

MUNICIPAL YEAR 2006/2007 REPORT NO. **142**

MEETING TITLE AND DATE:

Cabinet – 22.11.2006

REPORT OF:

Director of Performance,
Partnership & Policy

Agenda – Part: 1

Item: 10

**Subject: Establishment of Posts of Chief Executive and Director of Finance and Resources for the Enfield Homes ALMO.
Wards: ALL**

Cabinet Member consulted: Cllr Laban

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1. EXECUTIVE SUMMARY

The Enfield Homes Arms Length Management Organisation is scheduled to go live on 1st April 2007. The Chief Executive and Director of Finance and Resources are key posts to lead the organisation and keep it financially sound.

Approval is sought in this report to the establishment of these two posts.

2. RECOMMENDATIONS

Cabinet is asked to:

- Approve the establishment of the posts of Chief Executive and Director of Finance and Resources for the Enfield Homes ALMO.

3. BACKGROUND

- 3.1 Enfield Homes is an Arms Length Management Organisation being set up by the local authority to manage its housing stock, with a Board of Directors involving tenants, local authority nominees and independent members. Its primary objectives will be to achieve the Decent Homes Standard for every home it manages and to deliver high quality housing services to tenants and leaseholders.
- 3.2 A bid for £147 million was made to the Government in July 2006 for a place on the ALMO Round 6 programme. The provisional outcome of the bid has not yet been received. The release of the funds will be dependent on a successful inspection in late 2007.
- 3.3 To facilitate the ALMO being operational for a sufficient period to develop and embed the necessary service improvements and enable the required inspection rating of at least two stars, Enfield Homes is scheduled to go live in April 2007. Preparations are being made to allow this to happen.
- 3.4 Recruitment as early as possible to the key posts of Chief Executive and Director of Finance and Resources will be pivotal to the success of the ALMO, its ability to satisfy the two star inspection rating, and to access ALMO funds from the Government.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative options to setting up an ALMO to manage and improve housing services and stock had previously been considered. Once the commitment to the creation of an ALMO had been made, there were no real alternatives to the establishment of the key posts of Chief Executive and Director of Finance and Resources.

5. REASONS FOR RECOMMENDATIONS

- 5.1 A key component in the role of the Chief Executive will be leading the management team and staff of Enfield Homes to achieve its strategic and operational objectives, the Decent Homes Programme, and at least a two star rating. He/she will also act as lead adviser to the Enfield Homes Board on strategic policy, operational and governance issues, and forming links with the Council and other organisations to ensure effective partnership working. Other vital responsibilities will be achieving the Enfield Homes Delivery Plan, continuous review and improvement of all services to ensure they deliver best value, promoting and ensuring the involvement of residents and other stakeholders in the planning, delivery and monitoring of services, and contributing productively to the development of sustainable communities.

- 5.2 The person recruited will need to be capable of providing successful leadership in an environment of significant change and critical requirements for improvement and programme delivery within limited timescales. He/she will need the skills to deal with the governance, interface and partnership issues of a company working at arms length from the Council, and the ability to work closely with residents and other stakeholders in achieving the ALMO's aims. He/she will be responsible for around 330 staff, a revenue turnover of £30 million, and capital investment of up to £40 million per year.
- 5.3 The Chief Executive will therefore have a significant set of responsibilities and require a varied range of skills to do the job effectively. Advice has been taken from recruitment consultants on the salary range needed to attract and retain a suitably skilled and experienced candidate, and comparisons made with other ALMO Chief Executive recruitments. A prospective salary in the range £100,000 to £115,000 is proposed.
- 5.4 The role of Director of Finance and Resources in the Senior Management Team embraces activities vital to the governance, organisational health and overall success of the company. First and foremost he/she will be responsible for the organisation's financial management and control, maximising value for money, and acting as the primary interface with senior council finance officers on finance issues. He/she will also have overall responsibility for ensuring that the company complies with all statutory requirements in relation to taxation and accounting. The Director's other key responsibilities will be the organisation's Human Resources and IT functions and the interface with Council and external providers.
- 5.5 The person recruited will need to be professionally qualified in finance and demonstrate a successful track record in managing significant, complex budgets and delivering improved value for money. He/she will need appropriate experience to ensure the company accounts and company taxation activities are adequately covered, and the necessary breadth of skills to lead also on the company's Human Resources and IT functions. He/she will be responsible for the management of a revenue turnover of £30 million. Expenditure on capital works to meet the decent homes standard is expected to total around £40 million per year.
- 5.6 Advice from the recruitment consultants and comparisons with other ALMO Director of Finance/Resources recruitments suggests a salary range of £75,000 to £90,000 as appropriate to attract and retain a suitable skilled candidate.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

The management structure of the ALMO is not yet complete but it is essential to establish these two key posts. The total cost of these two posts is estimated to be up to £260k. These posts will be funded from the management fee paid to the ALMO from Housing Revenue Account resources. Work is continuing to develop the management structure and the costs will be contained within available HRA resources.

6.2 Legal Implications

The role of the Chief Executive and Director of Finance will in the interim be employees of the Council until the transfer to the ALMO in April 2007. Any creation of posts must be in accordance with the Constitution (Employment Procedure Rules) and only after full and robust consultation with Human Resources and where applicable with Trade Unions.

6.3 Comments of the Head of Human Resources

The proposals relating to the creation of the posts are in line with normal Council terms and conditions and prevailing market salary levels for jobs of this nature.

7. PERFORMANCE MANAGEMENT IMPLICATIONS

- 7.1 The establishment and appointment of a Chief Executive and Director of Finance and Resources are essential milestones in the programme of preparation needed to make Enfield Homes a viable and successful operation.

8. PUTTING ENFIELD FIRST

- 8.1 The primary objectives of Enfield Homes are to achieve the Decent Homes Standard for every home it manages and to deliver high quality services to tenants and leaseholders. The establishment of these two posts will be an important step in the successful development of Enfield Homes and the achievement of these aims. This will also help to promote the Enfield First corporate strategy, in particular key objective 6 (f) to “develop new ways to improve housing conditions in the public and private sectors”, as part of the overall aim for Enfield to be “economically successful and socially inclusive”.

Background Papers**Where located****Contact**

ALMO Development files

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