



Housing Futures Progress

Housing Select Committee
6 June 2023

Update on the Transition

Activity	Date	Status
M&C Options Appraisal gave approval to consult tenants and leaseholders on the future of Lewisham Homes. Preparatory costs of £600,000 approved.	6 July 2022	Complete
Consultation with tenants and leaseholders	August – October 2022	Complete
Decision made by M&C to transfer services into council. Cost benefit analysis noted approx. £300kpa savings (>2yrs) and one off transition costs to manage the process	7 December 2022	Complete
Development team transfers to the council	1 February 2023	Complete
IT, Finance, Technology, Data and Digital, Temporary Accommodation and TMOs transfer to the council	1 May 2023	Complete
New governance arrangements including detailed planning and budgets have been able to identify estimated costs for their respective transition activities.	February – May 2023	Complete
All remaining services transfer to the council	1 October 2023	Ongoing

Drivers for change



- New regulatory standards and legislation for social housing following the Grenfell fire in 2017, increasing landlord accountability for providing safe homes
- The Social Housing Regulation Bill of May 2022 requiring landlords to demonstrate engagement and service performance to residents
- New consumer standards that include requirements for landlords to publish policies on tackling domestic abuse and demonstrate tenant engagement and commitment to the effective and speedy management of complaints
- The requirement to involve tenants so they are a key part of a landlords governance and scrutiny arrangements.

Opportunity: One Organisation

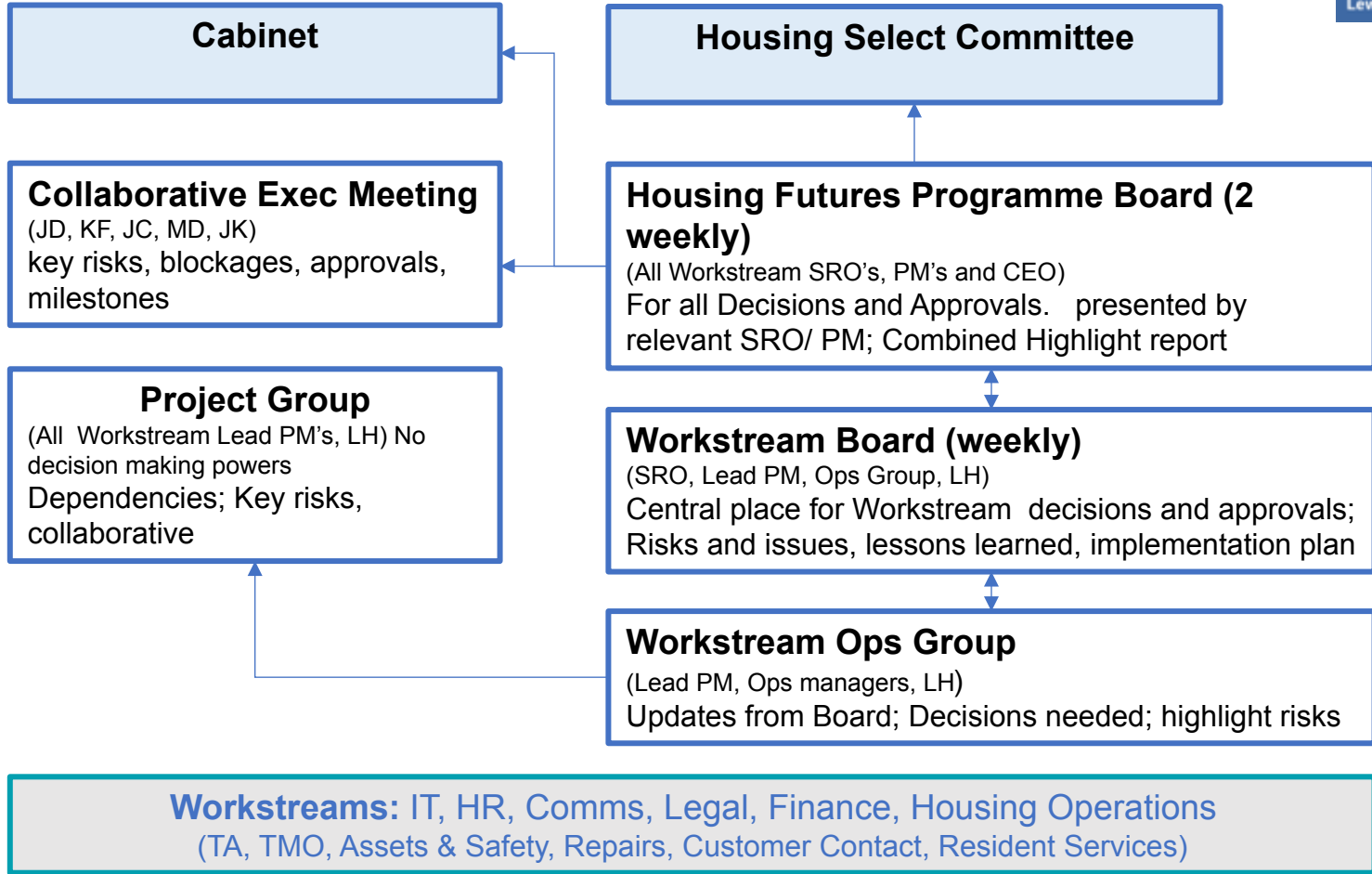
- Streamlining and strengthening governance in line with legal and regulatory changes
- Improving engagement with Council tenants and leaseholders
 - Develop resident involvement
 - Closer links between Council members and resident groups
- New Housing Leadership Team
 - Bring together all aspects of housing
 - Shared expertise, problem solving
 - 600 additional staff
 - Greater career opportunities
- Integrated service
 - Opportunities for efficiencies
 - Greater expertise
- Closer strategic alignment



Programme Governance



RESIDENTS AND LEASEHOLDERS

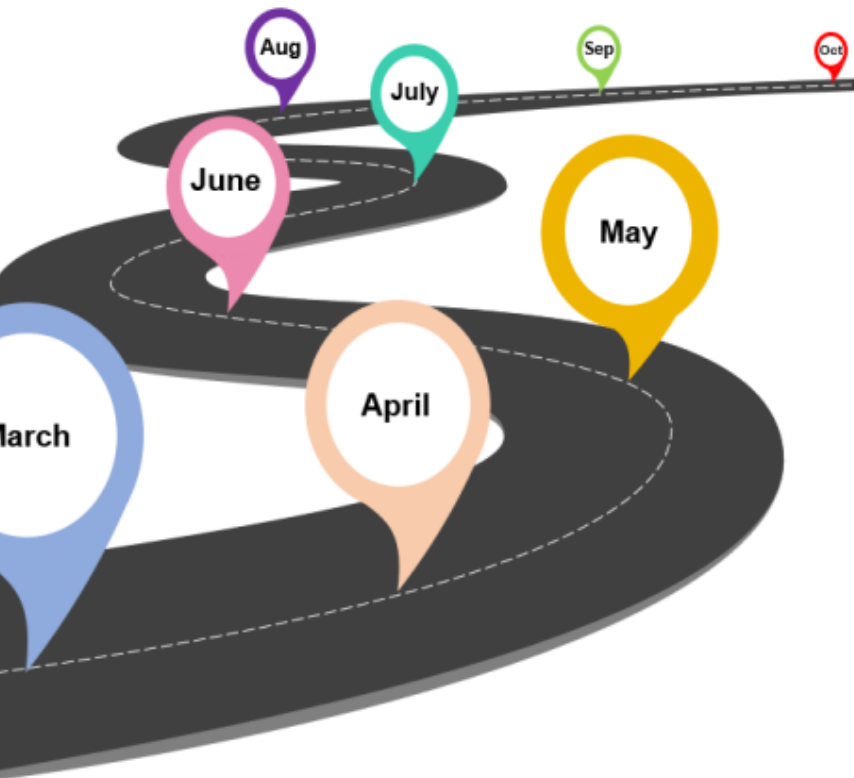


Resident engagement



- Ongoing and close working between Lewisham Homes and Council to maintain links with residents
 - Mail-out to residents and leaseholders
 - Meetings with key stakeholder groups (Leaseholder Forum, TRA Chairs)
- Determine how services will be governed once transferred to the Council and how residents will have a meaningful voice in the management of their services
- Newsletter
 - Information to update on transition and how to continue to access services
- Elected Council members and residents will be closer together as a result of the transition

Staff Transition to Lewisham Council



March

- Approval to transfer services 1 May: Technical Digital and Data, Temporary Accommodation, ICT, Finance.
- Staff & Union consultation starts
- Memorandum of Understanding Signed
- Consultation starts with all remaining services

April

- Consultation Ends for services transferring in May
- Service transfer agreement signed
- Joint Newsletter issued
- FAQ's shared

May

- Transfer takes place followed by induction into LBL
- Consultation ends with all remaining services (add facts, stats)
- FAQ's and Newsletters ongoing

June – August

- Preparation for transfer and staff engagement continues
- Workstreams continue to build understanding and prepare for transfer

September

- Final Employment Liability shared with the Council
- User testing

October

- Transfer takes place

Lessons Learned

LESSONS
LEARNED



- ICT
- Communications and Engagement
- Staff Resources
- Costs

Transition Costs

- July 2022 M&C gave approval to undertake consultation and engagement with residents and carry out an options appraisal, costing £600,000 to be charged to the HRA and covered by use of allocated HRA balances.
- Progress since that report with further information, discovery and detailed analysis of costs. Implementation plans and lessons learned from transferring some services in advance of the October transfer date have revealed a much clearer understanding of actual costs associated with the transfer that were previously unknown (IT and redundancies)
- IT costs significant to enable all staff in both organisations to continue to have technology, systems, applications and hardware needed without interruption to the service.

One off Transition Costs

Transition Costs	Best Case (£m)	Worst Case (£m)
Transition Costs (ICT, corporate, LH, Redundancy, contingency) TOTAL	3.3	3.9
Funding Identified (General Fund, HRA) TOTAL	-1.9	-1.3
Gap <ul style="list-style-type: none"> • To be covered by additional use of reserves 	1.4	2.6

Next Steps

- Mayor & Cabinet 21st June Recommendations:
 - a) Note progress of the Housing Futures programme
 - b) To approve the use of up to £1.9m of existing reserves, including the £0.6m agreed preparatory commitment.
 - c) To agree a further up to £2.6m for additional transfer costs now identified, including a £0.5m contingency, funded from HRA reserves if available or the use of General Fund reserves if not.