

## LONDON BOROUGH OF HARROW

<b>Meeting</b>	Community Consultative Forum
<b>Subject:</b>	ALMO Progress Report
<b>Date:</b>	30 <sup>th</sup> June 2004
<b>Relevant Portfolio Holder:</b>	Portfolio Holder for Planning, Development, Housing & Best Value
<b>Responsible Chief Officer:</b>	Executive Director, Urban Living
<b>Key Decision:</b>	No
<b>Status:</b>	Part 1
<b>Ward:</b>	All
<b>Enclosures:</b>	None

### 1. Summary

- 1.1 The report sets out progress in relation to the launch of Spire Community Homes (SCH) scheduled for September 2004. The aim is to achieve the launch date of 1<sup>st</sup> September 2004. The actual live date is conditional on ODPM approval of the Section 27 application.

### 2. Recommendations

- 2.1 That the Forum notes progress and the action being taken.

### 3. **Consultation with Ward Councillors**

- 3.1 None

### 4. **Policy Context**

- 4.1 The Government requires all Councils to meet the Decent Homes Standard for their own housing stock, by 2010. An options appraisal has shown that the Council faces an investment shortfall in meeting the Decent Homes Standard. In response to this, the Council transferred the Rayners Lane Estate to Warden Housing Association in October 2002 and in February 2003 approved that a bid be made for ALMO status.

## 5. **Relevance to Corporate Priorities**

- 5.1 The proposal to create an ALMO supports the Council's priority to enable choice and access to good quality housing.

## 6. **Background Information and options considered**

- 6.1 A fundamental review of progress was carried out by officers at the end of May / early June. The following work has been identified and is in progress:

- VAT registration, Corporation Tax registration
- Company insurance, licences, data protection and Construction Industry Scheme registration
- Establishment of Standing Orders, Financial Regulations, Delegations
- Establishment of business plan, budget and cash flow, bank account, accounting and payment arrangements, cost codes, etc
- Tax and VAT advice in relation to the Management Agreement to minimise charges and to ensure synchronisation with the Council
- Determination of robust, comprehensive financial and management reporting requirements at all levels within Spire Community homes
- Determination of LBH's requirements for Spire in relation to performance standards, effective Governance and financial and management reporting requirements.

Whilst all of these need to be done before SCH goes live, the first four are straightforward routines that will not be time-consuming. The latter three points will require more extensive input.

### **The Section 27 Application**

- 6.2 SCH cannot go live until the Council receives Section 27 approval to delegate its housing management functions. The timescale for this is unknown and unpredictable – some Councils have received it 1 month before the planned live date, others only 1 week before.
- 6.3 A draft Section 27 application has been submitted to the ODPM for their consideration. Officers have identified further work which needs to be done including the completion of the Delivery Plan and the finalisation of draft service level agreements for services to be provided by the Council to Spire Community Homes.

- 6.4 The Management Agreement is in a form prescribed by the ODPM but various schedules have yet to be completed including 'Financial Arrangements' and 'Services Supplied by the Council'. The former details the basis of the management fee and payments to / by the ALMO and this is where tax and VAT advice is required to ensure that the specified arrangements are tax efficient for both the Council and SCH.

### **Staffing Structure**

- 6.5 Ann Lucas has been appointed as Interim Managing Director for the ALMO with effect from the end of May. Ann will continue to review, develop and implement the ALMO proposals until such time as the permanent MD post is filled (see para 6.8 below).
- 6.6 Working is continuing to ensure that the ALMO staffing structure reflects the service needs of that organisation.
- 6.7 Recent events have identified the need to strengthen contract and financial management and controls, and procurement. In addition, management, communications, controls and reporting requirements are all receiving need significant attention and enhancement to meet the very highest standards set by the Council.
- 6.8 The recruitment to the Spire Community Homes Managing Director post is fully underway. The shadow Board will sit as an appointments panel, scheduled for late July.

### **Spire Community Homes Board**

- 6.9 There are currently four vacancies that need to be filled (1 independent, 3 tenants). A number of expressions of interest have been received and it is anticipated that a full Board should be in place by early August.

### **Communications Strategy**

- 6.10 An 'ALMO Special' newsletter is planned to go out to tenants and leaseholders during the summer months to introduce the Shadow Board and provide a progress update. The interim MD is working with the Shadow Board to recruit the remaining members and a Chair. A training session is planned for 19 June on equality and diversity and the strategic relationship with the Council.
- 6.11 A communications strategy is being produced in consultation with the Shadow Board.

### **ALMO Accommodation**

- 6.12 The proposed Lowlands Road offices are no longer available. The freehold has been sold and the new owners have different plans. It is acceptable for the ALMO to be housed on the Civic campus, provided

that SCH has a distinct identity. Accommodation for SCH is now being investigated on this basis.

**Author**

Tony Lear

14th June 2004

## Shadow Board Members

Council Nominees (5)	Councillor Howard Bluston
	Councillor Bob Currie
	Councillor Adrian Knowles
	Councillor Paddy Lyne
	Councillor Vina Mithani
Independents (5)	Mr Raj Kumar
	Ms Winnie Kuta-Dankwa
	Ms Marion Turner
	Mr Hiten Shah
	<b>Vacancy</b>
Tenants (4)	Mr John Pollard
	<b>Vacancy</b>
	<b>Vacancy</b>
	<b>Vacancy</b>
Leaseholders (1)	Mrs Jo Price