



## Council

### **Creation of senior level Housing Services capacity**

**Date:** 18 January 2023

**Key decision:** No.

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Chief Executive; Executive Director, Housing, Regeneration & Public Realm

### **Outline and recommendations**

This report sets out the rationale for creating the necessary capacity for the Council to be able to absorb the Housing services functions, given the Mayor & Cabinet decision to transfer Lewisham Homes into the Council by the end of 2023.

Council is recommended to note the establishment of up to five new Council posts and agrees that they should be paid at a level of remuneration on the JNC1, JNC2 and JNC3 salary scale, as set out in section 5.

### **Timeline of engagement and decision-making**

7<sup>th</sup> December 2022 – Mayor & Cabinet meeting

December 2022 - Notice given to Lewisham Homes to terminate the management agreement.

End of 2023 - Estimated date for transferring all services from Lewisham Homes (subject to developing an agreed plan between Lewisham Homes & the Council)

## **1. Summary**

- 1.1. This report sets out the the proposed changes to the Council's senior management structure as a result of the decion to bring Lewisham Homes back into the Council. These changes are to enable the organisation to have the necessary capacity to manage, and ensure improvements are made to, these large and important services

## **2. Recommendations**

- 2.1 Full Council is recommended to note the establishment of up to five new Council posts and agrees that they should be paid at a level of remuneration on the JNC1, JNC2 and JNC3 salary scale, as set out in section 5.

### 3. Policy Context

- 3.1. The Council's Corporate Strategy (2022-2026) refers to:
  - Quality Housing - Delivering more social homes for Lewisham.
  - o Improving the conditions in the borough's housing stock, working with all housing providers in the borough to develop a Lewisham Repairs Charter
- 3.2. Lewisham's Housing Strategy (2020-2026), includes the following themes:
  - Delivering the homes that Lewisham needs
  - Preventing homelessness and meeting housing need
  - Improving the quality, standard and safety of housing
  - Supporting our residents to live safe, independent and active lives
  - Strengthening communities and embracing diversity.

### 4. Background

- 4.1. At its meeting on 7<sup>th</sup> December 2022, Mayor and Cabinet authorised the Executive Director, Housing, Regeneration and Public Realm in consultation with the Monitoring Officer and s151 Officer to negotiate termination of the management agreement with Lewisham Homes and negotiate a mutually acceptable date to transfer the landlord service to the Council as soon as practicable. One of the steps in that process to enable the transfer is to ensure the Council has sufficient capacity to manage the full range of housing services.

### 5. Proposals to increase capacity

- 5.1. Under the management agreement, Lewisham Homes currently manages around 12,000 social rented homes and 5,300 leasehold properties on behalf of the Council. This number does not include temporary accommodation and hostel units which Lewisham Homes also manages for the Council. It has approximately 550 employees. This equates to a large span of leadership and management responsibilities that need to be given the attention and focus they deserve.
- 5.2. The current executive leadership team structure for Lewisham Homes consists of 1 Chief Executive, 5 Directors and a Head of Service. These Director posts are : Resident Services; Finance & Technology; Development; Repairs; Assets & Safety; and Head of People.
- 5.3. The current executive management team (EMT) for Lewisham Council consists of 1 Chief Executive, 4 Executive Directors and a Director, as shown in appendix 1
- 5.4. Given the scale of responsibilities and the significance of these services, it has been determined by the Chief Executive in their role as Head of Paid Service that there is a need for an additional Executive Director post, and the creation of a new Directorate, to reflect this. Furthermore, there will be a need to have a team of Directors within that Directorate to lead on key service areas (as is the case with the existing senior leadership structure). However, it is not yet determined exactly what these service areas are but it is likely to include Assets & Compliance; and Resident Services. What other services/responsibilities which sit within this Directorate will be confirmed over the coming months.
- 5.5. The additional responsibilities in the new housing regulations following Grenfell also speaks to the need to have an Executive Director with capacity to enable them to focus on safety and compliance as well as on the new inspection regime which is starting in 2024. Furthermore, there is an ongoing need for further significant improvement in performance as this isn't a 'steady state' situation but a major transformation and improvement challenge, which the new Executive Director will have to have capacity to lead.
- 5.6. There is also a need to ensure that capacity is reinstated to the post of Executive

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Director, Housing, Regeneration & Public Realm in order that they can optimise the opportunities in their services especially around the corporate priorities of quality housing, cleaner and greener and a strong local economy.

- 5.7. By way of reminder, the TUPE process will be followed when staff are transferred from Lewisham Homes to the Council. Early and continuing communications will be key to minimising disruption. The Council has established processes for consultation with staff and unions. Reintegration of Lewisham Homes will require some restructuring e.g. back office functions. The Council's change management process and consultation with staff and unions will be followed and would not start before the TUPE transfer itself.
- 5.8. It is anticipated that recruitment for this Executive Director post, and possibly the Assets & Compliance Director, will begin immediately after Council approval is given. They are both crucial to a smooth transfer to the Council from Lewisham Homes and I would be reluctant to confirm any transfer date until these posts have got an agreed start date. All appointments at Executive Director and Director level are a matter for the Member Appointments Panel.

## 6. Financial implications

- 6.1. The report sets out the specific recommendation for five new senior posts at JNC level to be funded from the Housing Revenue Account (HRA).
- 6.2. In respect of appointment to the five new posts, which as noted will adhere to the Council's managing change and recruitment processes, the existing Lewisham Homes budgets are expected to be sufficient to meet the ongoing costs once the transfer is stabilised. However, in the short term there may be some duplication of officers in post on the Council side before the transfer of staff and budgets from Lewisham Homes is completed. Depending on the appointments made, the need for redundancies may also arise as part of the TUPE transfer of staff to the Council.
- 6.3. Any possible redundancy costs cannot be estimated at this time until the detailed consultation and scope of the new roles is finalised and the precise employment arrangements for those at risk are known. The total (salary including on-costs) annual budget for the five new Council posts based on the mid-point 2022/23 salary scales is estimated at £820k. The report notes that active consideration will be given to starting dates to minimise any overlap and given the M&C decision was for the transfer of Lewisham Homes housing management activities to be completed within the 2023/24 financial year the worst case additional salary and pension budget pressure that could arise is estimated at £400k (six months) plus any redundancy costs.
- 6.4. These costs will need to be borne by the HRA from reserves until the anticipated efficiencies in the operation of the services are realised and the reserves replenished. The Council will work to do this at the earliest opportunity.

## 7. Legal implications

- 7.1. The staffing structure of the Council is, as a general rule a matter for the Chief Executive, as Head of the Paid Service. There is councillor involvement to deal with the appointment to and dismissal from certain posts but that is not under consideration in this report.
- 7.2. With a few exceptions which are not relevant here, in accordance with the Council's current Pay Policy, where it is proposed to appoint to a post which is not currently in existence, and the proposed remuneration is more than £100,000 per annum the appointment may not be made unless the Council has agreed to the level of remuneration attached to the position.

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## **8. Equalities implications**

8.1. There are no direct equalities implications arising from this.

## **9. Climate change and environmental implications**

9.1. There are no direct climate change or environmental implications arising from this.

## **10. Crime and disorder implications**

10.1. There are no direct crime and disorder implications arising from this.

## **11. Health and wellbeing implications**

11.1. There are no direct health and wellbeing implications arising from this.

## **12. Background papers**

12.1. Mayor & Cabinet report December  
<https://councilmeetings.lewisham.gov.uk/documents/g7764/Public%20reports%20pack%2007th-Dec-2022%2018.00%20Mayor%20and%20Cabinet.pdf?T=10>

## **13. Report author(s) and contact**

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13.2. Comments for and on behalf of the Executive Director for Corporate Resources

13.3. Nick Penny author of the financial implications.

13.4. Comments for and on behalf of the Director of Law and Corporate Governance

13.5. Jeremy Chambers author of the legal implications.

## **14. Appendices**

14.1. Appendix 1 – Current senior leadership team structure

14.2. Appendix 2 – Proposed senior leadership team structure

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