



HACKNEY HOMES TRANSITION: CHANGES TO HACKNEY COUNCIL'S CONSTITUTION

COUNCIL

Wednesday 27th January 2016

REPORT CLASSIFICATION:

Open

WARD(S) AFFECTED

All

CORPORATE DIRECTOR

Gifty Edila, Corporate Director of Legal, HR and Regulatory Services

1. INTRODUCTION

- 1.1 The report that Cabinet agreed in January 2015 recommended that the housing management functions undertaken by Hackney Homes Ltd be returned to the Council at the end of the current agreement with Hackney Homes on 31st March 2016.
- 1.2 This followed consultation exercise with tenants and leaseholders from August to October 2014 which resulted in a majority supporting the proposal to return housing management functions to the Council.
- 1.3 This proposal reflected the fact that the mission that Hackney Homes was set up to deliver (i.e. investment in improving the housing stock through the Decent Homes Programme) was nearing completion. Changes in government policy and council house finance now allow the Council to manage and invest in the housing stock whilst retaining management of the stock. This is the option that residents supported in the consultation exercise.
- 1.4 The report that Cabinet agreed in January 2015 also recommended that the Council's governance arrangements for housing management functions be revised to reflect what had been agreed. Further to this, Cabinet agreed to wind up and dissolve Hackney Homes Ltd after the management agreement ends on 31st March 2016.
- 1.5 This report sets out the changes to Hackney Council's governance arrangements that are required as a result of the transition. Specifically Council is asked to consider and approve the proposed changes to the Council's Constitution.

2. RECOMMENDATIONS

Council is requested to:

- 2.1 **Agree the changes to Hackney Council's Constitution as set out in Appendix 1**

3. REASONS FOR DECISION

- 3.1 Council is asked to approve the proposed changes to the Constitution that are required as a result of Hackney Homes Ltd being wound up and dissolved and the housing management function transferred back to the Council.

4. RELATED DECISIONS

- 4.1 Cabinet considered a report on 'The Future of Hackney Council Housing Management' at its meeting on 21st July 2014 that launched the consultation exercise with tenants and residents.
- 4.2 Subsequent to this Cabinet considered a report on the 'Results of the Consultation on the Future of Housing Management and Next Steps' at its meeting on 26th January 2015 and agreed to return housing management functions to the Council when the management agreement with Hackney Homes ends on 31st March 2016.
- 4.3 Cabinet considered a report on 'Hackney Homes Delivery Plan 2015/16' at its meeting on 30th March 2015 which set out the key business priorities for Hackney Homes Ltd in its final year of providing housing management services.

5. DETAILS OF ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 5.1 The Council is required to update and maintain its Constitution and Schemes of Delegation in response to legislative or organisational change. The required changes that are to be made are in response to Cabinet's decision on 26th January 2015 to return housing management functions to the Council when the management agreement with Hackney Homes ends on 31st March 2016. Cabinet made its decision with reference to the available options set out in the related report.

6. BACKGROUND/DETAIL

Implications for the Council's Constitution

- 6.1 The implications of the transition have been considered in detail by the Council's Constitution Review Group (CRG). The group is chaired by the Council's Assistant Director for Legal and Democratic Services and is comprised of officers from within Legal Services and Governance Services.
- 6.2 Council is asked to make a number of changes to its Constitution and the recommended changes are detailed in full at Appendix 1.
- 6.3 CRG is of the view that some of the required changes to the Constitution effected by transition are of particular significance. These are set out below:

Part 3.3.1, Overview and Scrutiny Terms of Reference. (p124)

Council is asked to revise the Overview and Scrutiny's Terms of Reference at (iii) to reflect that the Living in Hackney Scrutiny Commission will no longer

have links with Hackney Homes as Hackney Homes Ltd will be wound up and dissolved. The reference to Hackney Homes will therefore be deleted. The Living in Hackney will however have responsibility for providing scrutiny of the housing management function that will be undertaken directly by Hackney Council.

Part 3.3,1 Council Joint Committee Terms of Reference. (p129)

Council is asked to revise the Council Joint Committee's Terms of Reference at (7) by deleting reference to Hackney Homes as 'an appropriate external body'.

Council is also asked to revise the Corporate Joint Committee Terms of Reference at (9) to reflect that the Building and Crafts Convenor formerly at Hackney Homes will be a member of the Council Joint Committee.

Part 4.6, Financial Procedure Rule 15. (Security and Control of Assets). (p252)

Council is asked to revise FPR 15.11 by replacing 'Hackney Homes' with *[the Council's Housing Service]*. This will reflect that Right to Buy Sales will be administered by the Council rather than Hackney Homes.

Council is asked to revise FPR 15.12 by replacing 'Hackney Homes' with *[the Council's Housing service]*. This will reflect that the *[Group Director of Place, Neighbourhoods and Housing]* shall be responsible for ensuring that the Council obtains best consideration for Right to Buy properties and that these shall comply with the rules approved by Cabinet.

Implications for the Council's Schemes of Delegation

- 6.4 Any amendments to the Council's schemes of delegation, in particular to the Housing Scheme, General Scheme, Finance and Resources Scheme and the Mayor's Scheme that are required as a result of Hackney Homes Ltd being wound up and dissolved and the housing management function transferring back to the Council, will be approved by the *[Chief Executive or Director of Legal and Procurement]* in accordance with section 3.6.3 of the Constitution and the Mayor will notify the Monitoring Officer of his approved changes in accordance with section 3.5 of the Constitution.

7. COMMENTS OF THE CORPORATE DIRECTOR OF FINANCE AND RESOURCES

- 7.1 As set out in this report, the changes recommended in this report are required in order to ensure that the functions previously reserved for Hackney Homes are properly reflected within the Council's own constitution reflecting the

transfer of Housing management functions back to the Council from 1st April 2016.

- 7.2 In themselves, the proposed changes have no direct financial implications other than ensuring that appropriate authority and procedure rules are in place to reflect the transfer of functions.

8. COMMENTS OF THE CORPORATE DIRECTOR OF LEGAL, HR AND REGULATORY SERVICES

- 8.1 Under Article 15.1 of the Constitution the Monitoring Officer has power to monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

- 8.2 The return to the Council of housing management functions undertaken by Hackney Homes means that the Council's Constitution and schemes of delegation need to be reviewed and revised to reflect the changes brought about by the termination of the management arrangement with Hackney Homes.

- 8.3 Under Article 15.3 changes to the Constitution will only be approved by full Council.

9. APPENDICES

- 9.1 The report includes the following appendix:

APPENDIX 1: Schedule of Required Changes to Hackney Council's Constitution.

10. BACKGROUND PAPERS

- 10.1 In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required.

DESCRIPTION OF DOCUMENT

No background papers were used.

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