

CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS

**Venue: Town Hall,
Moorgate Street,
Rotherham S60 2RB**

Date: Monday, 3rd October, 2011

Time: 10.00 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested, in accordance with the Local Government Act 1972 (as amended March 2006).
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Minutes of meeting held on 4th and 18th July, 2011
(see Minute Book Pages 12J-16J dated 14th September, 2011)
4. Improving Financial Confidence (Pages 1 - 4)
5. Neighbourhoods General Fund Revenue Budget Monitoring to 31st August 2011 (Pages 5 - 8)
6. The Future Shape of Housing Services in Rotherham (Pages 9 - 25)

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	3rd October 2011
3.	Title:	Improving Financial Confidence All Wards
4.	Directorate:	Chief Executive's

5. Summary

The Financial Inclusion Project at Voluntary Action Rotherham is to take the lead in a partnership bid to the new Big Lottery funding scheme, Improving Financial Confidence. This is a 5 year project worth between £500k and £1m focusing on the needs of people in social housing to improve their financial capability.

The partnership includes representatives from a broad range of organisations with an interest in this area of work including RMBC's Neighbourhoods and Adult Services, housing associations, advice services, Children and Young People's services, the NHS, Probation and a number of specialist service providers.

The project is to work with young people in social housing and first time tenants, in response to the identified need amongst this group to improve the success and sustainability of tenancies. A disproportionate number of young people and first time tenants are represented amongst the failed tenancies which is costly both in financial and social terms for the tenants, the housing providers and the community in general. We believe that if we can provide dedicated and intensive support on a peer mentoring basis and through a well planned, informal and customised training package, we will be able to significantly improve the financial confidence of tenants, and affect their behaviour and therefore the success rates of tenancies. Additional outcomes would be improved neighbour relations and enhanced employment/educational opportunities.

The success of this funding bid would be a significant and very welcome boost to financial inclusion work in the borough and provide a platform from which other work, related to our Financial Inclusion Strategy (attached) could be promoted.

6. Recommendations

Elected Members are asked to:

To note the proposal for the Improving Financial Confidence funding bid that is being led by Voluntary Action Rotherham as outlined below.

7. Proposals and Details

7a. Background to the Big Lottery funding

The Big Lottery Fund has launched a new scheme to help people who lack access to basic financial services develop their confidence and capabilities. The Improving Financial Confidence scheme will target residents in social housing in three categories: people moving in and out of work, young people (16-24 yr olds) in social housing and first time tenants. Projects may address all or any of those priorities. They must also address the three Big Lottery objectives:

- Social housing residents have greater access to affordable financial services and products.
- Social housing residents develop their skills and confidence in using financial services and products.
- Social housing providers engage with residents most in need and help them understand financial inclusion

Grants of £500,000 to £1 million are available to projects lasting between three and five years. The scheme is open to partnerships of organisations delivering housing and financial services, must include at least one non-profit housing association and must be led by a voluntary sector organisation.

The Big Lottery has identified 69 local authority areas eligible to apply, including Rotherham. Only one application per eligible area is allowed and it must be endorsed by the relevant local authority.

This is a competitive exercise. The timescale is as follows:

- 16th Sept 2011 – deadline for submission of the outline proposal
- Nov 2011 – notification of whether we're invited to submit a full bid
- May 2012 – deadline for submission of full bid
- Aug 2012 – notification of decision on funding
- Project must start within 6 months, ie before Feb 2013

7b. Progress so far

We have secured the active involvement of a broad range of organisations (details of which are attached), and the several partnership and bid-writing meetings that have taken place have been productive and focused.

We have attended two Big Lottery information events which have been helpful in providing practical guidance on bid content (evidence, beneficiaries, outcomes) and completion. There is strong support for the Financial Inclusion Project leading on this bid.

VAR hosted a well attended regional conference delivered by the national credit organisation, the Centre for Responsible Credit, which provided research data on financial inclusion and social housing to support the bid. This was a useful and well received event.

7c. Rationale for selecting our target groups

The decision to select young people and first time tenants as beneficiaries is based on evidence from 2010 Ltd, now Neighbourhoods and Adult Services, showing the disproportionate impact of failed tenancies amongst younger people in relation to the total housing stock. Engaging with young people at the start of their tenancies provides a good basis for preventative work. There is strong support from the Registered Social Landlords for this approach. The Big Lottery is looking for focused and innovative initiatives with a “test and learn” ethos and, if successful, the capacity to be rolled out in other areas. The partnership agrees that our chosen range of beneficiaries gives us the best opportunity to test out a less traditional, more imaginative approach.

7d. Proposed project structure and management

The project will employ a Project Co-ordinator with Administration Support who will be based at VAR. There will be Mentor Support Workers who will also have an advice/financial capability role and volunteer mentors who will be identified and recruited through our partners. We have already identified two volunteer mentors. The project will be managed by a steering/management group made up of representatives from the partnership. The Financial Inclusion project at VAR already has a strong track record project management and could, with the agreement of the partnership, provide a model.

7e. Sustainability

The future sustainability of the project is based on the use of volunteer mentors, the strength of the partnership and the establishment of an effective training programme. If successful in meeting our objectives the partner social housing providers will have a strong incentive to support on-going work in financial inclusion as a cost effective intervention to support tenants and reduce the impact of failed tenancies.

8. Finance

There are no financial implications. The Big Lottery does not require any match funding and the project will be wholly funded by the Big Lottery.

9. Risks and Uncertainties

This is a competitive process. The funding is limited to 69 authorities thereby giving us a better than average chance of success. However competition is high, most projects having indicated that they will be asking for the maximum £1m, so there is a possibility of rejection at the outline bid stage. Success at the outline bid stage does not guarantee funding.

The bid process is particularly long and will not be completed until August 2012. People now involved in the bid writing process, or who are currently active in their organisations and in the partnership may well have moved on before funding is secured and the project begins.

10. Policy and Performance Agenda Implications

This funding fits extremely well with the Financial Inclusion Strategy, published earlier this year, particularly in terms of targeting resources on those most in need, focusing on social

housing, and having a partnership approach. It also links closely with the work of Children and Young People's Services, the Think Family Board and Strategic Housing Partnership objectives.

11. Background Papers and Consultation

- Tackling Financial Exclusion – a targeted approach (Financial Inclusion strategy 2011-2014)
- Improving Financial Confidence – partners
- Approved by Cabinet Member for Community Development, Equality and Young People's Issues on 12th September, 2011

12. Author

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ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 3rd October 2011
3.	Title:	Neighbourhoods General Fund Revenue Budget Monitoring to 31st August 2011
4.	Directorate:	Neighbourhoods and Adult Social Services

5. Summary

This report details the projected year end outturn position as at 31st August 2011 for the Neighbourhoods department within the Neighbourhoods & Adult Services Directorate compared to the approved Net Revenue Budget of £3.3m. **The latest forecast shows a projected underspend of £60k by the end of March 2012.**

6. Recommendation

That the Cabinet Member receives and notes the latest financial projection based on income and expenditure to the end of August 2011.

7. Proposals and Details

The table below shows the summary forecast outturn position for the Directorate against the approved Net Revenue Budgets.

SERVICE AREA	Net Budget	Forecast Outturn to 31st March 2012	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Asylum	0	0	0	0
Housing Access	353	335	(18)	-5.1
Housing Choices	249	236	(13)	-5.2
Safer Neighbourhoods	2,087	2,057	(30)	-1.4
Business Regulation	323	320	(3)	-0.9
Neighbourhood Partnerships	276	280	4	1.4
Neighbourhood Investment	43	43	0	0
TOTALS	3,331	3,271	(60)	(1.80%)

Most Service areas are projecting balanced or near balanced budgets at year end, with the exception of the following:

Housing Access (£18k)

There are small projected surplus balances within Adaptations Service (£5k) and Housing Management & Admin (£16k) as a result of vacant posts. These are partially reduced by a small forecast shortfall of £1k on the Medical Mobility and Community Care budget due to the unmet vacancy factor on this small budget area and a small projected income shortfall of £2k on the Housing Mortgage cost centre due to reducing income from Mortgage Interest.

Housing Choices (£13k)

This Service Area is projecting a surplus within the Homelessness budget as a result of a post being held vacant since the post holder's secondment to another service area within Housing Choices.

Safer Neighbourhoods (£30k)

There is an overall forecast underspend within Community Protection due to vacant posts. This underspend is slightly offset by pressures on Transport and ICT support costs (£23k). Additional underspends are projected within Community Safety (£11k), Domestic Violence (£2k) and Anti-Social Behaviour (£12k) mainly due to vacant posts being held.

The Pest Control Service is currently facing a forecast income pressure of £18k which is being closely monitored.

Business Regulation (£3k)

Within Business Regulation there are forecast underspends in Health & Safety and Food & Drugs totalling (£45k) as a result of vacant posts, which are mostly offset by projected overspends on Animal Health and Trading Standards mainly due to the services being unable to meet its vacancy management target.

Neighbourhood Partnerships £4k

The Service is forecasting a small overspend as a result of not being in a position to deliver its vacancy management target plus additional external audit costs on the Local Ambition programme.

Neighbourhood Investment –balanced budget

The Registered Social Landlords cost centre is projecting a shortfall in income of £8k against budget as the number of landlords in the scheme is reducing in 2011/12. This is being offset by a surplus of (£8k) now being forecast within Neighbourhood Investment as a result of a vacant post.

During the budget setting process for 2011/12 savings of £790k were identified in respect of neighbourhood wardens, neighbourhood partnerships, food inspection, and trading standards. These budget savings are on target to be achieved.

7.1 Agency & Consultancy

To date there is no spend on either Agency or Consultancy within Neighbourhoods.

7.2 Non-Contractual Overtime

Actual expenditure to the end of August 2011 on non-contractual overtime for Neighbourhood Services was £555, as follows:

- Safer Neighbourhoods £ 194
- Business Regulation £ 361

8. Finance

The financial implications for each service area have been outlined in Section 7 above.

9. Risks and Uncertainties

These forecasts are based on financial performance to the end of March 2012. The forecast outturn is dependent on delivery of the planned management actions being achieved and thus effective and tight financial management practices remain essential - monthly budget clinics are held with the Service Directors to facilitate this.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2011 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

- Cabinet February 2011 – Proposed Revenue Budget & Council Tax 2011/12
- The Council's Medium Term Financial Strategy (MTFS)
- Revenue Budget Monitoring Report – July 2011.

The content of this report has been discussed with the Director of Housing and Neighbourhoods and the Director of Finance.

Contact Name:

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1.0	Meeting:	Cabinet Member For Safe and Attractive Neighbourhoods
2.0	Date:	3rd October 2011
3.0	Title:	The Future Shape of Housing Services in Rotherham
4.0	Directorate:	Neighbourhoods and Adult Services

5.0 Summary

On the 8th June 2011 the Cabinet resolved that staff consultation could commence regarding the future organisational structures required to deliver an integrated, efficient housing management service, following the return to the council of those services previously managed by 2010 Rotherham Ltd. This report gives the outcome of those consultations and presents the revised proposed organisational structure for integrated housing services.

The reintegration of housing and repairs management functions was driven by an imperative to ensure vulnerable communities were offered the best possible service from available resources. This required back office costs to be minimised with subsequent reinvestment in frontline services. A report by Price Waterhouse Cooper indicated that circa £1m could be saved and reinvested by this process.

A review that has now been completed has identified savings to the HRA of £1,018,000. It is proposed to use these monies to relieve budgetary pressures within the existing structure and reinvest £389k of these savings into customer facing services. The remainder will enable the service to meet unbudgeted costs and for the first time in 5 years deliver a balanced budget. In increasing the focus on frontline services, there will be a net increase of 23 frontline jobs and a net loss of 27 back office jobs.

6.0 Recommendations

That Cabinet Member:

Notes the proposed organisational structure for housing management services; and the intention to immediately begin the restructuring process.

7.0 Background

Having been established in 2005 and projected to complete the decent homes programme in December 2010, the cabinet decided at its meeting on 3rd November 2010 that a major consultation exercise should commence on the future of the Council's arms length management company, 2010 Rotherham Ltd.

On the 23rd of February 2011, the cabinet heard that the consultation had shown that there was overwhelming support from local tenants and leaseholders to return all housing management to the direct control of the council. Of 7,590 completed questionnaires, 94% of respondents voted in favour of this option. Having taken account of tenant and leaseholder opinion, the cabinet decided that housing services should return to the council on the 1st July 2011.

On the 8th June the Cabinet decided that consultation could commence on the best way to re-integrate services and the organisational form that would be required deliver efficient and effective housing services.

8.0 The Proposed Organisational Structure.

8.1 Scope

The services included in this review were all those previously delivered by 2010 Rotherham Ltd and a range of services managed by Neighbourhoods and Adult Services, namely: neighbourhood investment; elements of safer neighbourhoods; neighbourhood partnerships; Key Choices; asylum; and aids and adaptations.

Additionally, the review considered how the council currently manages support services which had been developed within the ALMO such as: quality and performance (including complaints); marketing and public relations; personnel; health and safety; IT; learning and development; finance; and equalities and diversity.

Some former 2010 Rotherham services have only recently been reviewed (e.g. area housing management, and locality support services), or are operating well and it is therefore proposed to retain them as presently configured. This will help to ensure the restructure is focused and achievable in a reasonable time scale. Those services will be subject to review in the next 12-18 months.

All levels of staff within the affected service areas were included in the review.

8.2 Desired outcomes

A key driver for reintegrating the ALMO was to improve value for money by providing streamlined services which are more effective and efficient with back office costs reduced to the minimum required to support customer facing services.

The other main element was to make services simpler to access by tenants and potential customers and to improve the customer experience by removing artificial barriers.

The proposed structure focuses available resources on customer facing activities leading to improved services especially with regard to:

- repairs and maintenance;
- re-letting empty properties;
- efficient, appropriate re-letting of previously adapted homes; and
- dealing with reports of anti social behaviour.

8.3 Consultation process

All staff that may be affected by the proposals were consulted through a variety of events and communications:

- Two sessions were held on 15th July to formally launch the consultation;
- A weekly email bulletin from the director to all staff;
- Following the launch event, the service areas listed below held workshops to focus on the relevant parts of the proposals:
 - Housing Options;
 - Housing & Communities;
 - Strategic Housing & Investment;
 - Contract & Service;
 - Communications;
 - Performance & Quality.

Whilst staff restructuring is essentially an internal matter, RotherFed's development manager was asked for comments on the proposals especially with regard to customer engagement and community support.

Comments were invited at the roadshows and workshops and by email; written feedback was given following each event and by email to those who commented by email. A record has been made of the 21 comments formally submitted and whether they influenced the proposals. Changes are given under the four operational areas in the next section of this report.

8.4 Proposed structure.

In the main, the proposals remain largely as presented to Cabinet on 8th June: there will be one director of Housing and Neighbourhoods with interim support during a transition period from the two previously 2010 Rotherham Ltd directors responsible for Business Support and Finance. Below director level it is proposed to split operational management into four main areas:

- Strategic Housing and Investment;
- Housing Options;
- Housing and Communities; and
- Contracts and Service Development.

The following sections of this report outline the responsibilities for each of the above as presented to Cabinet in June followed by any significant changes to the proposals resulting from the consultation process.

Strategic Housing and Investment

This service will be responsible for strategic housing functions across all tenures, and investment planning decisions in relation to borough-wide housing regeneration activity and investment planning decisions for the council's own stock. In essence this team will be responsible for deciding what needs doing, securing the finance and resources to meet those needs, planning the programmes and enabling delivery.

It will bring together those functions previously managed by the Council's Neighbourhood Investment Service and by 2010 Rotherham's Stock Team, previously part of the Client Team. The Neighbourhood Investment service was re-organised in April 2011, and reduced in size by 13 posts to reflect the downturn in regeneration activity, as agreed by Cabinet Member for Safe and Attractive Communities on 21st March 2011.

Changes

From the initial proposals, two posts have been added (one stock assistant and one administrative support). This will ensure the Stock Investment Team has sufficient resources available to support the surveying programme, check and input data and to provide a contact point for leaseholders. This will help to address weaknesses in support to this team that are currently apparent.

A full structure is contained in Appendix 1.

Housing Options Service

This service will largely consist of those functions presently residing within the Council and being managed by the Housing Options (such as key choices and choice based lettings), Asylum and Housing Access teams. Influenced by an end to end service review, it will also improve the housing lettings function by integrating some activities previously undertaken by 2010 Rotherham Ltd. The new service area will also better align the aids and adaptations process with the voids process to ensure that we improve the letting of adapted properties, ensure that we get maximum benefit from installed adaptations and streamline the voids process, improving the quality of information prospective tenants have to influence their bidding choices and improving our relet times.

It is proposed that the service will be responsible for:

- Homelessness Prevention;
- advising and assessing existing or prospective tenants with regard to their options for accommodation, and managing the housing register;
- determining health related matters which impact on the access to accommodation;
- managing the furnished homes scheme and liaising with other registered social or private landlords to enhance the availability of accommodation options for prospective tenants;
- taking on responsibility for managing the property side of the lettings process, such as ensuring homes are fit to let, and are advertised appropriately and efficiently;
- the aids and adaptations process; and
- the asylum service.

Changes

It is proposed that the Homelessness Prevention and Homelessness Co-ordinators' roles are combined as the work can be accommodated within one full time post.

When Cabinet received the proposals in June it was uncertain whether the authority would be awarded a new 5-year contract for asylum work. The new contract will be awarded in January 2012, to commence on expiry of the existing contract in autumn 2012. It is proposed that the asylum team works more closely with the homeless team. The rationale for this is that many of their functions complement the work of the homelessness team, for example resettlement and homeless prevention activity when an asylum seeker is granted the right to remain in the UK and is in need of re-housing.

One of the major changes within this structure is the consolidation of property lettings activity within a new voids team. This will be closely aligned with the choice based lettings bidding process and aids and adaptations teams. This change is designed to reduce the handover points in the lettings process, increase visibility and accountability, whilst streamlining and speeding up the lettings process. To improve this process, a new post of Voids Co-ordinator has been added. Transferring this work to the Housing Options service will also reduce workload demand on Housing Champions.

A full structure is contained in Appendix 2.

Housing and Communities Service

This service will be responsible for engaging with tenants and residents, and identifying and resolving local problems. It will work borough-wide and across tenure, however, there will be specific functions that will relate almost entirely to council housing areas. The service will better align functions relating to resident and tenant engagement, and functions relating to tackling anti-social behaviour. It will comprise:

- Neighbourhood Partnership functions;
- Housing Champion functions, including Locality Support Services; and
- Anti Social Behaviour and Community Safety functions.

The new operating model for Housing Champions introduced during the last year, is predicated on freeing up champions from office based activity to increase the time they have available to work with tenants and solve problems. The approach relies on having a back office support service which provides ICT and administrative support functions, some performance and complaints functions and the customer contact service. This is a relatively new approach which is still bedding down and is having teething troubles, but has the potential to be highly effective. In the future there are several potential options for the locality support element of this service; it could remain as it is, or it could be disaggregated and absorbed within corporate or support service functions. Consequently, it is proposed that at this point this service is largely 'lifted and shifted' as it currently is, and its long term form and function will be reviewed in the context of changes taking place elsewhere in the council.

Changes

It is proposed to move the Process Quality Officer post from within Locality Support to Performance and Quality within the chief executive's department as the role is very similar. Consequently an additional Performance Analyst position has been created reporting to the Performance Officer and a post deleted in Locality Support.

Following advice received during the consultation process it is intended that whilst managed by the three separate areas, the ASB team will be co-located to enable all four officers to have access to the seconded police officer, and to share good practice, intelligence and support. ASB officers will continue to cover Safer Neighbourhood Areas so partners will have a named point of contact and officers will have familiarisation over cases and areas.

A full structure is contained in Appendix 3.

Contracts and Service Development

This service will be a slimmed down version of the existing client team previously located within 2010 Rotherham Ltd. The team has seen significant shifts in its work activity as a result of the conclusion of the Decent Homes Programme, and the externalisation of repairs and maintenance functions. In addition, it is proposed to transfer stock activity to sit alongside other regeneration planning activity as described above. Consequently the critical functions of this team relate to managing the externalised repairs and maintenance contracts; agreeing day to day variations from agreed programmes, monitoring performance, delivering service improvement and taking action to ensure contract compliance. This will require enhanced and significantly different skill sets across the board from those that existed whilst all services were being delivered by the same organisation. A far more commercial and contract orientated focus will be required, and appropriate skills will need to be developed.

Changes

A Customer Services Officer has been included to ensure effective liaison between RBT Connect, the contact centre within Locality Support, the Client Team, Housing Champions and customers with a view to improving the number of enquiries resolved at the first point of contact.

Within the teams of Technical Officers for each of the contractors, it is now proposed to have a senior officer in each team to support the partnering manager and other staff, and provide continuity in times of absence. This will not increase the number of technical officers previously proposed.

In the initial proposals it was intended that the Commercial Manager position would be a two year temporary contract. It is now intended to make this position permanent. Whilst this will have no impact on employment rights, it will offer the potential for the post holder to play a significant role in future developmental activity anticipated as a result of HRA self financing opportunities.

The posts of Quality Assurance Technical Officers previously assigned to each partnering manager have been moved to report to the commercial manager, thus providing a degree of impartiality in assessing the quality of work done by the repairs contract partners.

A full structure is contained in appendix 4.

Housing Finance

It is proposed to retain the housing finance team as it was in the ALMO but with direct accountability to corporate finance. Following the review of the council's finance directorate, through which staff with HRA (housing revenue account) experience took voluntary severance, the responsibility for producing the 30 year HRA business plan will fall to this team.

It is also proposed that the housing income team is within this structure as it is responsible for rent collection which, when the HRA reforms are enacted in 2012, will directly generate HRA funds for Rotherham.

Changes

A new administrative post is proposed to deal with tenants' insurance and the district heating officer post has been relocated within this team (previously located in the investment team). Both posts will report to the Financial Inclusion Manager.

A full structure is contained in Appendix 5.

Support Services

As an arms length company, 2010 Rotherham Ltd, had to provide its own support services which it did through service level agreements with council services or internal appointments.

The council's support services are predominantly provided centrally by RBT, the commissioning, policy and performance service (cpp) or specialist directorates. The proposed organisation structure to deliver housing services includes, wherever possible, the transfer of staff previously engaged in support services within the ALMO to the appropriate part of the council as summarised in the table below.

ALMO Support Service	Proposed location within RMBC
Marketing and communications (2fte)	CPP communications and events (1fte)
Performance and service improvement (6.8fte)	CPP (4fte)
Complaints (2fte)	CPP (2fte)
Equalities and diversity (1fte)	RMBC has a central team in CPP; discussions are underway as to whether that is sufficient to meet the needs of housing services especially with regard to tenants' needs. No transfer of staff
Health and safety (2fte)	To be provided by EDS under an SLA. No transfer of staff
Learning and development (3fte)	This work will be absorbed within existing council services.. No transfer of staff
Environmental (0.6fte)	This position is no longer required.
Human resources (1fte)	This work will be absorbed within existing council resources. No transfer of staff

Points to note regarding CX Performance and Quality

The higher level Complaints Officer post has been removed as position of a dedicated housing complaints officer is not a role required under statute (as they are for adults' and children's services); a Service Improvement Officer position has been included which will have responsibility for complaints investigations.

The number of full time equivalent posts shown in the table above includes an additional performance analyst role to accommodate, amongst other things, the process quality officer responsibilities that were formally undertaken within the locality support team.

The structure of CX Performance and Quality team that supports Housing and Neighbourhood Services is given in Appendix 6.

9.0 HR process

The implementation of the revised structures will commence in October. Staff will be informed of the process through meetings and a weekly email bulletin from the director.

It is anticipated that all recruitment of existing staff to new and/or vacant posts in the structure will be concluded by the end of November. Any staff who have not been successful in securing a post at this stage will be issued with notice of redundancy. We will seek to avoid redundancy by working with those affected staff to identify suitable alternatives within the Council Talent Pool. Should this not be achieved any staff will leave mid-February 2012.

It is hoped to fill all posts through internal recruitment, including the Council Talent Pool, but should that prove impossible, then it may be necessary to undertake external recruitment.

10.0 Finance

In planning the re-integration of landlord services, Price Waterhouse Coopers estimated that prior to decisions regarding reinvestment it should be possible to save in the region of £1m per annum.

As part of the integration process, the restructuring of former 2010 Rotherham services will produce full year savings of £1,018,000. £433k of these savings have been utilised to meet the shortfall caused by the reduction in capital management fee due to the completion of the Decent Homes programme; the remaining £585k has been used to improve front line services as discussed below. On an ongoing basis, the full year impact of the organisational changes across what was 2010 Rotherham Ltd and RMBC NAS is as follows:

	£'000
Savings from 2010 Rotherham changes	585
Increased SLA costs – Health & Safety	(30)
New posts created in RMBC	(389)
Training, etc. (contingency for new roles)	(30)
Net savings	<u>136</u>

In 2011/12 there are likely to be no cashable savings available due to only part year benefit from the restructure, recruitment and downsizing costs.

From a staff numbers perspective, the proposed structure represents a net reduction of 4 full time equivalent posts. Previously existing back office posts have been reduced by 31 FTEs and 4 new roles are proposed, giving a net reduction of 27 in back office jobs. Existing frontline jobs have been reduced by 21 FTEs and 44 new frontline roles are proposed; a net increase of 23 jobs on the frontline. These are the amalgamated figures from the two previous structures, as described below.

<u>2010 R</u>	Reductions in posts	New posts created	Net (reduction) / increase
Back office	(31)	4	(27)
Front line	(3)	13	10
Total	<u>(34)</u>	<u>17</u>	<u>(17)</u>

Many of the jobs within Neighbourhoods and Adult Services were frontline roles. The proposed structures include changes to the nature of frontline jobs and entail the removal of 18 previous jobs and the introduction of 31 new roles to focus on key activities and customer priorities.

<u>RMBC</u>	Total
Reductions in frontline posts	<u>(18)</u>
New frontline posts created	<u>31</u>
Net increase	<u>13</u>

The above demonstrates that savings have been achieved in back office functions and that these savings have been re-invested in front line services to enhance the customer experience with the council.

Downsizing costs

The above changes will result in significant downsizing costs. The following provisions have been made within existing budgets.

	£'000
From 2010 Rotherham	230
From Housing Revenue Account	220
Total provision	450

The latest estimated costs are:

	2011/12	2012/13	2013/14	Total
	£'000	£'000	£'000	£'000
2010R staff (over 3 years)	422	30	29	481
HRA staff	38	0	0	38
Total estimated costs	460	30	29	519

The excess downsizing costs will be met from the savings identified above.

In addition to the HRA costs above, £58k downsizing costs will fall to the Housing General Fund. This amount will need to be provided for within Housing General Fund or corporate budgets. The following key assumptions have been made when calculating staffing costs and savings:

1. Assimilated posts have been costed on current salaries.
2. Pay and grading may result in existing staff having pay protection for 3 years if their substantive grade is reduced.
3. If someone's substantive grade increases through pay and grading, there will be an increase in costs.

It is not possible to precisely quantify the impacts of the above at this moment as the pay and grading exercise has not yet been completed but in particular 2 and 3 above may result in immediate cost increases which will generate budget pressure.

11.0 Closure of the arms length management company

At its meeting on 23rd February 2010, the Cabinet resolved the management of council housing should return to the direct control of the Council and that there was no requirement for the company set up to deliver housing management services to continue. The company ceased trading at midnight on 30th June 2011.

At a meeting on 29th June 2011 three officers were appointed directors to the board of the company to oversee its formal closure. The larger board of directors which had been overseeing the running of the company resigned with effect from the end of that meeting. The company's annual general meeting was held in August 2011 at which the Member of the company (i.e. the Cabinet Member for safe and attractive neighbourhoods) accepted the 2010/11 audited accounts for submission to Companies House. The meeting agreed to re-appoint KPMG as external auditors for the (part) financial year 2011/12.

Whilst the company must not trade (i.e. deliver housing management services) it can and needs to undertake some transactions in order to make and receive payments relating to the trading period 1st April – 30th June 2011. It is expected those transitions will be completed in time for the accounts to be closed on 31st August and externally audited in September. A formal "voluntary striking off" request will be submitted to Companies House in December. All company

documentation which must be retained will be handed over to the council's Legal Services.

12.0 Risks and Uncertainties

The main risks relate to business continuity issues, ensuring stability of the work force and sustaining and improving services. These risks are compounded by a need to deal with any service issues identified following integration before assessing any opportunities for further integration with other council services.

An equality impact assessment was undertaken when the ALMO services were brought back into the council. As recommended by the EIA, the "tenant journey" has been taken into consideration in the proposed reconfiguration of services such as bringing the asylum and homeless teams together and putting empty homes with choice based letting. There is a risk that tenants and residents of the Borough will be confused about the process of reintegration, and access to services will be disrupted. This will be tackled through a communications process and by seeking to minimise frontline disruption wherever possible.

13.0 Policy and Performance Agenda Implications

The reintegration of housing landlord services has implications for a range of corporate objectives, particularly those which underpin the priority 'Helping to Create Safe and Healthy Communities'.

Housing Services also deliver against a wide range of performance targets. Critical at a national level are those factors monitored by the Tenants Service Authority and which local tenants value most as part of the 'Local Offer'. Other performance issues important to the Council relate to the quality of local homes, the way they are allocated, maintained and financial performance issues especially those relating to income collection.

14.0 Appendices

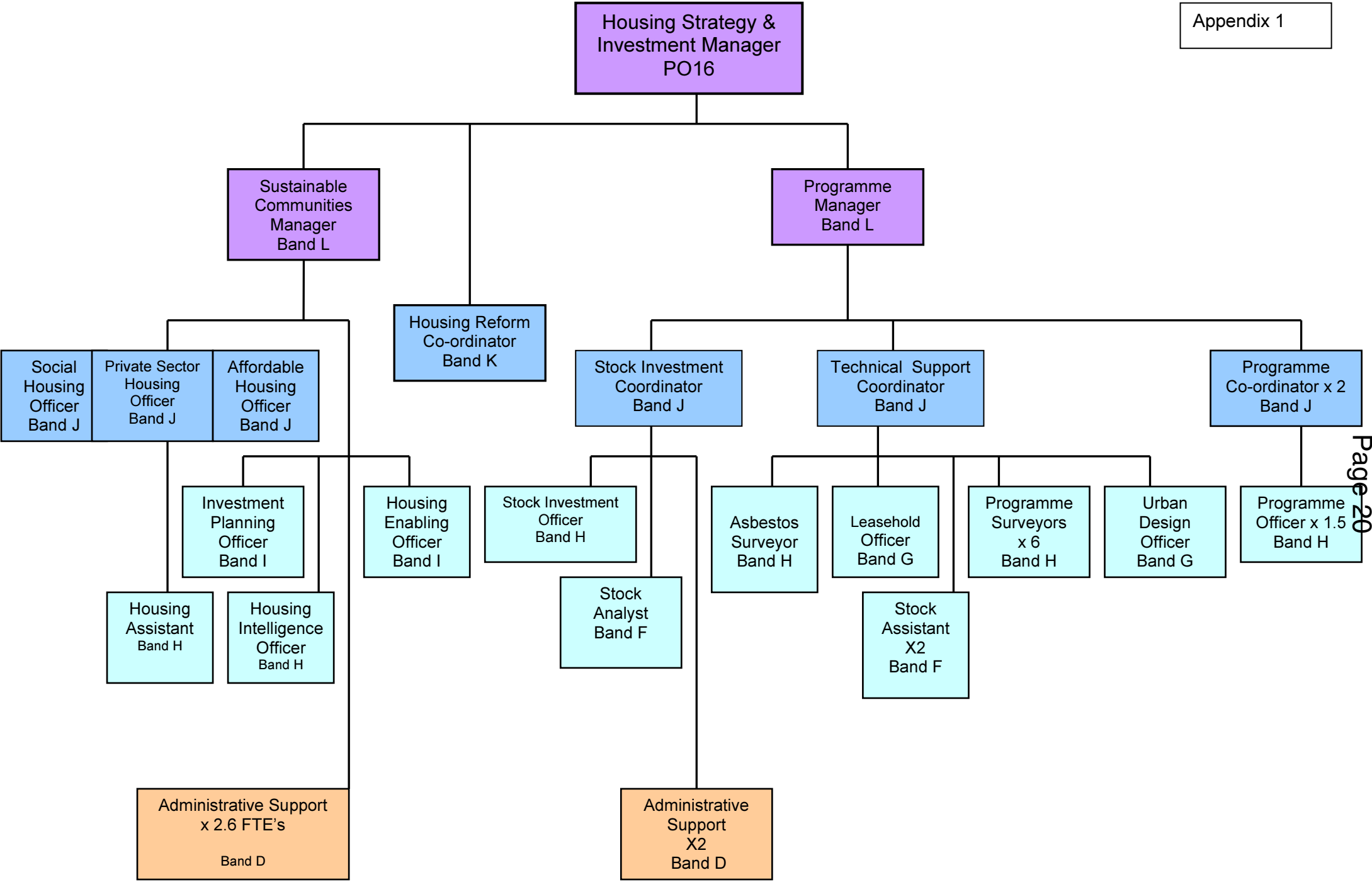
1. Proposed Strategic Housing and Investment Structure
2. Proposed Housing Options Structure
3. Proposed Housing and Communities Service
4. Proposed Contracts and Service Development
5. Proposed Finance and Income Service
6. Proposed Performance and Quality Service (CX)

Contact Name:

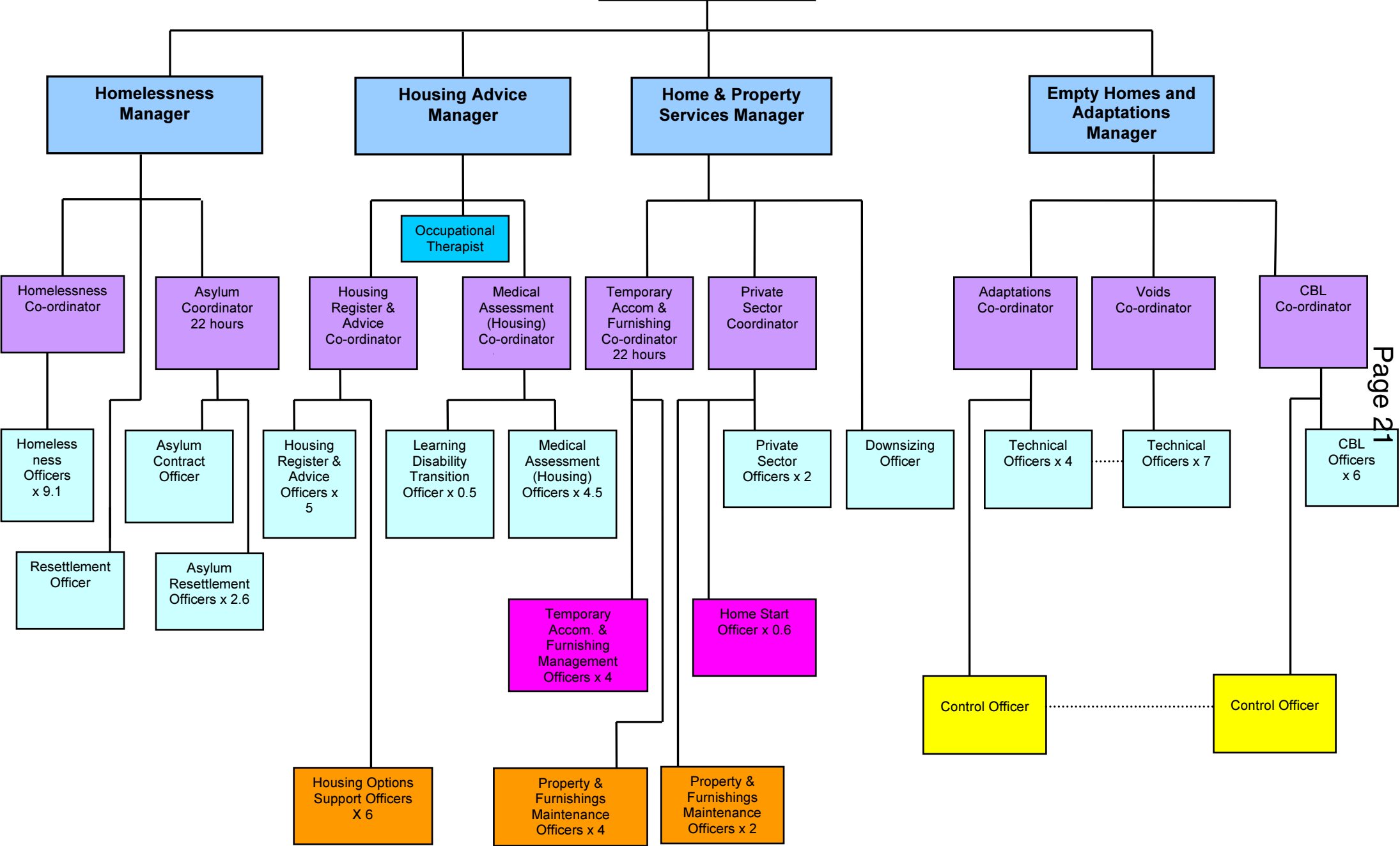
Dave Richmond, Director of Housing and Neighbourhoods

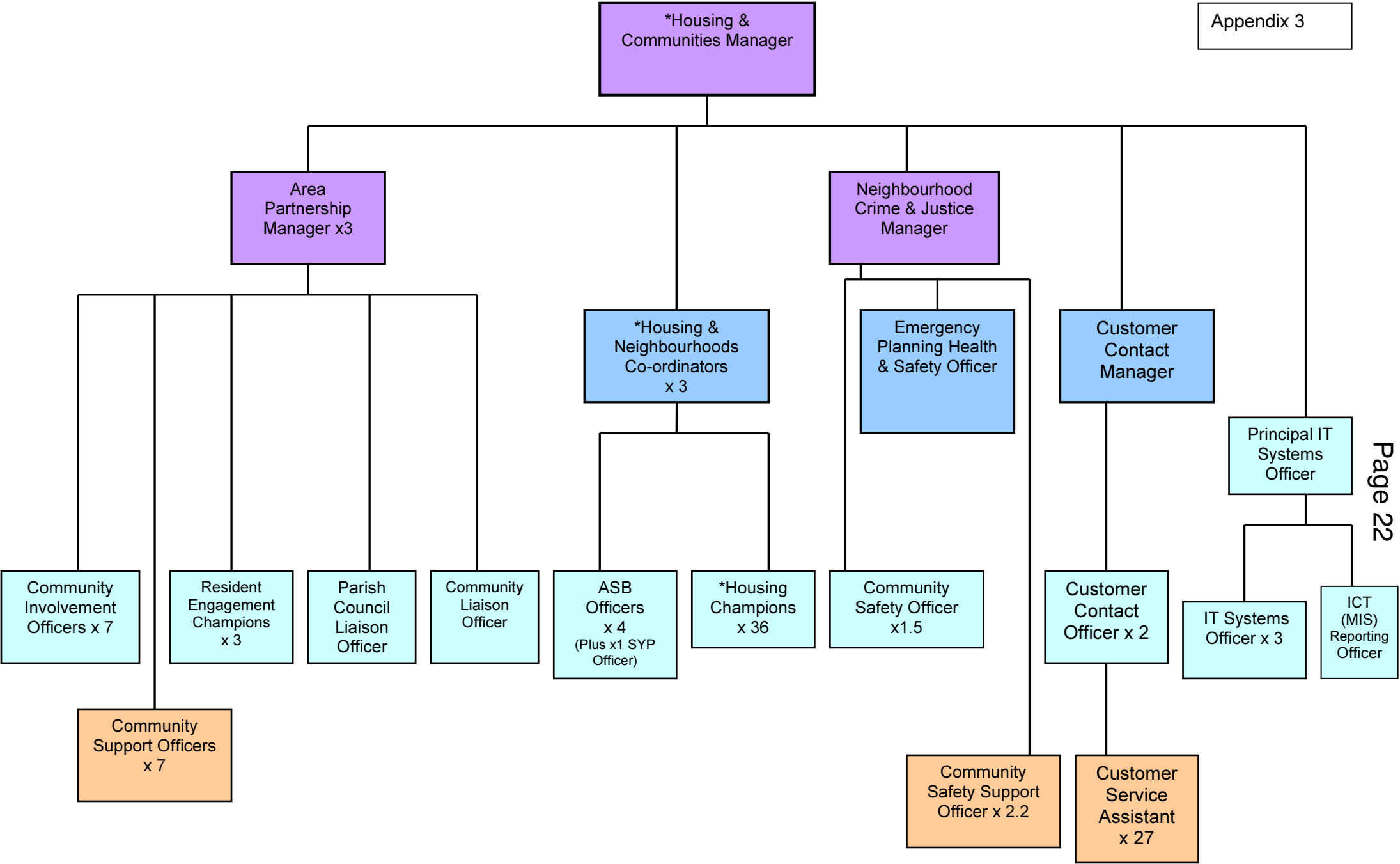
Telephone: 23402

Email: dave.richmond@rotherham.gov.uk

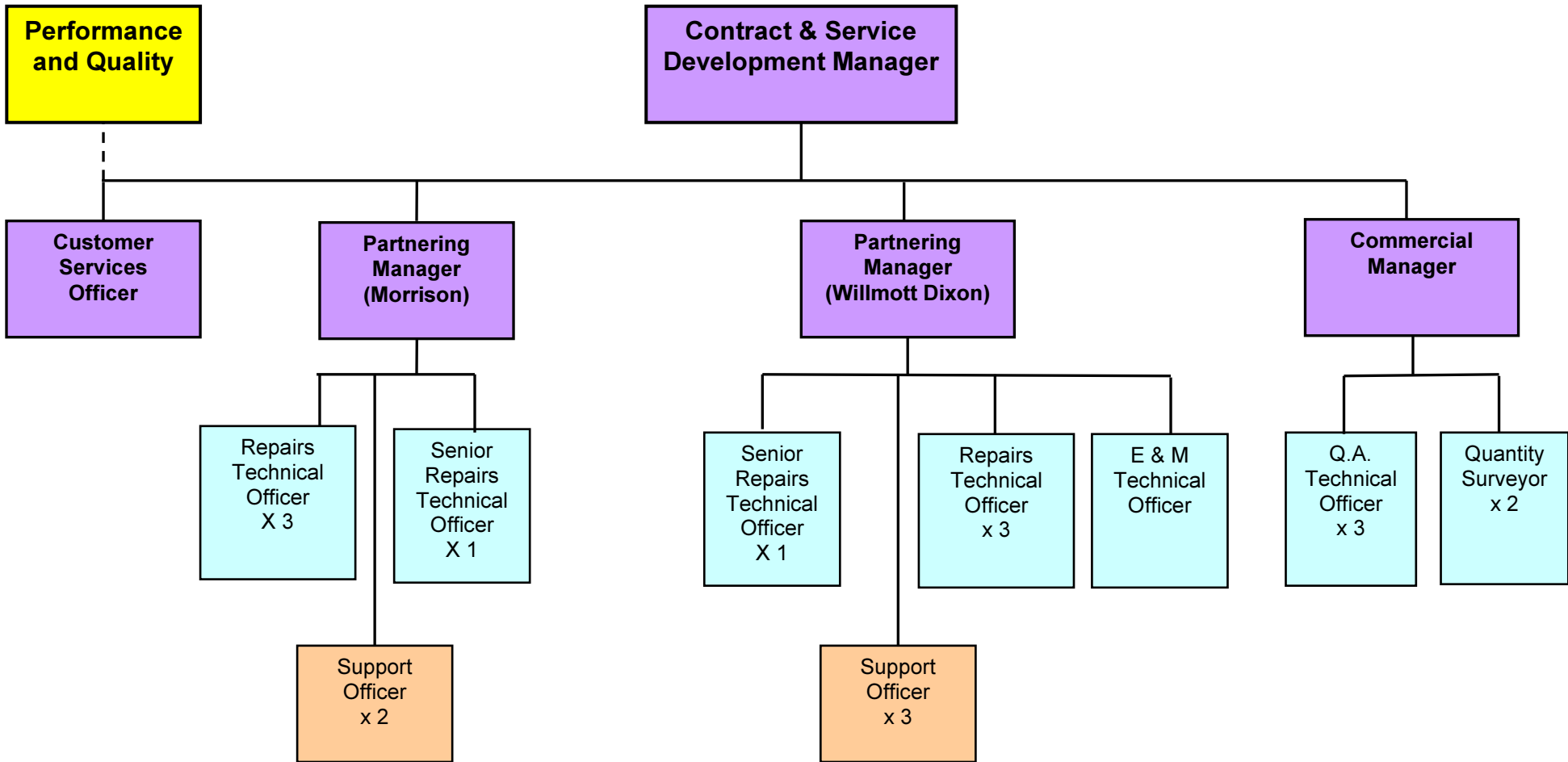


Housing Options Manager





* Some jobs will need to be job evaluated.

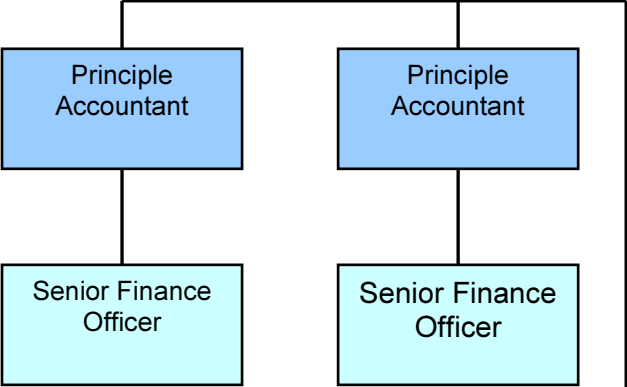


Posts need to be job evaluated.

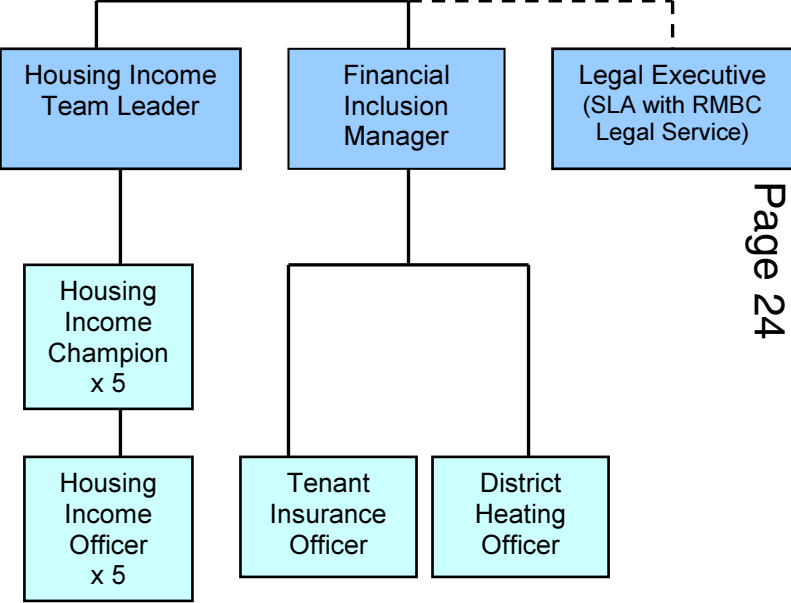
Housing Finance Director

Housing Finance Manager

Housing Income Manager



Secretary to Finance Director



*All posts will go through job evaluation.

This CEX Dept managed service undertakes work across all NAS functions

Performance and Quality Manager

