

NORTH EAST DERBYSHIRE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY

THE RELATIONSHIP BETWEEN  
THE COUNCIL AND RYKNELD HOMES REVIEW

APRIL 2014

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## **Chairs Foreword**

I am pleased to present this report on behalf of the Scrutiny Review Panel of the Safer Homes and Neighbourhoods Scrutiny Committee. It details finding, conclusions and recommendations of the panel from its review of The Working Relationship between The Council and Rykneld Homes.

Members of the panel recognised the importance of improving the working relationship with Rykneld Homes for the provision of a high level of service to the Councils Tenants and continued maintenance and upgrade of the Councils housing stock.

I would like to take this opportunity to thank all Council Staff along with the Rykneld Homes team involved in the review for their advice, support and cooperation throughout the review process.

During consideration of the project plan, members emphasised the need for a Strategic Focus during the review, it was recognised that Rykneld Homes had made significant strides in terms of regeneration and its recent achievement of Registered Provider Status.

The committee saw this as a key factor in the Councils commitment to increase the availability of good quality housing for future generations in the district.

The Review Panel felt that this review method had been very successful. I therefore hope that the recommendations contained within this report, if accepted will assist the Council and Rykneld Homes with their continued success.

In conclusion I would like to thank all members who participated in this review and also all officers especially Sue Broadhead, our Scrutiny officer whose work in co-ordinating the evidence gathering made this review possible.

Cllr. Brian Wright

## **Review Panel**

The review panel comprised the following members:

Councillor B Wright (Labour) - Review Panel Chair

Councillor N Dolby	(Labour)
Councillor F Ellis	(Conservative)
Councillor K Gillott	(Labour)
Councillor J Hill	(Labour)
Councillor C Hunt	(Labour)
Councillor D Skinner	(Labour)

## 1. **Recommendations**

- 1.1 That a review be undertaken of the policy framework including associated policies and the format of strategic and operational groups.
- 1.2 That the Council ensure that the consistency of the client interaction with Rykneld Homes be maintained.
- 1.3 That further measures be taken to ensure that Elected Members understand what Registered Provider Status means to allay any fears and misconceptions.
- 1.4 That Rykneld Homes ensure that a mechanism is in place that facilitates various levels of staff across the Partnership to be engaged in the business planning of the organisation.
- 1.5 That Rykneld Homes ensures that it continues to monitor the horizon to meet future needs.
- 1.6 That the Council support Rykneld Homes in its future delivery by participating collaboratively in the analysis and agreement of plans.
- 1.7 That a review of the information provided to members be undertaken to identify specific requirements from ward members.

## 2. **Introduction**

- 2.1 At its meeting on 22<sup>nd</sup> May, 2013 the Safer Homes and Neighbourhoods Scrutiny Committee agreed to undertake a review of the Relationship between the Council and Rykneld Homes.
- 2.2 It was felt timely to review the operation of the relationship as the partnership had been in place for some time and with the departure of the director of Housing it was considered important to consider the resource available to the partnership and ensure that the momentum is maintained.

## 3. **Scope of Review**

- 3.1 The review aimed to:
  - Review how the partnership was operating
  - Review the partnerships future plans

- Review current plans for the provision of new homes, Decent Homes and maintenance of housing stock
- Review the partnership's work upon skills and training, and its contribution to the Council's Growth agenda
- Review the policy framework in which the partnership operates
- Consider how the work of the partnership is communicated to its stakeholders

#### 4. **Method of Review**

- 4.1 The review panel met on six occasions to consider the scope of the review, key issues they wanted to discuss and key people they wished to interview.
- 4.2 The review panel interviewed a wide range of officers who were involved with the partnership from both Rykneld Homes and the North East Derbyshire District Council. The panel also spoke with a representative from the Homes and Communities Agency.

#### 5. **Evidence and Research**

- 5.1 The following documents were considered as part of the review:
- Presentation by Philip Spurr Director of Housing – North East Derbyshire District Council and Lorraine Shaw Managing Director – Rykneld Homes
  - Rykneld Homes Business Plan 2013-16
  - Examples of Rykneld Homes Comprehensive Performance Reports
  - Report – Increasing Affordable Housing Delivery in North East Derbyshire – Delivery Options Appraisal Study
  - Members Newsletter Rykneld Homes

#### 6. **Key Findings**

##### 6.1 **Strengths**

- 6.1.1 The review heard consistent evidence that officers felt the relationship between Rykneld Homes and the Council was working well. This was considered essential as it was acknowledged by both partners that there had been difficulties along the way but it was accepted that it was healthy to have these challenges. However, it was felt by stakeholders that the good relationship and mutual respect should mean issues could be addressed quickly. There appeared to be confidence in the relationship and a sense of optimism that the two organisations had the ability to deliver in the future. It was also understood that there was no room for complacency and the relationship still needed to be worked at and kept

under review. The relationship was constantly evolving with events and was now reflective of the national policy gap being smaller than originally when Arms Length Organisations were first established with Councils.

- 6.1.2 At a senior level stakeholders commented on the strong relationships between the two management teams at both organisations. The corporate management team at Rykneld Homes appeared to be a strong and coherent team with a clear understanding of their role, service plans and their scope. The Council's Management team and staff below this level had experienced a number of structure changes in the recent past. This had presented challenges but also was seen an opportunity to ensure that the partnership moved forward in a robust way. Relationships below senior level were working well in the main but this was an area where it was acknowledged that further work would be beneficial.
- 6.1.3 The Area Manager from the Homes and Communities Agency expressed the view that she was confident in the organisations ability and the relationship between the partners. She thought the two organisations had a strong relationship and a good foundation for growth and development which had already demonstrated its rewards. She assessed the progress to date as strong and demonstrated. With regard to the future she stated that she could see the two organisations working as one. The main issue from the Homes and Communities Agency perspective was housing and economic growth including affordable homes and general homes. The Partnership has the potential to look at its assets and sustainability in order to assess where it could grow.
- 6.1.4 She thought that the Decent Homes programme had been beneficial for employment, training, local labour and had also been a catalyst to wider growth in the economy. In her opinion Rykneld Homes and the Council have been a good example of how achieve this. With regard to future work she considered that the partnership had ambitious proposals which were necessary but they were working together to deliver. Her key improvement for the future was for the two organisations to continue the support they are currently giving each other. Maintenance of a strong reputation was important for delivery. Her organisation had not identified any areas of concern in relation to the partnership. The work on identifying asset stock condition was a strong positive and a huge advantage when seeking funding.
- 6.1.5 In support of the review evidence of regular round table meetings held with Directors on both sides was provided. This and other meetings sought to review policies, how the partnership was working and whether it was still delivering for the Council. These meetings helped develop a clear understanding of how strategies were being delivered and how Rykneld Homes was managing on the Council's behalf. The message was repeatedly given that the organisation has a clear understanding of their role in support of the Council. Information on the

success of the Decent Homes Programme was provided as evidence for the successful delivery of the Council's agenda. In 2015 the final year of the programme will mean £60 million pounds of external funding has been obtained which has transformed the Councils housing stock.

- 6.1.6 Rykneld Homes monitored the service through a range of mechanisms including supplying data to the Council through the use of a balance scorecard, quarterly performance reports, key performance indicators and case studies. Rykneld Homes also used service based benchmarking groups and participated in the Council's and its own Scrutiny process. Corporate performance reports were considered by the Rykneld Board, The Operational Management Group and North East Derbyshire District Council Cabinet. Operational and strategic information is also regularly shared, with information sharing protocols in place. With regard to tenant satisfaction surveys are held to provide feedback on performance. Tenant satisfaction in Rykneld Homes was as high as it had ever been but the organisation would still wish to see higher response rates. It was stated on both sides that this monitoring had improved significantly over last 3 to 4 years.
- 6.1.7 The majority of stakeholders felt that communications within Rykneld Homes were working well. The organisation used a mix of methods to ensure it communicated with its stakeholders including quarterly newsletters, monthly newsletters on estates, Homing In Magazine, Derbyshire Times, supporting community events and stakeholder's events to ensure the vision was communicated to tenants and stakeholders. It also worked with the Tenant's Federation. It has a joint communications plan and prepares a separate Members briefing. Evidence such as case studies was provided of good work being done with individuals and communities including work around financial inclusion and vulnerable people.
- 6.1.8 Rykneld Homes had recently achieved Registered Provider Status which allows it to attract inward investment and create jobs and training through regeneration work. It had established a working relationship with the Council's Economic Regeneration Team. It had a role in providing additional homes for the District and supporting the Council's growth agenda. The building of new properties in the future would also contribute to the New Homes Bonus and Council Tax contributions. Examples of current projects were provided which included delivering new build in Eckington and Killamarsh, Tarrans, plus refurbishment projects in Grassmoor and Dronfield. It had participated in the recent peer review of the Council, looking at the opportunities for future housing provision in the District and the Council's Revenue Strategy. It also aimed to support the Council's revenue strategy by offering its services out, for example property repair for private landlords, managing services for registered landlords and an

empty homes schemes for private properties leased to Council for a number of years.

- 6.1.9 Several stakeholders stated the organisations commitment to training across all levels. It had adopted Living Wage principles and was working with the Economic Development Unit and Chesterfield College to provide apprenticeships and other opportunities for young people in the area plus opportunities for graduates and older people. Details were provided of encouragement to contractors to take apprentices on, ideally for two years so trainees gain good skills. Other initiatives included shadow working, estate caretaker appointments, skills training, plastering and DIY skills for tenants. Contractors were also encouraged to use local traders.
- 6.1.10 A thirty year business plan was in place with possible funding of 32 million pounds. In the short term the organisation needed to deliver the Decent Homes Programme and long term it had to manage the existing stock and invest in new stock. Evidence of the planning taking place to make the business plan achievable was provided. This was supported by stakeholders interviewed including the Homes and Communities Agency. It was accepted that there was risks that needed to be managed and that the wider government agenda and financial settlements to 2017 formed a part of this. It appeared that the organisation was financially astute but realistic in what it could achieve. The plans appeared challenging but planning had been done early and realistically.

## 6.2 Areas for Improvement

- 6.2.1 There was a need to review the policy framework as the relationship had changed both in terms of the client and the environment in which it operated. One example provided was the letting policy which needs to support changing demographics and life styles. Additionally associated policies needed to be revisited to ensure they can support the changes following Registered Provider Status. There was a need to ensure the framework reflected the changing political and economic circumstances of the area. The framework had been in place for six years and it was inevitable that things would change. The Operational Management Group involving both partners had lost some of its focus with changes of personnel. It was felt important that these groups now refocus as it had become clear to Rykneld Homes how essential the strength of the Client role was. Changes in European procurement framework would also need consideration.
- 6.2.2 There had been some issues around the Client Officer role which had changed hands a couple of times over the preceding few months. This relationship needed to be strong as this officer would play a key role at meetings of Rykneld Homes. They needed to have a clear understanding of the business and it was

considered important that consistency from the client side be maintained with the implementation of the new arrangements. The importance of the relationship was also recognised by the client side and it was understood that it needed to work well. The Joint Executive Director of Transformation stated he was mindful of how the two organisations had evolved from their inception and the successes that had been achieved. He saw his role as protecting the interests of the Council and ensuring the relationship remained positive.

- 6.2.3 Discussion on the Registered Provider Status highlighted the need to make clear what this provided for the Council and to dispel any misunderstandings that might occur. There was concern in some quarters what this might mean for the two organisations in the future. It was felt that additional communication with stakeholders setting out the scope of the new powers would be helpful.
- 6.2.4 Whilst all stakeholders felt the relationship was working well some officers raised their wish to become more involved in business planning events as this would help with their understanding of what they could add to the partnership. The Review panel would like to see a mechanism in place which engaged a range of people across both organisations at various levels to contribute to Rykneld Homes future planning. It needed also to work proactively with other partners in the District.
- 6.2.5 Several stakeholders told us the changing situation across the District in terms of demographics, more diverse communities, transport links and the economic situation would require Rykneld Homes to monitor the horizon effectively to meet future needs. This would include a new housing offer bearing in mind the significantly older population within the District and the limitations of stock. This required an element of forecasting the future. It also had to be aware of the emerging young population and the levels of young people now taking over tenancies.
- 6.2.6 The Portfolio holder recognised what being done by Rykneld Homes but would like to see more. She expressed the desire to see a 1,000 council owned properties in the right places although this had to be a long term aim because of the financial situation.
- 6.2.7 Rykneld Homes have a clear 30 year business plan in place for the long-term and a very clear plan for years one to five which focuses on getting regeneration schemes off the ground. However, it is necessary to re-evaluate the condition of the Council's current housing stock which would need £46 million investment over the next twenty years to bring approximately 3,000 defective properties up to standard. This work to identify assets and stock condition was started but needs to be taken forward. The Council may have difficult decisions to take in the future but needs to ensure it continues to support delivery. Rykneld Homes

expressed the hope that the Council would continue to back them as some things would be controversial but they needed their support to analyse options and agree plans.

- 6.2.8 Some elected members still thought that there was room for improvement in communications specifically with them. The member's bulletin was considered useful but for some members it was too generic and as ward members they needed more specific information. One suggestion was that neighbourhood champions could have a role in ensuring that ward members knew what was happening within their wards in relation to Rykneld Homes work. However, it was recognised that ward members need to be clear with Rykneld Homes what they were looking for. There was an understanding from Rykneld Homes that they need to take councillors with them as some are still feeling not as involved as they use to be. The reasons why the relationship is different was understood and it was acknowledged that the organisation needed to ensure they were open and transparent in order to build that relationship further with members.

## 7. **Conclusions**

- 7.1 The review panel heard views from a wide selection of stakeholders during this review. On the whole they concluded that the relationship between the Council and Rykneld Homes is a positive one. There were many examples provided of the two partners working well together to deliver the service. The overall impression given was of ambition and optimism but this was balanced by a realistic assessment of what was achievable.
- 7.2 However, there were some areas for further improvement. These were mainly concerned with reviewing the Policy framework following recent changes, continuing to build on the relationship at all levels between the two organisations and horizon scanning to ensure the partnership could respond to future demands on the service.

8. **Stakeholders Engaged During the Review**

Councillor N Barker	Chair Rykneld Homes Board
Lee Bloomfield	Director of Operations Rykneld Homes
Neill Clarke	Regeneration Manager Rykneld Homes
Paul Hackett	Joint Executive Director (Transformation) and Client Officer for Rykneld Homes
Tamsin Hart	Area Manager Homes and Communities Agency
Councillor E A Hill	Deputy Leader and Portfolio holder for Housing Strategy and Social Inclusion
Steve Lee	Strategic Partnership Coordinator
B Mason	Joint Executive Director (Operations)
Karen Perkins	Housing Strategy and Enabling Manager
Lorraine Shaw	Managing Director Rykneld Homes
Rebecca Slack	Housing Strategy and Enabling Manager
Angela Smith	Housing and Support Services Manager Rykneld Homes
Sarah Sternberg	Joint Assistant Director of Governance & Monitoring Officer
Heather Summers	Customer Involvement and Customer Services Manager, Rykneld Homes