

Decision taken by: Councillor David Monk – Leader of Folkestone and Hythe District Council

Subject: DISMISSAL AND REPLACEMENT OF EKH BOARD

Key decision: No

Date decision taken: 5 December 2019

To remove all of the existing Board members of East Kent Housing Limited and replace them with the 4 East Kent Council Chief Executives/Heads of Paid Service.

DECISION:

- Decision:**
- (1) That the Council's representative on the Officer Panel constituted under the owners agreement relating to East Kent Housing be requested to attend a meeting of the Officer Panel and agree the following:
 - (a) That every Board member currently on the East Kent Housing Board be removed from the Board thereby leaving 12 vacancies on the Board.
 - (b) That the 4 East Kent Council Chief Executives/ Heads of Paid Service be appointed by the Panel to sit on the East Kent Housing Board namely
 - Colin Carmichael - Canterbury City Council
 - Nadeem Aziz - Dover District Council
 - Dr Susan Priest - Folkestone and Hythe District Council
 - Madeline Homer- Thanet District Council
 - (c) That the required Notice arising from the decisions in 1 and 2 above be served on East Kent Housing at their registered address at which point it will take effect by no later than Friday 13 December 2019.
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- (2) That each Council Informally Informs the affected members of the Board at the time the Notice is served of their removal from the Board. This is in addition to the formal letter East Kent Housing will need to send out through their Governance team.
 - (3) That a Press Statement is issued on 13 December with information on Board changes.
 - (4) That in the event that the Officer Panel cannot reach unanimous agreement on the matters set out at (1) above, the matters be referred to the East Kent Housing Owners Committee for determination.
 - (5) That it is the view of the decision maker that these decisions are urgent and should not be subject to call-in.
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Statement if decision is an urgent one and therefore not subject to call-in:

The decision is urgent due to the timescales involved and the Chairman of the Overview and Scrutiny Committee was briefed on 3rd December 2019 and has agreed for the decision to be exempt from Call-in.

In addition, in accordance with Part 6.3 para 8.2 (b) Executive appointments to outside bodies are not subject to Call - in

Reasons for decision:

1. The Leader has received an oral report from the Head of Paid Service. Details of which are shown in Appendix 1
 2. Serious concerns have been highlighted as shown in the report attended
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Alternative Options (if any)

None

Declarations or personal/prejudicial interests:

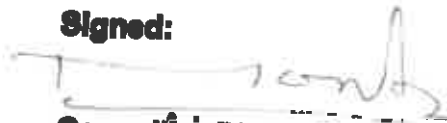
None

Background Documents:

Record of Oral report provided by the Head of Paid Service is attached.

The decision set out above (as amended if applicable) was made by me and I confirm that I have no personal or prejudicial interest in the matter.

Signed:



**Councillor David Monk
Leader of the Council**

Date: 9 December 2019

Appendix 1 – Record of Oral report provided by the Head of Paid Service

Below is a written record of the oral updates/information I have provided the Leader on this matter.

- On behalf of the 4 Councils and following concerns about the direction and performance of East Kent Housing (EKH), Thanet Council commissioned Penningtons to produce a report on "Compliance Investigation". The draft report has been reviewed by officers and is awaiting finalisation by its author. It will be formally reported to appropriate Cabinet/ Committee as appropriate and published on the Council's webpage when the finalised document has been received.
- The Regulator has concluded there has been a breach of the "Home Standard" part of the consumer standards framework for social housing and has asked the Councils to consider entering into a Voluntary Undertaking to improve performance, outcomes and ultimately tenant safety.
- The issues investigated by Penningtons came to light following service failures in relation to gas safety and the associated contractual withdrawal of the appointed gas maintenance contractor. Thereafter an audit of the wider property health and safety compliance management service delivered by EKH was undertaken by East Kent Audit Partnership (EKAP).
- Penningtons have examined the situation in relation to asbestos; water hygiene; fire safety; gas safety; and electrical safety. There are, in total, a backlog of around 24,000 pieces of compliance work that need to be undertaken. There are also a number of "discovery" pieces of work where the baseline data is not known.
- The report recommends a "Recovery Plan" focussed on "discovery" and "taking action" within each compliance work stream. This will become the focus for progress and performance reporting until each service has reached an agreed level of steady state.
- The report looks at the fundamental causes which it suggests is down to the way EKH was set up; issues around governance; and leadership. There are also issues around funding and procurement, the failure of the P and R gas contract; the HQN report which was commissioned by EKH to examine the issues around the P and R contract, the performance record of EKH and recruitment challenges.
- Through the summer I provided the Leader with regular updates on the progress with EKH matters and on Wednesday 27th November, following extensive discussions with the author of the report and Chief Executive colleagues, I advised the Leader that a presentation had been given on the draft conclusions of the Pennington report. While the report needed to be finalised, the conclusions are:

- 1 It is hard to conclude anything other than that the current EKH model is fundamentally broken. To retain the present arrangements would require a very substantial renewal of the model, a renewed purpose for EKH including the relationship between EKH and the councils and ultimately the governance and leadership of EKH.
- 2 The Board seems to have little meaningful role. The Board is effectively redundant and there is unnecessary duplication and some level of distraction and confusion caused by EKH having multiple accountability channels.
- 3 Ineffective leadership is considered to be a significant issue.
- 4 Taking urgent action has largely been ineffective in that further "discovery" is reported by Penningtons as expected, some 6 months beyond the initial problems were reported. I consider that it is a senior leadership role to ensure that timely action is taken on mission critical matters, and that absolutely clear direction is given from the Board to ensure that senior management ensure that the appropriate actions happen. Residents could quite reasonably see this failure in leadership as unforgivable considering the seriousness of the health and safety issues that sadly remain in question and in the wider context of the Grenfell tragedy.
 - Having discussed the conclusions of the report with Penningtons directly with fellow Chief Executive/Head of Paid Service colleagues, and considering the liability the councils have, the view is that the current members of the Board should be dismissed and replaced with the 4 East Kent Chief Executives to give the councils direct accountability.
 - The Chief Executives/ Head of Paid Service of the four Councils concur with the recommendation from Penningtons.
 - The Leader agreed with my oral report that the best way forward would be to dismiss the current EKH board and to appoint the 4 East Kent Chief Executives/Head of Paid Service.
 - The Leader asked for a meeting of all Political Group Leaders, the Chair of Audit & Governance and the Chair of Overview & Scrutiny, to be arranged to discuss the matter. This was arranged on Tuesday 3rd December.