

Name of meeting: CABINET
Date: 21st December 2022
Title of report: H&N Governance Review by David Tolson Partnerships (DTP)

Purpose of report:

To provide Cabinet members with the report and findings of the review undertaken by DTP into the Homes and Neighbourhoods governance arrangements.

To seek approval from Cabinet to implement the new governance arrangements for Homes and Neighbourhoods with the introduction of a newly constituted Improvement Board, supported by a new and separate Tenants Voice Panel to ensure the tenants perspective informs decision making.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes If yes give the reason, why: The governance of the Homes and Neighbourhoods Service affects the delivery of the housing management and maintenance services for Kirklees Council Tenants across all wards in the borough
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Key Decision – Yes Private Report/Private Appendix – Yes
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	David Shepherd, Strategic Director Growth and Regeneration 11th November 22 Eamonn Croston, Service Director Finance: 11th November 22 Julie Muscroft Service Director Legal and Governance 11th November 22
Cabinet member	Cllr Cathy Scott – Housing and Democracy

Electoral wards affected: All Wards:

Almondbury, Ashbrow, Batley East, Batley West, Birstall and Birkenshaw, Cleckheaton, Colne Valley, Crosland Moor and Netherton, Dalton, Denby Dale, Dewsbury East, Dewsbury South, Dewsbury West, Golcar, Greenhead, Heckmondwike, Home Valley North, Holme Valley South, Kirkburton, Lindley, Liversedge and Gomersal, Mirfield, Newsome.

Ward councillors consulted: None at present

Public or private: Private

Has GDPR been considered? Yes – the personal details of consultees were only shared with consent

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1. Summary

- 1.1. The Cabinet will recall that one year after establishing the Housing Advisory Board (HAB) it was intended to undertake a review of its operation. As a result, David Tolson Partnerships (DTP) have been commissioned to undertake this and have now completed their report (see appendix 1).
- 1.2 The DTP report recognises the strong contribution the current Board has made in integrating the service into the council following the transfer of activities from the ALMO and found it to be inclusive and professional. The main finding from DTP is that the 'ask' of the current board lacks clarity and that the link to Cabinet decision-making is not as effective as it could be. The report, therefore, recommends the board should be reconstituted into a Homes and Neighbourhood Improvement Board (H&N IB) with greater political oversight supported by independent sector expertise and a clearer more specific Terms of Reference. It also recommends that Cabinet consider capturing the voice of the tenant through the establishment of a separate Tenant's Voice Panel (TVP) with a more focused remit to oversee the Tenant Involvement Strategy and Action which they recommend should be reviewed with a view to simplifying it and including the Regulator of Social Housing's new Tenant Satisfaction Measures (TSMs). The current HAB Tenant Board Members should form the principal part of this new tenant grouping.
- 1.3 The proposed terms of reference for both the H&N IB and TVP are attached to this report.

2. Information required to take a decision

Background

- 2.1. The activities of Kirklees Neighbourhood Housing (KNH) were transferred to the council in April 2021. As a result, the former KNH Board was disbanded and new governance arrangements were put in place through the establishment of the Housing Advisory Board (HAB), the membership of which includes 6 tenant members, 4 co-optees (independent) from the social housing sector and Chaired by the Cabinet member for Housing and Democracy supported by the Strategic Director for Growth and Regeneration. From the outset, it was agreed these arrangements would be reviewed to ensure that they are effective in supporting the Cabinet decisions, since the Regulator views the Cabinet to be the top level board in the context of its Governance Standard which all social housing providers are expected to comply with once the Social Housing Regulation Bill becomes enacted and the Regulator's new powers to include the regulation of local authority housing providers come into effect. This is currently anticipated to be during 2023/24, the actual date the RSH's new powers come into effect is dependent on the pace at which the Bill travels through the parliamentary process.
- 2.2. To progress this David Tolson Partnerships (DTP) were commissioned to undertake the review of the first year of operation. This review was established with the following purpose:

“Review of the governance arrangements and their effectiveness in relation to Kirklees Homes & Neighbourhoods (Kirklees) housing service and specifically, the purpose, communications and relationship between the Housing Advisory Board and Cabinet.”

- 2.3. DTP have conducted the review in three phases. Firstly, a review of key documents such as the HAB terms of reference, member role descriptions and alignment to the council's governance arrangements to provide the context for HAB's advisory function. Phase two was the observation of two HAB meetings, being the deep dive session in March and the Board meeting in May. This has been followed by Phase three which entailed interviews with HAB members along with key Council officers.
- 2.4. The outcome of this process has informed the DTP report (attached as appendix 1). The report makes eight recommendations that fall into two broad areas, these being four recommendations relating to the structure and purpose of the Board along with four further administrative recommendations. Whilst the DTP recommendations point to improvements that can be made in our governance arrangements DTP did recognise that the current board is inclusive and professional with good participation and debate on the matters presented to it. Tenant members brought excellent local knowledge which added value with co-opted members offering sector expertise and challenge to the matters under consideration. The recommendations are summarised in the paragraphs below
- 2.5. The recommendations from the DTP report that focus on the structure and purpose of HAB are DTP 1;3;7 and 8 and are summarised as follows:
- That HAB should be reconstituted either as an Advisory Board or a Housing Improvement Board (1)
 - That the revised Board should have a new terms of reference which are specific (3)
 - That the tenants' roles should be captured in a separate forum to improve the customers voice (7)
 - The Homes Neighbourhoods Improvement Board's deliberations should feed more directly into cabinet decision making (8)
- 2.6 These recommendations point to a fundamental refocussing and repurposing of HAB and is formed primarily by the observation of meetings and discussions with members. This has informed the view that the current purpose is not specific enough and lacks alignment with Cabinet decision making. The report recommends that the board is reconstituted with new terms of reference and greater political oversight to strengthen its links to Cabinet decision making. These recommendations have been accepted by the Cabinet Member in conjunction with officers.

Administrative Recommendations

- 2.7 The remaining four recommendations in the DTP Report (DTP 2;4;5 and 6) focus on the following administrative matters:
- A review of the business plan given current inflationary pressures and potential capping of rental income (2)
 - That the service agreements (particularly for co-optees) should be revised (4)
 - That the former KNH Standing Orders should be revised in line with the new constitutional arrangements (5)
 - Policies on remuneration, appraisal and succession planning for members should be adopted (6)

The proposals contained within these administrative recommendations are not fully accepted by officers. In particular the former KNH standing Orders are no longer required having been superseded by those of the Council. In addition, whilst there are no separate remuneration or appraisal policies specifically for the HAB members, these are set out within the service agreement that all members have signed.

- 2.8 The primary recommendation within the report is that the HAB should be reconstituted with independent and elected member representation as the primary constituencies with the Chair of the TVP (once established) also invited to be a member. Having reviewed the potential options officers are recommending that the HAB should be reformed as a H&N Improvement Board similar in purpose (but not the same) to that established in Children's Services to support Homes and Neighbourhoods in its improvement journey. DTP's recommendation is that the Improvement Board should have 3 constituents these being Independent (co-opted), the Chair of the TVP, and Elected Members and strengthening the link into cabinet decision-making. This is a narrower membership than that of the children's board but is specifically focused to enhance the assurance that the H&N IB should provide to Cabinet and ensure it is fit for purpose in the context of the new regulatory regime.
- 2.9 DTP are further recommending that the current tenant board members on the HAB should take a lead in relation to driving and modernising tenant engagement and insights strategies for the H&N service. This would clearly need to be scoped out and implemented in practice but could offer an opportunity to engage with and take account of the views of those tenants who currently have little or no engagement with the service. Given the White Paper's emphasis on providers knowing their tenants and taking account of their views, this approach offers an opportunity to modernise our engagement strategy and improve both the customer's experience and our compliance with the tenant engagement and empowerment standard.
- 2.10 The final area DTP are recommending a review of, in relation to the governance structure, is around the remit of the Board. In particular the terms of reference should have greater focus on evaluating performance outcomes, reviewing new, emerging or changing risks within the service and externally, advising on required actions and assessing projects or opportunities in order to escalate issues or make recommendations to Cabinet for final decision making.
- 2.11 A primary concern from DTP is that the current terms of reference for the HAB are vague and do not provide the clarity of purpose that should be expected to ensure regulatory compliance and the link to Cabinet decision making. In part this recommendation goes beyond the terms of reference and links to the clarity and purpose of reports being presented to the Board. Current reports are viewed as lacking a clear focus on the outcome that Board are asked to consider and recommend to the Cabinet. In meeting this recommendation, the focus should be equally on the terms of reference together with report writers being supported to provide a clearer recommendation for the Board to aid the clarity of purpose for the report.
- 2.12 Current HAB members have provided their feedback on the DTP report's recommendations as have the council's Executive Team and the Growth & Regeneration Directorate Senior Leadership Team. There is broad agreement that the structural recommendations contained within the report should be implemented in full. To further these recommendations, Cabinet will see proposed terms of reference for the H&N Improvement Board and Tenants Voice Panel as appendices to this report. As part of the formation of these bodies the current Independent Members on the HAB would be invited to combine with elected members to form the new Improvement Board. Tenant Board members from HAB would be invited to form the foundation of the Tenants Voice Panel with recruitment being undertaken to fill the remaining vacancies.

- 2.13 Following the consultation on the report there is consensus amongst consultees that the Chair of the TVP should also sit on the H&N IB to strengthen the link to the tenant's voice. Whilst this was not a recommendation in the DTP report it is the view of officers that this should be a recommendation to the Cabinet. The terms of reference for the H&N IB have this recommendation included within them. In addition, consultees felt that the Chair of the Improvement Board should be an Independent Co-opted board member to provide the independent oversight of the service that the Board should provide. In addition, it was felt that the Chair's role should attract a level of remuneration to recognise the additional time the role of chair would demand and ensure the best possible candidate was attracted to it. The remuneration of Chairs and Board members is common practice within the housing sector with roles attracting remuneration from the low thousands to tens of thousands (£2k to £40k+). Further work to benchmark the size and complexity of the homes and neighbourhood housing service against other RPs is being conducted to identify an appropriate level of remuneration.
- 2.14 In reconstituting the governance arrangements into a H&N Improvement Board there are several considerations to address particularly around the size and composition of the H&N IB. The current composition of HAB is set out within paragraph 2.1 above (6 tenants, 4 independents 1 officer and the portfolio holder). The DTP recommendations focus on just two constituencies for the HIP, those of elected members and independent co-opted members. There is no recommendation in relation to the size or numbers for these two constituent groups. There are therefore a number of key considerations to decide upon when developing the constitution of the new H&N IB. To address these considerations the following is being proposed:
- What is the optimum size for the new board and what should the numbers for each constituent group be? It is recommended that this should be limited to no more than 12.
 - Should there be a requirement to have a background or experience of social housing? Both best practice and the Regulator has an expectation that Boards should have housing related knowledge and skills available to them and this has been built into the Board Member role profile. However, there is a recognition that in politically led social housing providers this is not always achievable, and it is usual to see political oversight supported by sector expertise.
 - There is a potential conflict of interest if the Portfolio Holder for Housing and Democracy Chairs the H&NIB and if so, what chairing arrangements should be put in place? Whilst there is a potential, this was not a finding of the DTP report but has been raised at SLT on the basis it could create a perception of the Cabinet Member holding herself to account. That said, she has to date chaired the current HAB. It is therefore recommended that in the new arrangements an Independent Member should chair the Board.
 - Should there be tenant representation on the H&N IB, potentially through the Chair of the Consumer Voice Panel? One of the reasons for tenant representation was to ensure the Tenant's Voice is heard and influences decision-making and is also an expectation of the Regulator through its Tenant Involvement and Empowerment Standard and Tenant Satisfaction Measures. Within the social housing sector there are a range of arrangements from having tenants represented on the Board to having separate mechanisms such as a consumer scrutiny panel. To address this, it is recommended that the Chair of the TVP has a place on the H&N IB.

3. Implications for the Council

Shaped by People

The proposal has working with people at its heart by working with tenants as citizens. The views of citizens in the broader housing market are central to helping to understand and shape the diversity of responses the Council and its partners will wish to agree with the communities of Kirklees. The proposal to establish a Consumer Voice Panel links directly to the RSH's Tenant Engagement and Empowerment Standard and supports the Council's citizen engagement and place based working model.

Safe and Cohesive

Housing is a key determinant on the health and wellbeing of communities and makes a significant contribution to tackling inequalities faced by residents, including fostered/ looked after children, care leavers, people with mental health or learning disabilities, older people and members of the BAME community. It is a strategic priority of the council to meet the specialist supported housing accommodation needs of our most disadvantaged and vulnerable people. Ensuring that the H&N Service is well governed and is responding to its tenants and wider community's needs is the underlying rationale for the proposal within this report.

Clean and Green

Both existing housing and new build homes leave a significant carbon footprint – finding ways to reduce the carbon emissions from housing is a strategic priority for the Council. The proposal would enable the Council to consider the alignment of the asset strategy to enable investment in ensuring the housing stock performs at a greater thermal efficiency, renewable technologies as well as working with tenants as citizens on behavioural change where appropriate

Best Start in Life / Well

Housing is fundamental to the well-being of children and families helping them to get the best start possible. A safe, warm, and affordable place to live is an essential prerequisite for this.

4. Financial Implications for the people living or working in Kirklees Council

None directly arising from the proposals contained within this report

5. Other (e.g., Integrated Impact Assessment/Legal/Financial or Human Resources)

Integrated Impact Assessment

- 5.1. A stage 1 impact assessment has been conducted. This has demonstrated a positive impact on equalities together with a neutral environmental impact for these proposals. A stage 2 assessment is not required.

Legal

- 5.2. As part of the overall council governance arrangements the H&N IB will have links with:
- Cabinet – to inform cabinet decision making relating to the provision of the H&N Service
 - Building Safety Assurance Board – to have oversight of building health and safety compliance
 - Tenants Voice panel – to ensure the tenants voice informs decision making
 - Cabinet Assurance Board – to provide ongoing assurance to cabinet that the H&N service is meeting its legal and regulatory duties

- Economy and Neighbourhoods Scrutiny Panel will have oversight of the work of the Homes and Neighbourhood service and the H&N IB

Financial

- 5.3. The current cost to support and service the HAB will be used to support the H&N IB therefore there are no additional cost associated with supporting this change. The creation of a new Tenants Voice Panel will require additional officer time. Whilst this will inevitably evolve over time the direct support and servicing of this body is estimated to be in the region of £8 – 12,000 per annum. These resources will be managed within the existing H&N budgets as will the proposed remuneration of the Board Chair.

6. Consultees and their opinions

Engagement with key stakeholders is planned during October and November prior to the final report being presented to Cabinet in December. The currently scheduled consultations include:

Housing Advisory Board Members
 Tenant Advisory and Grant Panel Members
 ET and G+R SLT
 Portfolio holder

The feedback from this engagement is included at 2.12 of this report.

7. Next steps and timelines

The following is a high-level timeline for the next steps assuming Cabinets approval:

Timeframe	Action
November 22	Report to HAB to recommend to Cabinet the formation of the H&N IB
21 December 22	Cabinet report for decision on the formation of H&N IP and TVP
January 23	Identify political representatives for H&N IP recruitment process initiated for TVP
Late Feb / early March 23	Induction sessions for members of the new Governance structure
April 23	New Governance structure comes into effect

8. Officer recommendations and reasons

- 8.1. **That the Cabinet ;**
 note **the DTP recommendations and recommend Cabinet approve the implementation of the reconstituted governance arrangements and in particular to:**
- **Establish a Homes and Neighbourhoods Improvement Board (H&NIB)** and approve the terms of reference set out in appendix 2 to this report;
 - **Establish a new Tenants Voice Panel (TVP)** with the terms of reference set out in appendix 3 to this report;

- **Approve the role profiles** set out as appendices 4 and 5 ;namely the Housing and Neighbourhoods Board Member Role Profile and role Profile for the independent Chair of the H&NIB
- Delegate to Service Director for Homes and Neighbourhoods the recruitment and appointment of non-elected members to the H&N IB and TVP and to determine the remuneration for the independent chair for the H&N IB [in consultation with the Portfolio holder for Housing and Democracy].Appointment of elected Members to the H&NIB will be in accordance with the Council's Constitution.

These proposals will strengthen the governance arrangements for the Homes and Neighbourhood service

9. Cabinet Portfolio Holder's recommendations

- 9.1. The Portfolio Holder agrees with the officers' recommendations.

10. Contact officer

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11. Background Papers and History of Decision

The current governance structure for the H&N Service was established by a Cabinet decision in October 2020.

12. Service Director responsible

Naz Parkar, Service Director for Homes and Neighbourhoods

13. Appendices

- Appendix 1 – DTP Report (private and confidential)
- Appendix 2 – Terms of reference for the H&N Improvement Board
- Appendix 3 – Terms of reference for the Tenants Voice Panel
- Appendix 4 – H&N Improvement Board, Board Members Role Profile
- Appendix 5 – Role profile for the Chair H&N IB