation of the Management Fee will be based on the current cost for each Council adjusted to reflect the new service delivery vehicle. From year two the basis of calculation will switch to an activity based costing methodology. East Kent Housing will identify in the first six months of operation the main activities performed by its staff and the resources consumed in the pursuit of those activities. These cost drivers will determine the revised apportionments of the Management Fee for each Council, reflecting the customer needs and requirements of each Council individually and the level of service and resources therefore consumed by them. The exercise will be limited initially to the most significant activities performed by East Kent Housing.

4.5 Surpluses and Deficits

- 4.5.1 Should East Kent Housing generate any surpluses or deficits in year one of operation the Council's apportionment will be calculated on the proportion of the overall Management Fee for all four Councils. From year two, where the surplus or deficit is clearly attributable to activities relating to a particular Council's housing stock it will be allocated on that basis otherwise it will be calculated on the proportions of the overall management fee.
- 4.5.2 Once each Council's surplus has been determined the following principle will apply (to each Council's share):
- East Kent Housing may apply such surpluses as it sees fit, to improve or extend the services, up to an amount equal to 5% of the Management Fee payable by the Council in respect of that Financial Year
 - Where any such surpluses exceed 5% of the Management Fee payable by the Council in any Financial Year East Kent Housing shall apply the proportion of such surpluses which exceed 5% of the Management Fee in accordance with directions given by the Council's Representative.
- 4.5.3 Where a surplus is generated that will be recurring the management fee for the following financial year will be adjusted to reflect the efficiencies achieved by East Kent Housing.
- 4.5.3 Should East Kent Housing need to call upon the Council's HRA for additional funding (in particular in the initial year of set up) the Council representative with the agreement of the Section 151 Officer will seek the approval of the Councils Executive to authorise sums in excess of the agreed management fee budget.

5.0 East Kent Housing Managed Budgets

5.1 Division of Responsibilities

5.1.1 The Housing Revenue Account (HRA) and Housing Capital Budgets for the forthcoming year will be approved by the Council, in accordance with their timetable and strategies. The staff of East Kent Housing will continue to support the Council's HRA finance team in determining, managing and reporting on these budgets.

5.1.2 East Kent Housing will be responsible for:

- Procuring expenditure (including raising orders, goods receipting, and submitting invoices for payment).
- Managing expenditure within budget, in the prescribed manner.
- Managing and processing Council housing rent & other income. *(add examples)*
- Assisting the Council's HRA Accountants in reporting financial performance against the budget including returning scheduled budget monitoring data within the agreed timescales.
- Assisting the Council's HRA Accountants in determining a robust budget and HRA Business Plan.
- Assisting the Council's HRA Accountants with information required for year end processes, statutory returns and any associated audits, in a timely fashion.

5.2 Financial Arrangements

5.2.1 In carrying out these functions East Kent Housing will fully comply with the latest version of the relevant Council's Financial Procedure Rules and Contract Standing Orders. Whilst the Council's Section 151 Officer will retain control over access to the Council's financial information systems and will specify the levels of authorisation for East Kent Housing staff, these authorisation levels will be set in the context of balancing control of the Council's financial activities and the practical needs of delivering housing services to the tenants.

6.0 Direct Council Payments

6.1 The last transaction type covers income and expenditure that does not relate to the Management Agreement, or to East Kent Housing managed activities for example corporate or democratic core expenses or residual HRA functions. While this income and expenditure will not be directly managed by East Kent Housing, there will need to be co-operation with the Council regarding the calculation of these amounts and the basis for the charges. This will be essential in order for the Council to present a full HRA budget and to complete the relevant business plans, with the assistance of East Kent Housing.

6.2 While the Management Fee is calculated annually in line with the budget setting process, it is important that there is some flexibility, especially during the first year of operation, between transaction types, provided that costs are contained within the overall budget and by mutual consent.

7.0 Financial Returns

7.1 East Kent Housing will produce Limited Company Annual Accounts and Returns in accordance with the relevant company laws and Statement of Accounting Practices. East Kent Housing will obtain suitable external audit providers, in accordance with their financial regulations and contract standing orders.

7.2 East Kent Housing will also, in accordance with the Council's statutory timetables, provide any relevant information or statements required for group accounting purposes.

- 7.3 East Kent Housing will register with *HM Customs* for VAT. They will maintain their accounts in accordance with good practise and the relevant guidelines to enable them to recover VAT where appropriate to do so. They will maintain and retain their records and make them available for inspection in accordance with the relevant regulations.

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East Kent Housing - Provisional Management Fee 2011/12

East Kent Housing costs by Council

Appendix 5

Unit numbers		19,762		3,742		6,159		5,506		4,355		
		Total		Thanet		Canterbury		Dover		Shepway		
Expenditure		2011/12	ongoing	2011/12	ongoing	2011/12	ongoing	2011/12	ongoing	2011/12	ongoing	Notes
		costs	costs	costs	costs	costs	costs	costs	costs	costs	costs	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
EKH Management team		381.0	352.4	85.3	88.1	122.7	88.1	141.6	88.1	31.4	88.1	
EKH Set Up & Head Office costs		202.4	96.1	50.6	24.0	50.6	24.0	50.6	24.0	50.6	24.0	
Direct/named staff to be TUPEd from District		5587.8	5587.8	928.4	928.4	1878.9	1878.9	1320.9	1320.9	1459.6	1459.6	
Staff savings		-172.1	-547.1	-43.0	-136.8	-43.0	-136.8	-43.0	-136.8	-43.0	-136.8	
Severance costs		434.2	0.0	108.6	0.0	108.6	0.0	108.6	0.0	108.6	0.0	
Direct costs (Supplies & Services)		1121.4	1121.4	148.1	148.1	487.1	487.1	269.6	269.6	216.6	216.6	
Proposed direct cost savings		-80.7	-80.7	-20.2	-20.2	-20.2	-20.2	-20.2	-20.2	-20.2	-20.2	
Support Services	Service level agreements	1269.7	1269.7	266.4	266.4	466.3	466.3	385.4	385.4	151.6	151.6	
	Direct Staff	99.9	99.9	8.6	8.6	0.0	0.0	84.2	84.2	7.1	7.1	
Transitional grant		148.2	148.2	56.5	56.5	47.3	47.3	44.4	44.4	0.0	0.0	
		8991.8	8047.7	1589.3	1363.2	3098.3	2834.8	2342.1	2059.7	1962.3	1790.1	
Income												
Management fee		-8812.2	-7868.1	-1584.8	-1358.7	-3085.8	-2822.3	-2303.9	-2021.5	-1837.7	-1665.5	
Charged back service income		-179.7	-179.7	-4.5	-4.5	-12.5	-12.5	-38.2	-38.2	-124.6	-124.6	
		-8991.8	-8047.7	-1589.3	-1363.2	-3098.3	-2834.8	-2342.1	-2059.7	-1962.3	-1790.1	
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exisiting cost of service		8047.3	8047.3	1403.5	1403.5	2867.1	2867.1	2066.3	2066.3	1710.3	1710.3	
Additional cost (-)/Saving (+) of EKH		-764.8	179.3	-181.3	44.8	-218.7	44.8	-237.6	44.8	-127.4	44.8	

Area Boards

Terms of Reference

1. Role and purpose of area boards- monitoring and scrutiny

- 1.1 To monitor and scrutinise the quality and delivery of services by (Name of ALMO) with a specific focus on services in the local (District) area.
- 1.2 To monitor and scrutinise the performance of (Name of ALMO) with a specific focus on performance in the local area
- 1.3 To monitor the management of estate conditions and the conduct of estate inspections
- 1.4 To monitor and scrutinise the service provided by third party contactors, including repairs, grounds maintenance and estate cleaning, as appropriate
- 1.5 To monitor the delivery of the annual Service Delivery/ Improvement Plan
- 1.6 To identify ways in which improvements could be made to services

2. Area boards as consultative bodies (for the ALMO)

- 2.1 To be consulted on any proposed changes to the way the service is delivered by (name of ALMO) including changes in working practices and procedures that may impact on the service
- 2.2 To be consulted by the main board on the strategic development of (name of the ALMO)

3. Area boards as consultative bodies (for the local authority)

- 3.1 To act as the main consultative body for the local authority to formally consult tenant and leaseholder representatives on matters affecting the housing service including:
 - changes to the conditions of tenancy
 - changes in policies affecting the housing service
 - changes in the way the service is managed

- changes to the way tenants are involved and consulted through the tenants compact
- the recruitment and selection of major contractors
- contractual matters regarding the ALMO including matters to be included in the annual service delivery plan
- the development of and changes to the HRA Business Plan
- the investment programme affecting the improvements to tenants' homes

3.2 To make recommendations to the council on how tenants generally will be consulted on significant issues or proposed changes

4. Delegated decision making

4.1 To decide on matters identified by the main board for discussion by the area board of the ALMO or by the local authority (e.g. environmental Improvements).

4.2 Existing delegations to the Tenants Consultative Group (Canterbury); Tenants and Leaseholders Forum (Thanet); Area Tenants' Group (Dover); Tenants' and Leaseholders' Board (Shepway) will be deemed to be transferred to the area board.

5. Relationship with the main board

5.1 To scrutinise non confidential decisions of the main board

5.2 To refer matters for consideration to the main board

6. Membership

6.1 The tenant/leaseholder membership of the area board will be set by local arrangements detailed in the Tenants Compact and will reflect the agreement for recruitment to the Tenants Consultative Group(Canterbury);Tenants and Leaseholders Forum (Thanet);Area Tenants' Group(Dover); Tenants' and Leaseholders' Board (Shepway).

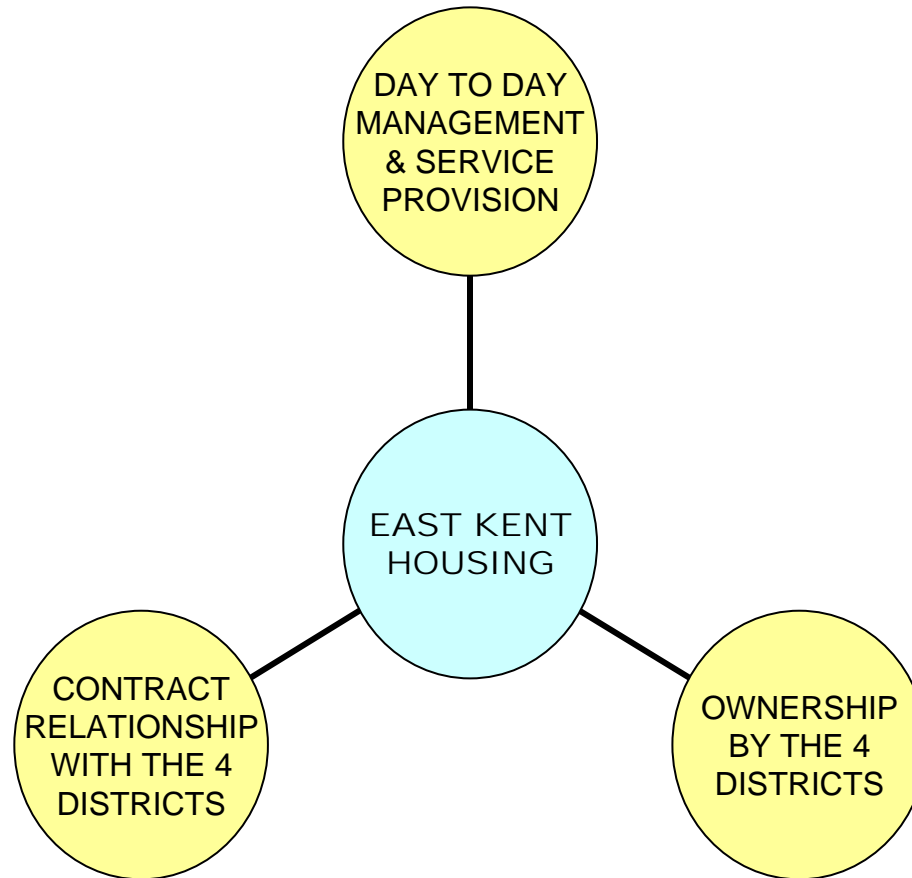
6.2 Two nominated members from the appropriate local authority

6.3 One nominated member from the main Board. (In order to maintain the balance between tenants and elected members on the Area Boards, the Board will not nominate an elected member as its representative on an Area Board)

7. Conduct of Business

- 7.1 The chair and vice chair will be elected by the area board from the tenant and leaseholders members annually
- 7.2 All meetings of the area board will be open meetings which can be attended by any tenants, leaseholder or elected members
- 7.3 The area board shall meet at least quarterly
- 7.4 Minutes of the area boards will be published on the (name of ALMO's) website
- 7.5 The payment of out of pocket expenses to area board members will be determined by the appropriate provisions in the Tenant Compact
- 7.6 Voting rights will be restricted to tenants and leaseholder members of the area board
- 7.7 The area board will be serviced and supported by the local housing office, which will be responsible for organising the venue, refreshments as required, agendas and minutes
- 7.8 Agendas will be agreed by the area board chair and the Area Housing Manager/Area Director. Agendas and supporting papers will be distributed to area board members at least five working days before the meeting
- 7.9 The meeting will be quorate if five members are present and a majority of those present are tenants/Leaseholders.

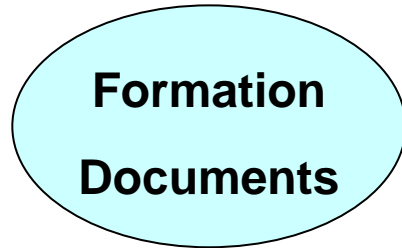
Overview of EKH Governance Structure



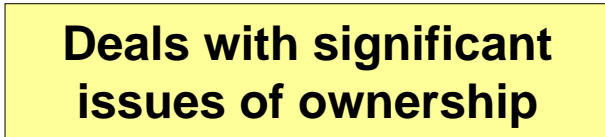
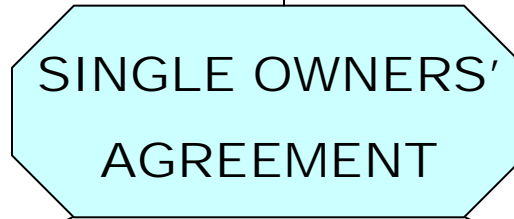
4 management agreements that govern the relationship between the 4 districts as clients and EKH as service provider

A single agreement that deals with the significant issues of ownership

Owners' Agreement



Memorandum &
Articles of
Association

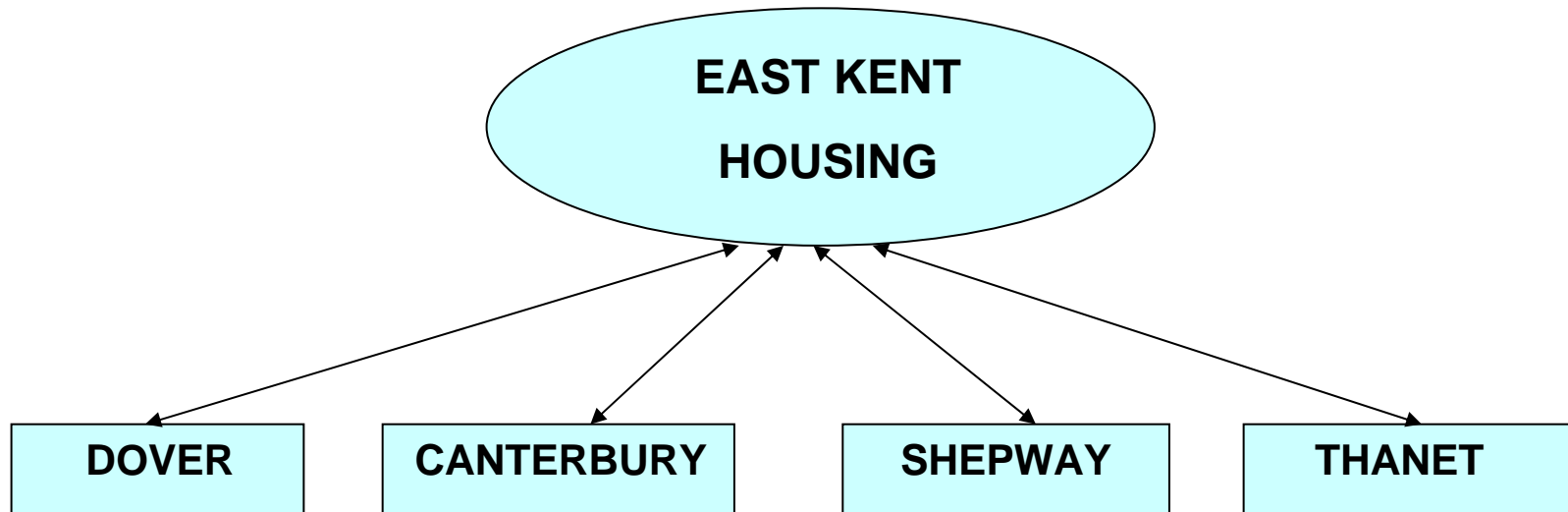


- Admitting new company members;
- Amending the Articles of the Company;
- Removal of Company Board members;
- Provision of services to third parties;
- Borrowing limits



Collective decisions made by
an Officer Panel or a Joint
Executive Committee of the 4
districts

Management Agreements



The relationship between each district and EKH is through a nominated 'Council Representative'

The management agreements govern the relationship between the districts as clients and EKH as service provider

- Provisions regarding Delivery Plans
- Financial Arrangements
- Property Arrangements
- Dispute Resolution
- SLAs with the districts
- Functions delegated to EKH
- Consultation

Day to Day Management & Provision of Services to Tenants

