TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 12th JANUARY 2005

Report of Head of Housing

(This matter is the responsibility of Councillor Garner)

HOUSING STOCK OPTIONS

Executive Summary

The purpose of this report is to provide Members with an update on the work that has or is still being undertaken. Attached to this report are a number of appendices:

- i) Appendix 1 Housing Stock Options Report to the Executive on the 8th December 2004
- ii) Appendix 2 Communication Log
- iii) Appendix 3 PricewaterhouseCoopers (PWC) Report on Financial Guidance Stand Alone versus Group Structure Stock Transfer
- iv) Appendix 4 PWC Report on Prudential Borrowing
- v) Appendix 5 DOME the Independent Tenants Advisor (ITA) Report
- vi) Appendix 6 Questionnaire Returns from Partners, Members and Staff

1. **Background**

- 1.1 At the Executive meeting held on the 8th December, Members including those of the Housing Review Panel were made aware of the current position concerning Stock Options. Attached as Appendix 1, is a copy of the report that was discussed and Members are asked to reacquaint themselves with this report. The report was primarily outlining the work that has, is or is still required to be undertaken in choosing a landlord type should a transfer take place. It also included the ITA's work to date on advising the Insight Group on all the different types of landlord, working with them in narrowing their focus onto two types of landlord and then working with them and all tenants in choosing their preferred option. The report also covered the next stage of applying to gain entry onto the Stock Transfer Programme.
- 1.2 The purpose of this report is:
 - i) PWC to provide financial guidance on the difference between a Stand Alone versus a Group Structure
 - ii) PWC to update Members on the Prudential Code and it's use to Taunton Deane
 - iii) To note the ITA's final report which takes into consideration the Insight Group's recommendation

- iv) To note the views of our Partners, Members and Staff
- v) To update Members on the work being undertaken to gain a place on the Stock Transfer Programme

2.0 <u>PWC financial guidance on the difference between a Stand Alone versus a</u> Group Structure

Attached, as Appendix 3 is PWC's report which they will elaborate on at the meeting itself. The key point that can be derived from their report is that there are no great financial advantages that one transfer type has over the other when a comparison is made. Linked to this is that it must be remembered, the tenants choice of landlord is vitally important in this process and Members must have a very good reason to recommend an alternative when the application is made to gain a place on the Stock Transfer Programme.

3.0 PWC update on the Prudential Code and it's use to Taunton Deane

3.1 Attached as Appendix 4 is a report produced by PWC on the potential use of the Prudential Code in relation to Taunton Deane Borough Council. Members may recall that the use of the Prudential Code to borrow money was investigated during the Stock Options Appraisal and it was believed that it would not provide the Housing Service with the resources it needed to achieve all of its housing priorities. In summary, the report indicates that the use of the Prudential Code would still not alter the original view taken and does not provide the Authority with an alternative viable option to Stock Transfer.

4.0 **ITA's Final Report**

4.1 Attached, as Appendix 5 is the ITA's final report, which includes the Insight Group's choice of landlord. The Insight Group's preferred type concurs with the postal returns from tenants in that those that have expressed an interest have chosen the Stand Alone type of Stock Transfer.

5.0 Questionnaire Returns from our Partners, Members and Staff

5.1 Attached as Appendix 6, are questionnaire returns from our Partners, Members and Staff. All three questionnaires indicate a good understanding of the work being undertaken and all three groups indicate a preference for a Stand Alone type of Stock Transfer.

6.0 Applying to gain a place on the Stock Transfer Programme

- 6.1 Key work that PWC are undertaking is in assisting officers to submit Taunton Deane's formal application to the Office of the Deputy Prime Minister (ODPM) to gain entry onto the Stock Transfer Programme. The application deadline is the 28th January 2005 and PWC are working with officers to ensure compliance is achieved in line with the ODPM guidance.
- 6.2 Details of the formal application will be provided to Members at a future Executive. However, due to the timescales involved, the dates of future Executives and the complexity of the information required in a relatively short space of time, it may not be feasible to provide the Executive with a copy of the application and explain all the detail prior to the deadline of the 28th January. It is therefore intended subject to Member approval, to undertake this at February's Executive. Prior to February, it is requested that Members permit the Head of Housing in conjunction with fellow officers of the Corporate Management Team and the Executive Member of Housing to complete and proceed with the formal application. This request is not unusual and was the approach adopted after Members recommended at July's Full Council to investigate further the option of a "Whole Stock Transfer Solution" and allow officers to complete the application for "Sign Off" to the Government Office South West (GOSW).
- 6.3 In regard to the "Sign Off" process, a formal letter was received from the GOSW just before the Christmas break, advising that Taunton Deane had obtained "Sign Off" and stating that the process undertaken had been both rigorous and objective.

7.0 **Summary**

7.1 It is believed this report and the attached appendices provides Members with a good overview of the current position and the preferred choice of landlord by all parties concerned; most importantly tenants, is that of a newly established free-standing Registered Social Landlord (RSL) – a Stand Alone. Lastly, the contents of this report and attached appendices were endorsed at the Tenants Forum and Housing Review Panel on the 20th and 21st December 2004 respectively.

8. **Recommendation**

8.1 Members are asked to endorse the contents of this report, attached appendices and the formation of a free-standing Registered Social Landlord (RSL) – a Stand Alone should a transfer take place.

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APPENDIX 1

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 8th DECEMBER 2004

Report of Head of Housing(This matter is the responsibility of Councillor Garner)

HOUSING STOCK OPTIONS

Executive Summary

The purpose of this report is to provide Members with an update on the work that has or is being undertaken and an overview of the progress being made on choosing a prospective new landlord; which has involved DOME the Independent Tenant Advisor (ITA).

1. **Background**

- 1.1 Members will recall that at July's Full Council, a decision was taken to investigate and ultimately ballot tenants on the option of a "Whole Stock Transfer Solution" to a Registered Social Landlord (RSL). Since that meeting a great deal of work has been undertaken with updates provided to Tenants, Members, Staff and our Partners. Attached for information as Appendix 1 is a Communication Log.
- 1.2 As throughout the Appraisal Process, the work undertaken has been monitored and a steer given by the Officer Working Group and the Steering Group, which have both met on average once a month.
- 1.3 After July's Full Council there were three key pieces of work required to be undertaken before embarking on a full-blown consultation exercise with tenants, which would ultimately lead up to a ballot. These are:
 - i) Obtaining "Sign Off" from the Government Office South West (GOSW) for the Stock Option Appraisal
 - ii) Choose a Prospective Landlord Type
 - iii) Apply to go on the Stock Transfer Programme
- 1.4 In regard to Point i), a formal application has been made to the GOSW to obtain "Sign Off" and it is hoped to hear shortly the outcome of that application. Initial feedback from GOSW is consistent with what officers have been previously advised of, that the work undertaken should be viewed as "Good Practice".
- 1.5 Points ii) and iii) will be addressed within the General section of this report.

2. General

2.1 Choosing a Prospective Landlord

2.1.1 Guidance by the Office of the Deputy Prime Minister (ODPM) laid down in the 2005 Housing Transfer Programme states:

"An authority proposing a transfer is required to consider with tenants, in liaison with the Housing Corporation, what type of new landlord should take over the housing stock. The options are as follows:

- i) an existing RSL
- ii) a newly established subsidiary of an existent RSL (either as part of an existing group structure or through the creation of a new group structure)
- iii) a newly established free-standing RSL
- iv) a number of newly established RSL's that will make up a new group".
- 2.1.2 Historically there has been a presumption by local authorities that, in all except the smaller and partial transfers, the establishment of a new RSL as the new landlord is the best option. This can be the case but it should not be presumed that this will always be true. Where an authority is proposing to transfer stock to a new stand alone RSL, the ODPM will require the authority to demonstrate that it has worked with tenants to explore the scope for working with existing RSL's.
- 2.1.3 The ODPM does not require a competitive process for landlord selection on all transfer proposals. However, the ODPM will require an authority to demonstrate clearly in both its Large Scale Voluntary Transfer (LSVT) Programme application and in working with the Community Housing Task Force (CHTF) that tenants have been made aware of all the new landlord options, what each option offers to tenants in relation to their particular circumstances and lastly but no means least, that they have been fully involved in deciding their eventual landlord choice. It is also believed to be beneficial to involve staff in this process and recently a questionnaire was sent to all staff to gauge their understanding of the work to date and to ask for their preferred choice of landlord. A similar exercise has also been undertaken with both our Partners and Members.
- 2.1.4 The process of landlord selection will depend on a range of issues including:
 - i) the size and nature of the stock to be transferred
 - ii) organisational viability and the landlord's ability to deliver service improvements, manage the improvement programme, secure the confidence of the tenants and other stakeholders in the area, tenant empowerment and fundability
 - iii) local circumstances such as community boundaries, geography and management areas, together with an understanding of the nature of the social housing market in which the authority is operating and of current choices of landlord available to tenants

- 2.1.5 All of what has been documented in the General section of this report is believed has or is being addressed, through the work of officers, DOME and PricewaterhouseCoopers (PWC).
- 2.1.6 Many of the areas that are required to be undertaken have been addressed through the work by DOME and attached to this report, as Appendix 2 is their report. Also attached as Appendix 3 are the statistics from the questionnaire undertaken by DOME. The only and arguably most important element that is missing and will be presented to Members verbally is the recommendation of the Insight Group on which landlord type they have chosen. This recommendation will be included in a updated report to be produced by DOME and will be re-presented to the Tenants Forum and Housing Review Panel on the 20th and 21st December respectively and January's Executive.
- 2.1.7 In regard to DOME's report it is believed important to put some perspective on the concerns that they have raised. The concerns raised in regard to tenants understanding are not uncommon at this stage of the process and as DOME have quite rightly recorded; this apparent lack of understanding should decrease as the process continues. Certainly the area of informing tenants about the process and countering disinformation will be a key part of the Project Team's remit when this dedicated team is formed in the new calendar year. It should also be remembered that when a second survey was undertaken to gauge tenants understanding at the end of the Appraisal process and comparison made to a similar exercise undertaken at the mid way point, an increase in awareness was recorded across all areas.
- 2.1.8 In response to their concern on losing momentum in early 2005 whilst various support consultants work is tendered, it should be remembered that this was something agreed with both the GOSW and CHTF. Both government bodies agreed and still do that this would be a good thing to undertake in order to enable the authority to take stock, recharge its batteries and enable staff to concentrate on their day job. This last element is vitally important as many housing services do record a dip in performance when undertaking a stock option appraisal and in the lead up to a ballot. Fortunately to date, this has not been the case with Taunton Deane due to the dedication and hard work of its housing staff.
- 2.1.9 In regard to DOME's last concern, I meet with the GOSW, CHTF and Housing Corporation on the 17th Novembers to discuss the work being and still to be undertaken. All three government agencies are happy with the timescales that are being worked to and the nature of the work that has been or is planned to be undertaken.
- 2.1.10 On a related but different matter, during the evening of the 17th November both the GOSW and the CHTF clarified in a Special Executive Meeting that a "Fourth Option" did not exist and the Government had no intention of introducing a "Fourth Option".
- 2.2 Application to go on the Stock Transfer Programme
- 2.2.1 Key work that PWC are undertaking is in assisting officers to submit Taunton Deane's formal application to the ODPM to gain entry onto the Stock Transfer Programme. The application deadline is the 28th January 2005 and PWC are working with officers to ensure compliance is achieved in line with the ODPM guidance.

2.2.2 PWC will be presenting to the Tenants Forum and Housing Review Panel on the 20th and 21st December respectively and January's Executive the work they have undertaken. An element of this presentation will be on the financial differences between a Group Structure and a Stand Alone Stock Transfer, which is something PWC are scheduled to be discussing with the Insight Group on the 4th December. In addition to this, PWC will also update the Tenants Forum and Members on Taunton Deane's position in relation to Prudential Borrowing.

3. **Summary**

3.1 It is believed this report and the attached appendices provide Members with a good overview of the current position. A final report will be presented to January's Executive, when Members will be asked to select the type of landlord they would wish to manage the housing stock if tenants ultimately voted in favour of a transfer.

4. **Recommendation**

4.1 Members are asked to note and make comment on the contents of this report and appendices.

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& ITA advice	28.05.03	Tenants Forum	other LA's	Johnston	15.10.03
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CHTF ITA recruitment	08.07.03	Tenants Forum		Sarah Johnston	JS 15.10.03
training/advice Estate management	06.07.03	Teriants Forum		JOHNSTON	AT
	24.7.03	Staff briefing		Carl Brazier	10.9.03
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Repairs team briefing	25.7.03	Staff briefing		Carl Brazier	10.9.03
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DLO team briefing	5.8.03	Staff briefing		Carl Brazier	10.9.03
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Full Council	6.08.03	Members		Carl Brazier	22.08.03
Allocations team	8.8.03	Staff briefing		Carl Brazier	AT 10.9.03
briefing	0.0.03	Start briefing	All Managara to	Call blaziei	10.9.03
		Staff - Summary of options	All Managers to cascade through	David	22.08.03
Core Brief to SMT	14.08.03	appraisal explained in brief	team meetings	Woolnough	AT
Accountancy team				David	AT
briefing	17.8.03	Support staff briefing		Woolnough	18.9.03
Helpline Control centre team briefing	18.8.03	Staff briefing		Carl Brazier	AT 10.9.03
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				Jayne Hares Richard	JS
Interview skills training	19.8.03	Tenants Forum		Parsons	15.10.03
Scheme managers'					AT
team briefing	27.8.03	Staff briefing		Carl Brazier	10.9.03
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Shortlisting for ITA	02.09.03	Teriants Forum		Dayrie Hares	JS
Interviews for ITA	08.09.03	Tenants Forum		Jayne Hares	15.10.03
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LSP briefing	23.9.03	Briefing to strategic partners		Carl Brazier	29.9.03
Individual briefing with					
Mark Beard					AT
	24.9.03	Partner briefing		Carl Brazier	29.9.03
Initial Meetings with Dome Consultants					JS
(ITA)	30.09.03	Tenants Forum		Jayne Hares	15.10.03
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Stock Options					
Appraisal Briefings to					JM
Housing Team	17-24.10.03	Staff briefing		Carl Brazier	17.10.03
Website Going Live	47.40.00			Alison	JM
inc. Email Address	17.10.03	All		Templeton	21.10.03
Grapevine Message informing of Website	20.10.03	Staff		Alison Templeton	JM 21.10.03
Email to Directors and				Alison	JM
		Partners and Members		Templeton	21.10.03
Email to Directors and				Cathy Osborn	
SUMS about Training	23.10.03	Partners and Members		of PWC	23.10.03
	00.40.00	L , _			JM
	28.10.03	Tenants Forum		Jayne Hares	10.11.03
Monitoring Meeting with DOME	28.10.03	Tenants Forum and ITA Monitoring Group		Jayne Hares	JM 27.11.03
Stock Options Packs	20.10.03	Monitoring Group		bayrie riares	JM
	29.10.03	Members		Carl Brazier	29.10.03
DOME Sheltered					
Housing Forum		Sheltered Housing Forum			JM
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Member Briefing Sheet	31.10.03	Members		Carl Brazier	JM 19.04.04
Officer	01.10.00	incliners		Can Brazici	JM
Deane Housing News	1/2.11.03	Tenants and Leaseholders		Jayne Hares	10.11.03
TACT@DOME					JM
Newsletter	3/4.11.03	Tenants and Leaseholders		Jayne Hares	10.11.03
Planning Meeting with					JM
DOME	11.11.03	Tenants Forum		Jayne Hares	27.11.03
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Core Brief to SMT	14.11.03	Staff - Update of Stock Options	team meetings	Nan Heal	14.11.03
Healthy Working					JM
Place Briefing Note	14.11.03	Staff		Nan Heal	14.11.03
NA	47.44.00			Alison	JM
Weekly Bulletin	17.11.03	All		Templeton	19.04.04
Roadshows - DOME	17/22 11 03	Tenants and Leaseholders		TACT@DOME	JM 14 11 03
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Halcon TRA - DOME	18.11.03	Halcon Residents		Carl Brazier	14.11.03
Leaflet Sent Out in					JM
Pay Slips	22.11.03	Staff and Members		Lisa Wyatt	24.11.03
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	24.11.03	All		Nan Heal	19.04.04
CHTF/TPAS Options	25 11 02	Tananta Farum (F Mambara)		Joyno Horos	JM 27.11.03
Appraisal Roadshow	25.11.03	Tenants Forum (5 Members)		Jayne Hares	27.11.03
Briefings to Service					
Support Team and	05.44.05				
including Housing staff who did not attend	25.11.03 04.12.03				JM
housing briefings		Staff Briefings		Carl Brazier	03.11.03
Member Training with	2.00			2.0.2.0	JM
	27.11.03	Members		PWC	26.03.04
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Deane Despatch				1	JM
Article .	01.12.03	All		Carl Brazier	19.04.04
Briefing To Community Initiatives					JM
	01.12.03	Staff Briefing		Carl Brazier	29.10.03
Housing Stock Press					JM
Release	02.12.03	General Public		Nan Heal	02.12.03
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briefing on Stock Options	10.12.03	Members		Carl Brazier	JM 26.03.04
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Core Brief to SMT	11.12.03	Staff		Nan Heal	11.12.03
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Planning Management, Forward					
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Recovery Team					
Leaders and Managers	11.12.03	Staff Briefing		Carl Brazier	JM 05.11.03
Briefing To	11.12.00	Otan Briefing		Odii Brazici	JM
	12.12.03	Staff Briefing		Carl Brazier	29.10.03
Communication					JM
Questionnaire	15.12.03	Staff		Lisa Wyatt	05.01.04
Briefing To Personnel Team	16.12.03	Staff Driefing		Carl Brazier	JM 29.10.03
Briefing to	10.12.03	Staff Briefing		Call blaziei	JM
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Briefing to Benefits					JM
Team	17.12.03	Staff Briefing		Carl Brazier	17.12.03
Stock Options					
Appraisal Release -					
Notification of Completion of Phase					JM
	19.12.03	All		Carl Brazier	19.12.03
Communication					JM
Questionnaire	22.12.03	Members		Lisa Wyatt	05.01.04
Memo to all housing					
managers informing of					JM
next phase of briefings		Housing Managers	Cascade to all staff	Carl Brazier	22.12.03
North Taunton News					JM
Article	09.01.04	Tenants		Carl Brazier	19.04.04
Deane Housing News	10 01 04	Tenants		Jayne Hares	JM 19.04.04
Pearle Housing News	110.01.04	i ciiailtə		payric Hales	13.04.04

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Update Briefing Sheet with TF newsletter		Tenants	Jayne Hares	JM 19.04.04
Insight Group Meeting (DOME)		Tenants	Jayne Hares	JM 17.12.03
Wellington East TRA Open Meeting	14.01.04	Members of WETRA	Carl Brazier	JM 15.01.04
TF Monitoring Group with TACT@DOME	19.01.04	Tenants' Forum	Jayne Hares	JM 15.01.04
Housing Services Partners Day	21.01.04	Presentation to Partners	Carl Brazier	JM 21.01.04
	27-31.01.04 01-06.02.04		Carl Brazier	JM 22.12.03
Housing Needs Insight Group Presentation by		Insight Group Tenants	Jayne Hares	JM 09.02.04
Member Questionnaire (2nd Attempt)	01.02.04	Members	Lisa Wyatt	JM 04.02.03
Weekly Bulletin	05.02.04	AII	Claire Tough	JM 19.04.04
Member Briefing Sheet		Members	Carl Brazier	JM 19.04.04
Core Brief	09.02.04	Staff	Claire Tough	JM 19.04.04
Press Release	09.02.04	All	Nan Heal	JM 19.04.04
Insight Group Meeting - Stock Condition by JPS (DOME)		Insight Group Tenants	Jayne Hares	JM 26.03.04
Tenants Forum	24.02.04	Tenants Forum	Jayne Hares	JM 24.06.04
Housing Review Panel	25.02.04	Members	Carl Brazier	JM 25.03.04
Insight Group - Stock Condition & Service Delivery by JPS & JW (DOME)	06.03.04	Insight Group Tenants	Jayne Hares	JM 26.03.04
Member Questionnaire (3rd Attempt)	08.03.04	Members	Pete Weaver	JM 22.03.04
Insight Group - HRA Forecast by CO (DOME)	20.03.04	Insight Group Tenants	Jayne Hares	JM 26.03.04
Insight Group Visit – Cheltenham Borough		Insight Group Tenants	Jayne Hares	JM 26.03.04
Briefing with County/Parish		Stakeholders	Carl Brazier	JM 29.01.04
Dome Tenant	29.03.04	Tenants	Jayne hares	JM 19.04.04
Insight Group - Criteria Setting			Jayne Hares	JM 26.03.04

Link Centre News			, 		JM
Article	05.04.04	Tenants	Ja	ayne Hares	19.04.04
Insight Group Visit –				<u> </u>	10101101
Somerset Community					JM
Housing Trust	05.04.04	All Tenants and Leaseholders	Ja	ayne Hares	24.06.04
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Tenants Forum	13.04.04	Tenants Forum	Ja	ayne Hares	24.06.04
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Housing Review Panel	14.04.04	Members	C	arl Brazier	25.03.04
Informal Unison					JM
Meeting	14.04.04	Staff	C	arl Brazier	28.05.04
Next Phase Non	L				JM
Housing Briefing	7-16.04.04	Staff	C	arl Brazier	22.03.04
Insight Group -					
Decision Making - CB	47.04.04	La simbili Canana Tananata			JM
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Housing Society	13.05.04	All Tenants and Leaseholders	Ja	ayne Hares	26.05.04
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Core Brief	13.05.04	Staff	С	arl Brazier	28.05.04
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not reach press)	14.05.04	Tenants	C	arl Brazier	28.05.04
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6 Information Briefings	2.06.04	Tenants	U	OME	28.05.04
Tenants Forum	01.06.04	Tenants Forum	1,	avno Haros	JM 24.06.04
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MRUK	07.06.04	Tenants	Ja	ayne Hares	04.06.04
Presentation to North				,	
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Update Email	06.07.04	Members		Pete Weaver	19.07.04
Tenants Forum	06.07.04	Tenants Forum		Jayne Hares	JM 24.06.04
Housing Review Panel	06.07.04	Members		Carl Brazier	JM 25.03.04
Executive Meeting	13.07.04	Members		Carl Brazier	TM 19.07.04
_				Cllr Greg	TM
Full Council	20.07.04	Members		Garner Cllr Greg	20.07.04 TM
Decision Letter	22.07.04	All Tenants and Leaseholders		Garner	28.07.04
Decision Letter	22.07.04	Parish Councillors		Cllr Greg Garner	TM 28.07.04
Decision Email	22.07.04	All Staff		Jeremy Thornberry	TM 28.07.04
Decision Letter	23.07.04	Stakeholders		Cllr Greg Garner	TM 28.07.04
Decision Letter	23.07.04	otakeriolders		Lisa Wyatt-	TM
Payslip Info letter	22.08.04	All staff and Members		Jones	24.08.04
	26.08.04	Tenants, members and officers		Carl Brazier	TM 24.08.04
Update Email to staff and Landlord Choice	13.09.04	All Staff		Carl Brazier	TM 14.10.04
Steering Group	23.09.04	Tenants, members and officers		Carl Brazier	07.10.04
Staff Briefing Session	28.09.04	All Staff		Carl Brazier	TM 07.10.04
Drop-in Sessions	30.09.04	All Tenants and Leaseholders		Jayne Hares	TM 07.10.04
Drop-in Sessions	30.09.04	All Tenants and Leaseholders		Jayne Hares	TM 07.10.04
Drop-in Sessions	01.10.04	All Tenants and Leaseholders		Jayne Hares	TM 07.10.04
Drop-in Sessions	01.10.04	All Tenants and Leaseholders		Jayne Hares	TM 07.10.04
Drop-in Sessions	02.10.04	All Tenants and Leaseholders		Jayne Hares	TM 07.10.04
Tenants Forum	05.10.04	Tenants		Carl Brazier	TM 30.11.04
Housing Review Panel	06.10.04	Members		Carl Brazier	TM 30.11.04
Housing Staff Briefing	08.10.04	All Housing Staff		Carl Brazier	TM 16.11.04
Insight Group Meeting	09.10.04	All Tenants and Leaseholders		Jayne Hares	TM 07.10.04
Full Council	12.10.04	Members		Cllr Garner	TM 30.11.04
Housing Staff Briefing	15.10.04	All Housing Staff		Carl Brazier	TM 16.11.04
Insight Group Meeting	16.10.04	All Tenants and Leaseholders		Jayne Hares	TM 16.11.04
Housing Staff Briefing	19.10.04	All Housing Staff		Carl Brazier	TM 16.11.04
Housing Staff Briefing	22.10.04	All Housing Staff		Carl Brazier	TM 16.11.04
	28.10.04	Tenants, members and officers		Carl Brazier	TM 16.11.04
Insight Group Visit – Tor Homes	2.11.04	All Tenants and Leaseholders		Jayne Hares	TM 30.11.04

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Partners Event	05.11.04	All Partners		TM 16.11.04
Insight Group Visit –	05.11.04	All Faithers	ı	TM
West Devon Homes	09.11.04	All Tenants and Leaseholders	l l	30.11.04
West Devon Homes	09.11.04	All Tenants and Leasenoiders		TM
Insight Group Meeting	13.11.04	All Tenants and Leaseholders	Jayne Hares	16.11.04
			GOSW, CHTF	
Special Executive	17.11.04	All Members		30.11.04
Tenants Talk				TM
Newsletter	19.11.04	Tenants		03.12.04
			,	TM
Email to Staff	22.11.04	All Staff		30.11.04
				MT
Memo to Members	22.11.04	All Members		30.11.04
				TM
Steering Group	25.11.12	Tenants, members and officers	Carl Brazier	30.11.04
Insight Group Visit –				
Purbeck Housing				TM
	26.11.04	All Tenants and Leaseholders		30.11.04
Press Release Deane				MT
	03.12.04	Borough Wide		03.12.04
Executive/Housing			DOME/Carl	TM
Review Panel	08.12.04	Members		09.11.04
				TM
Final Insight Group	11.12.04	All Tenants and Leaseholders		22.12.04
				MT
Final Steering Group	17.12.04	Tenants, members and officers	Carl Brazier	22.12.04
				TM
	20.12.04	Tenants Forum		22.12.04
Parish and County				TM
Councillors Briefing	20.12.04	Parish and County Councillors	Carl Brazier	22.12.04
				TM
Housing Review Panel	21.12.04	Members	Carl Brazier	22.12.04
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APPENDIX 3

Taunton Deane Borough Council

Options for new landlord



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Executive Summary

- ODPM's transfer guidance requires that tenants must play an active part in the Council's decision about the future landlord. The work carried out with DOME has given the Council a clear indication of tenants' preference for a stand alone newly created RSL.
- 2 Before making a final decision on the prospective new landlord ODPM's guidance also requires that the Council consider the extent to which a newly created stand alone landlord would be cost effective in the long run. This includes a consideration of the following issues
 - Performance how does the Council's performance at present compare with other local RSLs. Could transfer to an existing RSL improve performance standards?
 - Cost how do the Council's costs compare to existing RSLs. Would transfer to an existing RSL mean reductions in costs?
 - Future business plan would a future business plan for a stand alone RSL be fundable?
- This paper considers a financial analysis of the case for a new stand alone RSL looking at issues of performance, cost effectiveness and fundability.
- The Council's current housing management performance is good, with high satisfaction from tenants. A comparison of the Council's performance with other local RSLs does not indicate that transfer to an existing RSL would result in an improvement in performance.
- The Council's current cost base shows that the service is cost effective when compared with other similar social landlords. There is often an argument that transfer to an existing RSL will reduce management costs. However, existing RSLs in the South West have higher management costs than those at the Council. It is therefore reasonable to assume that a stand alone newly created RSL for the Council's stock, that uses the Council's current management cost as its starting position, could develop a management cost budget that compares favourably with other local RSLs. On this basis it is reasonable to assume that a stand alone RSL could be cost effective in the long run. The Council will however have to consider the extent to which management costs may need to increase to address any tenant aspirations for improved services that emerge through the consultation process. This would be required regardless of the decision about the type of future landlord.
- The indicative business plan is based on the current valuation. This will need further refinement based on the results of a warranted stock condition survey, and further development to ensure the business plan can deliver tenants' aspirations for transfer. Again, this would be required regardless of the decision about type of future landlord. At this stage it is reasonable to assume that a fundable business plan could be developed for a stand alone RSL and therefore this can remain as a deliverable option to be offered to tenants.

Background

- ODPM's transfer guidance requires that tenants must play an active part in decisions about the future landlord. The options include
 - An existing Registered Social Landlord (RSL)
 - · A newly established subsidiary of an existing RSL
 - A newly established free standing RSL
 - A newly established RSL with a group structure.
- 8 Tenants must explore the extent to which each of these options meet their priorities.
- 9 DOME have recently consulted tenants through survey and through the insight group. The survey has shown that tenants' priorities are
 - That the new landlord has a local focus with local responsibility for homes and services. The majority
 of respondents felt that a newly established RSL with its headquarters in the Taunton Deane area
 would provide greater opportunities for local focus and local responsibility for homes and services.
 - That the new landlord can develop new homes
 - That the new landlord can maintain existing high standards of service and have the greatest chance of
 improving service standards further. Respondents tended to think that the opportunities for high
 service standards where greater with a new stand alone RSL compared with existing.
 - That transfer generally would not mean higher rents or other costs to tenants.
- Members of the Insight group also undertook visits to existing landlords and the issues that arose from these visits included
 - Where a transfer landlord was part of a group structure (Tor Homes, approximately 3,000 homes now
 part of William Sutton group) they had initially transferred as a stand alone RSL and this period of
 independence gave it greater influence over its ultimate position within the group structure of an
 existing RSL.
 - Where a small RSL was created (West Devon, under 1,500 homes), a critical success factor was its ability to develop new homes, replacing stock lost through Right to Buy.
- 11 This consultation has shown a clear preference from tenants for a newly created stand alone landlord.

Performance

- A key priority for tenants is that existing high standards of service are maintained and that opportunities to improve services are maximised through the transfer process. Tenants are also keen for there to be a local focus to performance improvement.
- The National Audit's Office review *Improving social housing through transfer*, March 2003 recognises that in many cases, tenants preferences and priorities would support the creation of a new stand alone RSL. However the review, and subsequent guidance issued by ODPM recommends a wider consideration of whether such an approach also addresses best value. In considering whether to establish a new RSL, a council is therefore encouraged to consider whether other existing RSLs may deliver improved performance that could be more attractive to tenants, and present better value for money, than the establishment of a new RSL.
- In order to consider whether the existing service is high performing when compared with other local RSLs we have looked at the performance of those RSLs within the Housing Corporation's south west region. Some of these have stock in the Taunton area as set out below:

Table one: RSLs with stock in the Taunton Deane area

RSL:	Number of homes in Taunton	Total number of homes
Knightstone	557	10,292
Sanctuary	218	35,763
Bristol Churches	91	3,444
Falcon	80	218
Taunton Town	69	71
Housing 21	61	13,405
Wellington	51	53

- We have compared the Council's performance against those of South West RSLs where broadly comparable performance indicators are publicly available. This includes an analysis of performance on the following issues
 - · relet times
 - repairs (the proportion of urgent repairs completed on time, the proportion of repairs appointments made and kept)
 - tenant satisfaction (with overall service, and with opportunities for participation)
 - · rent collection
- This analysis is illustrated below. The Council performs favourably when compared with other RSLs on most of the key indicators. The Council performs less favourably in comparison to other RSLs against indicators for the % of repair appointments that are kept and the % of rent collected. A newly established RSL would therefore need to demonstrate the ability to improve performance in these two areas.
- 17 This comparison of performance indicators between the Council and the RSL does not demonstrate a significant underperformance that would need to be addressed through consideration of transfer to an existing RSL.

Performance comparison

Table two: Number of days taken to relet vacant homes

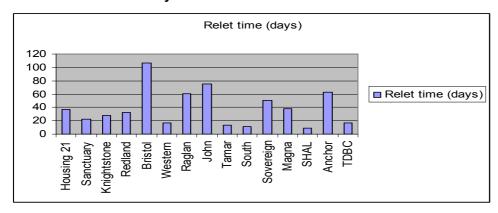


Table three: Repairs performance

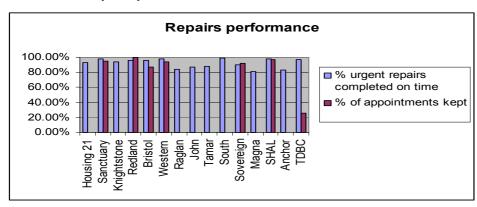


Table four: Tenant satisfaction

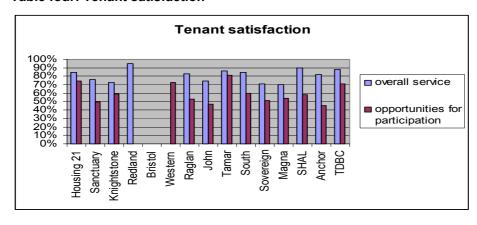
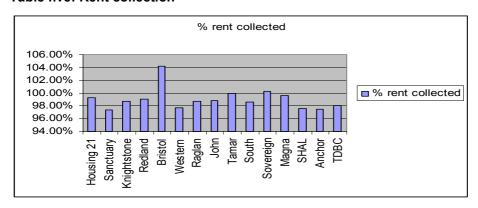


Table five: Rent collection



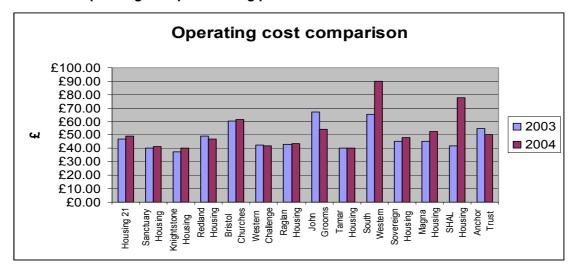
Cost

The management costs of a new transfer landlord are influenced to a large extent by the existing costs of the service. Where existing management costs are higher than other similar organisations, there is an argument that transfer to an existing RSL may help to reduce costs in future, as the service is managed by an organisation with a track record for reduced costs. Transfer to a newly created RSL may have increased costs due to the need to establish a new senior management structure to run the organisation.

Comparison of costs

- Our previous reports to the Council have highlighted the fact that the Council's management costs are low when compared with other authorities. Information prepared by the Chartered Institute of Public Finance Accountants (CIPFA) shows that the average management costs for non metropolitan district councils were £12.90 per dwelling per week in 2003/04. This compares with budgeted costs at Taunton Deane of £9.74 per week.
- The Council uses a benchmarking system, Housemark, to compare its service with other social landlords including four RSLs in the South West. This comparison shows that management costs in Taunton Deane Council are lower than for all of this group:
 - Western Challenge Housing Association
 - Tamar Housing Society
 - Sovereign Housing Association
 - Raglan Housing Association
- Publicly available information from the Housing Corporation on the operating cost per dwelling of RSLs in the South West shows that these four RSLs also have the lowest operating costs in the area.

Table two: Operating cost per dwelling per week.



It is not possible to compare operating costs at RSLs with similar costs at the Council because the operating cost is a figure calculated according to an RSLs accounts and Councils have a different system of accounting for costs. However, the CIPFA comparison demonstrates that the Council has low costs compared with other district Council. The Housemark comparison demonstrates that the Council has low costs compared with four South West RSLs. The Housing Corporation data shows that these four RSLs have lower costs than the majority of other South West RSLs. It is therefore demonstrated that the Council's management cost base is lower than the most cost effective RSLs in the South West region.

Future business plan

Fundability

- In order to establish a new stand alone RSL, the business plan of the new organisation must be able to attract the funding required to carry out the investment in the stock, and to repay this loan within a reasonable time period (typically 25 30 years although there is flexibility on this).
- The business plan must also be based on warranted stock condition information. Current business plan cashflows are based on the Council's own assessment of stock condition costs, as validated by Rands. This will need to be revisited once full information is available from a warranted stock condition survey.
- An indicative loan profile based on the current business plan cash flows shows a peak debt requirement of £52.1m in year ten. This is low, when considering the need for a valuation payment of £40m at the start of the plan. This low level of peak debt reflects the relatively low expenditure in the business plan in the early years. Before finalising the business plan the Council would need to be confident not only that its assessment of costs reflects the true needs of the stock, but also that it reflects expenditure on areas that meet tenants priorities.
- The low levels of debt, and low expenditure in the early years creates surpluses in the business plan that, if the organisation is not charitable, would be subject to corporation tax. The current profile of expenditure means that heavy expenditure in later years on recladding of non tradition homes results in increased expenditure in the later years of the business plan, which together with the corporation tax liability, creates a second "hump" of expenditure that would require repayment over a period that is longer than thirty years. This does not mean that the plan is unfundable, only that more work is needed to consider whether the organisation would be charitable and therefore reduce its corporation tax liability, and whether the expenditure profile of the warranted stock condition survey differs from the current proposals.
- Subject to the issues of corporation tax liability and profile of expenditure highlighted above, the current business plan would indicate the ability to attract funders as a stand alone RSL.

New development

- The ability of the new RSL to finance an increase in the supply of affordable homes depends on the extent to which its future business plan can support its plans for its existing stock, and future grant rates. A working assumption is that any new development would be self financing after an allowance is made about grant assistance although further development of the business plan, and the availability of grants will determine whether this is an accurate picture. It is often the case that an element of redevelopment can help to counter the impact on the debt profile of reductions in stock from Right to Buy sales.
- It is reasonable to assume that the RSL would not need to rely on the financial strength of an existing RSL in order to develop further homes in this way. However, the Housing Corporation's approach to partnering in the development programme means that it is anticipated that the new RSL would join existing partnership development consortia.
- Housing transfer also presents opportunities for increased investment through the use of VAT savings achieved through a "VAT shelter" whereby VAT on major works costs can be reclaimed by the RSL. Subject to agreements about how the proceeds of VAT savings are shared between the RSL and the Council, these savings could provide resources to the RSL's business plan to finance future development. There is an argument to say that the creation of a new stand alone RSL provides greater guarantees that these resources are spent locally. In the same way, the resources from future Right to Buy sales, and from business plan surpluses would remain ring fenced to the local area, rather than forming part of a larger RSL's surplus to be spent according to wider the priorities of the larger RSL.

Conclusion

ODPM housing transfer guidance requires the Council to involve tenants in the choice of future landlord. Tenants have clearly expressed a desire for a newly created stand alone landlord. ODPM housing transfer guidance also requires the Council to consider the extent to which such a choice would represent value for money. The analysis in this paper has considered value for money from the point of view of performance improvement, cost effectiveness and fundability. The conclusion of this analysis is that a stand alone newly created RSL could demonstrate value for money in line with ODPM's housing transfer guidance. It is therefore reasonable to develop proposals for a stand alone RSL given tenants' clear preference for such an option.

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APPENDIX 4

Taunton Deane Prudential Borrowing

The ability to use prudential borrowing to fund investment was introduced by the government as part of recent housing finance reforms. The key aspect of a prudential framework is not that authorities will be awash with cash to fuel spending sprees, but that they will be able to apply a longer-term focus to investment, taking into account the whole life costs of assets, to determine whether new capital spending is affordable; and, equally whether the avoidance of investment will be sustainable.

Individual authorities will decide how much they can prudently borrow, taking account for example of their existing commitments, their capital spending plans, their long term revenue resources and reserves, and the costs of borrowing (such as interest rates). There will be separate prudential indicators for HRA and non-HRA purposes, so that tenants' rents will not be available to fund spending on non-HRA investments.

The key features of the prudential code will be

- A focus on the effects of plans on future revenue accounts whether depreciation (or its equivalent) and interest costs of borrowing would be affordable (without subsidy to support debt) from revenue accounts in the future periods that will benefit from the capital investment.
- New investment will be made possible by finding "headroom" in revenue accounts, by projecting new income or savings in expenditure (lower depreciation charges from better asset management, reduced repairs and maintenance bills and so on).
- If plans are prudentially affordable, but the authority needs to borrow money to bring them into effect, then it will be able to do so, subject only to the government exceptionally imposing borrowing limits to protect the national economy.

The major barrier to freeing the HRA up for the prudential framework is determining how authorities are to be allowed to generate headroom. As an activity that will always require subsidy, government has traditionally limited the discretion that local authorities have to determine capital investment patterns for housing in favour of national control over priorities. There will need to be certainty that headroom has been generated by local efficiency and good management, and not merely a rise in rents financed by housing benefits.

Before undertaking prudential borrowing the Council must be sure it can afford to repay it from future revenue streams. In the case of Taunton Deane's HRA, the Council currently budgets to fund capital expenditure of £224,000 from revenue surplus. In theory, if this revenue surplus could be relied on each year, it could fund payments to support an element of prudential borrowing. Before undertaking any borrowing, the Council needs to ask itself the following questions

a) How secure is this surplus in future years, and over how many years can it be relied on?

b) How sensitive is this surplus to changes, for example in right to buy sales and annual subsidy determinations?

If the Council could be confident that this revenue surplus could be guaranteed for the next 10 years, then, assuming interest rates of 5%, this could be used to repay borrowing of around £2m. In reality the current business plan estimates that the Council would need an additional £26m over the next ten years to fund the investment required in its homes. If the Council were to consider borrowing prudentially to fund this, it would need to find a revenue contribution each year of almost £3m in order to repay this borrowing over ten years, compared with the £224,000 currently budgeted as being available. Borrowing over a longer period would reduce the annual repayments. As an example, borrowing over 25 years would mean annual repayments of £1.4m. However, an extension of the repayment period would increase the risk to the Council considerably and would impact on its ability to finance investment in future years. PwC's report to the Council in July 2004 highlights the fact that minor changes in housing subsidy, such as changes in the treatment of local authority housing debt, could reduce the available cashflows by £5m over a ten year this period. This would reduce any surplus available to repay borrowing.

Woking Council has announced plans to borrow £62m to build new homes. Traditionally, the development of affordable housing has required subsidy in the form of grant, as affordable rents are not sufficient to repay borrowing. Without grant, the Council would need to consider the use of cross subsidy, perhaps through an element of private housing for sale, or perhaps by letting some of the properties at market rents in order to generate enough income to repay borrowing. In Taunton Deane the Council is considering ways of enabling housing development without grant, but to date has taken the approach of transferring the risk of repaying this borrowing to RSLs.

Harrow Council has announced plans to borrow £40m to invest in their current housing stock. It is not clear the period of time over which they are aiming to repay this borrowing but one might expect that they are estimated a long repayment period of up to thirty years. When considering the number of changes in HRA finance over the last thirty years, questions have to be asked about how confident a Council could be that it could have resources available to repay this borrowing over such a long period.

In conclusion it would appear that prudential borrowing, while possible in theory, in practice presents significant risks to the Council as future revenue surplus are heavily dependant on annual subsidy determinations from government. In considering the risks relevant to Taunton Deane's financial position, it would not appear that revenue surplus could be guaranteed at a level that would be sufficient to repay the borrowing required to fund the identified investment need.

APPENDIX 5

OBJECTIVE

- This report summarises the work undertaken by the Insight Group, and all tenants, during September, October and November to provide the Council with a recommendation on whether tenants would prefer a stand alone landlord or one which would be a member of a Group.
- Throughout the period tenants have been supported by TACT@DOME, their Independent Tenants Adviser, whose contract was extended to allow the work to happen.
- The local press and a local "Defend Council Housing" campaign have combined to raise the profile of the development of the transfer proposal. This has undoubtedly helped to make residents aware (see survey response rate below), and has resulted in a larger Insight Group attendance, but it has also led to many residents receiving inaccurate and misleading information about national housing policy.
- 4 Much of the ITA's informal contact (e.g. 100 Freephone calls) has been spent in providing reassurance to worried and anxious tenants (especially older ones).

INITIAL CONTACT AND DROP INS

- All tenants were contacted by Newsletter, to advise them of the purpose of this stage of the consultation, and to invite them along to a series of five drop in sessions. These were held in locations in Taunton, Wellington and the rural areas at varying times of day, including a Saturday session in central Taunton. A total of 105 people attended.
- While these sessions were aimed at providing residents with information about landlord type, in practice they were predominantly used by those who came to get information and to update on the Council's decision to look at a transfer, and why this had been made.
- 7 The vast majority of those who came were added to the Insight Group mailing list, which now totals 324. Attendance at Insight Group has increased 40 at the last meeting compared to an average attendance of 25 in the earlier consultation.

INSIGHT GROUP MEETINGS

- Initially it was intended to hold four Insight sessions. In the event, five have been necessary, plus an Introductory session for new joiners. In part this has been caused by the need to allow time to deal with a very few individuals whose main objective has been to prevent the debate taking place since they believe that Government is about to release new money to Councils for use in bringing their homes up to a Decent standard.
- After pressure from the Group these individuals have either stopped coming, and those who are still attending seem to be less obstructive than previously.
- Numbers attending have increased there were 40 at the last meeting (this is double the number at the last meeting of the previous phase). The mailing list for meetings has also increased to 324 up by over 100.
- The Group has informed itself about the options, and worked through the pros and cons of the alternative arrangements. This has included a session with Steve Fox, the Housing Corporation official responsible for registering transfer landlords. Steve gave a very clear picture of the process, registration and regulatory requirements, and the Corporation's powers in relation to Observation and Supervision. The Group's final debate will be informed by the visits and the all tenant survey, as well as its own more detailed knowledge.

Concerns

- A number of concerns (other than the issues raised above) were expressed at the last Insight Group session. These will need to be used as learning points and addressed in the next phase of the consultation in order to build understanding of the issues and process:
 - There is a degree of confusion "out there" about what is going on, and what stage the proposal is at. Press coverage has served to cause concern rather than to clarify. As the proposals are developed, and an increasing number of tenants are engaged in the process, this should decrease to the point where at least 70% feel well informed enough to vote.
 - ➤ Tenants felt that the Council's communications strategy did not serve to counter the disinformation that has been published.

- ➤ Potential loss of momentum if there is a moratorium on activity in early 2005 while the various support consultants' work is tendered; and concern over the extended period allowed for consultation (The Corporation indicated a 6 9 month period).
- Concern about the selection process for an ITA in part caused by the fact that some Forum members (who appointed TACT@DOME) had not attended the Insight Groups and so could not be aware of the work that had been done in the past three months. The Insight Group felt that it should have a role in deciding on the process, and the need to re-tender it sees itself as taking the lead in the development of the transfer proposal, while the Forum maintains its wider role with the Council landlord. The roles and relationships between the Insight Group and Forum will need to be clarified in the next phase of the consultation.

VISITS

- Insight Group members visited three examples of different types of transfer within the South West, meeting tenants, Board members and staff. They prepared for their visits, agreeing the questions and areas of interest that they wanted to cover.
- All the visits were to transfer landlords whose stock is considerably smaller than Taunton Deane's, and as such are more vulnerable. The Group identified that there are, in fact, four potential options, if there was a transfer:
 - Stand alone
 - Stand alone, with a view to keeping the option of joining a group under review
 - Transfer to a new landlord which would be part of a group
 - > Transfer direct to an existing landlord
- Tor Homes transferred as a stand alone and remained so for 5 years before joining the William Sutton Group, which operates across Southern England. The key issue the Group noted here was that because Tor had gained experience on its own it was able to place itself with the William Sutton Group as leading Group in the South West.

- West Devon transferred as a stand alone (albeit a very small one). A key achievement for them was that they had developed sufficient homes to more than replace the numbers lost through the Right to Buy.
- Purbeck transferred 5 months ago direct to a subsidiary of East Dorset. The key issue here was the fact that Purbeck itself didn't have a DLO, whereas East Dorset does. This has allowed work to start and to be delivered very quickly.
- In none of these cases did tenants find concerns about delivering on the promises made at transfer. In both cases tenants they met said that they felt that, while nothing was perfect, on balance they were glad that their transfers had gone ahead.

SURVEY

- This part of the report sets out the results of the postal survey of all tenants, carried out in late October/early November 2004, seeking their views about the type of landlord stand alone or group that they would prefer, if they were offered a transfer proposal. All tenants were sent information sheets, and a questionnaire. The survey was carried out by TACT@DOME. Detailed information is in the attachment.
- 21 It is structured as follows:
- > Who responded
- Results
- Conclusions

Who responded

- Questionnaires were sent to all 6,503 tenants. 1,616 responded 24.8%. This is a high response rate for a postal survey, and reflects the profile which the future of tenant's homes is acquiring in the TDBC area.
- One hundred tenants used our Freephone service to clarify the current position, which has been very significantly confused by the misinformation that has been published locally in the past couple of months.

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- 52% of respondents were aged over 65, and 15% were aged between 56 and 65. Only 1% were under 25. The remainder were evenly spread between 25 and 56. 2% did not respond to this question. This is a fairly typical spread of responses, given the age profile of Council tenants generally.
- 25 The vast majority of respondents were white British (96%) and a further 2% were either white Irish or white other. Less than 2% failed to respond to this question.
- 21% lived in sheltered accommodation, 42% in a family homes, 25% in a flat, and 3% were leaseholders. Compared to the age profile, this implies what we hear frequently on the Freephone that there is under occupation in the stock. Callers voice concerns about this because they fear that a new landlord would be able to force them to move.

Opinions about stand alone or group – services and new homes

Responsibilities for homes and services outside Taunton Deane area

A clear majority – 56% - see this as a "bad thing". 16% say it doesn't matter, 20% were uncertain, and 3% failed to respond. Only 6% see this as a "good thing".

Headquarters outside Taunton Deane

- 28 69% say that this would matter to them. 10% were either unsure, or didn't respond. 21% say it doesn't matter to them.
- Taken together these two sets of answers show a clear majority expressing a view; and a clear majority favouring a Taunton focus.

Development of new homes

53% want to see a new landlord that can develop new homes. 17% disagree that this is important, and the same percentage say it doesn't matter. 13% failed to respond or were unsure.

Service standards

- 12% say that, compared with the current service, a stand alone would do better, and 24% think that it would be the same. The respective returns for a Group are 6% and 14%. This means around a third think that services with a stand alone would be no worse than with the Council.
- 32 22% think that services would be worse with a stand alone; and 30% with a group.
- 33 32% said that they were unsure about this for a stand alone; and 39% were unsure about how a group would perform.
- 34 11% were unable to reply. This means that 42% were not in a position to take a view about a stand alone and services.

Preference between stand alone or group

35 38% favour a stand alone, but over half – 51% - said they needed more information (32%) or didn't reply (19%).

Concerns

The survey provided the opportunity for tenants to raise their concerns in their own words. 42% (660) of the respondents opted to do so - We have grouped these comments together into themes:

Concerns	number of mentions
Rights, tenancy, security	53
Rents and costs to tenants	139
Repairs and improvements	41
Representation	2
Services	24
Regeneration	4
Would like more information (but see	45
above)	
Critical of process	52
Would like to stay with TDBC	327

TACT@DOME

<u>Involvement</u>

37 Respondents were asked if they wanted more involvement with the transfer proposal or wanted to join a tenants' group. 94% said that they did not.

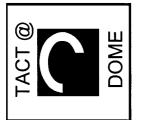
Conclusions

- In terms of a transfer landlord, it is clear that tenants would prefer a stand alone. The hardening of replies about where the headquarters is emphasises this, because headquarters represents control, whereas being responsible for homes and services outside the area doesn't.
- More than half see the provision of new homes by the transfer landlord as important. This underscores the profile of this issue in terms of the consultation. The linking of new homes to a new landlord as the provider, as opposed to linking a transfer to generate funding for the provision of new homes may well have had an influence on the replies.
- It is not surprising that 42% were either unsure or unable to reply on the services questions for a stand alone (the figure was 50% for a group). This implies that the pre-ballot period needs to have a focus on services and standards.
- Of the 49% who expressed a view, the stand alone is clearly favoured. (38% compared to 11% in favour of a group). Only 19% chose not to reply to this question, whereas 32% needed more information in order to take a view.
- 20% of the total of respondents specifically said, in the freeform section, that they wanted to stay with TDBC very similar to the percentage who declined to express a view. From the comments, rents and costs are easily the biggest issue, followed by rights, repairs and services.
- The final Insight Group took these views into account in making its recommendation to the Council that the development of a stand alone RSL should be pursued. This was the unanimous view of the Group, witrh one new joiner abstaining. The reasons were:
 - Inheriting what is already a good service

- > Keeping options open for the future, when joining a group might be appropriate
- ➤ Maintaining Taunton Deane's good reputation
- > Expressing confidence in the current housing staff
- > Keeping investment local
- Maximising local benefit from a transfer, and the involvement of local people
- > Large enough to go it alone

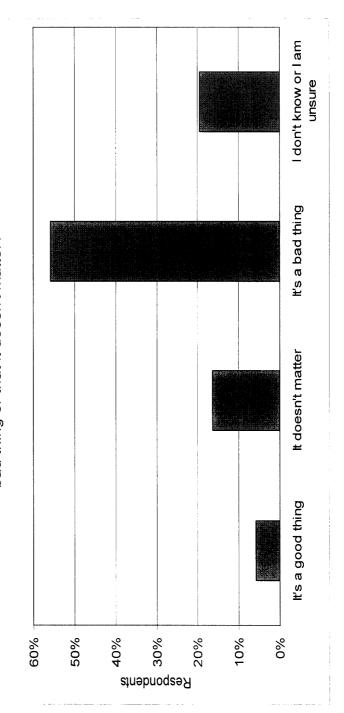
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TACT@DOME	



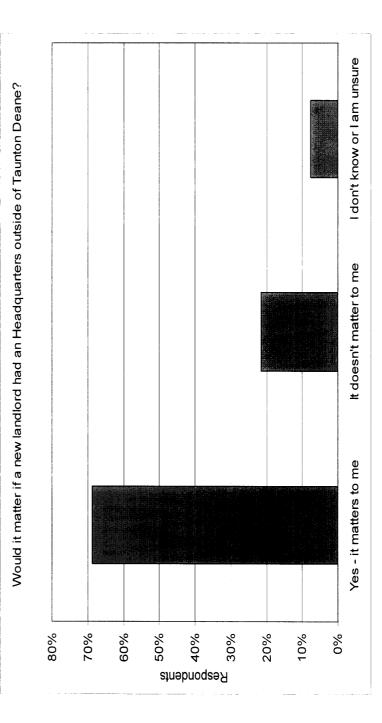
other than Taunton Deane Borough Council. Do you think A new landlord might own and manage homes in places this is a good thing or that it doesn't matter? **APPENDIX 5 CONT.**

A new landlord might own and manage homes in places other than Taunton Deane Borough Council. Do you think this is a good thing, a bad thing or that it doesn't matter?



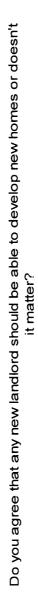


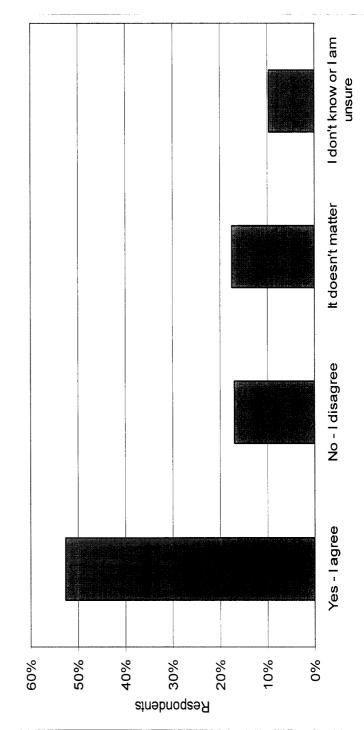
Would it matter if a new landlord had a Headquarters outside Taunton Deane?





Do you agree that any new landlord should be able to develop new homes or doesn't it matter?

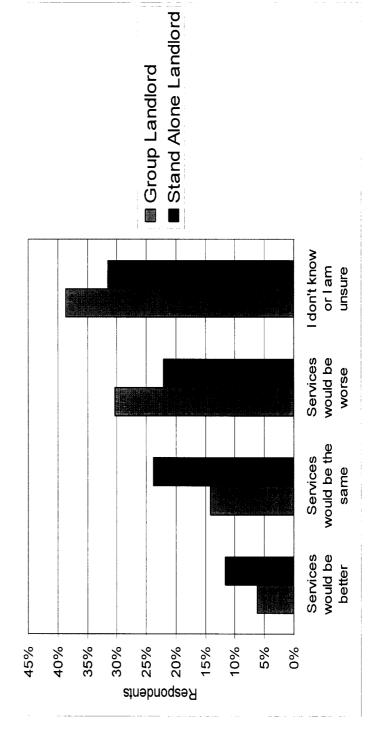






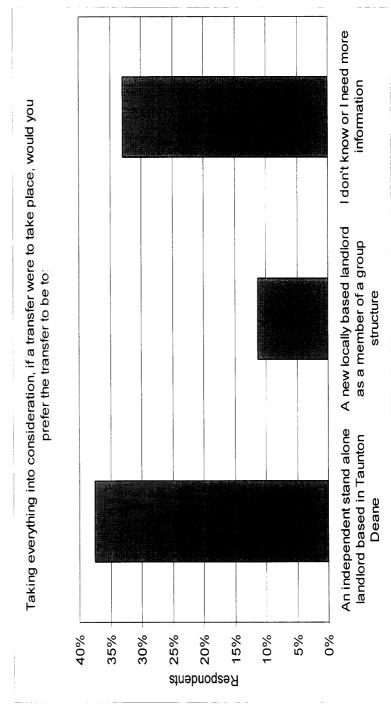
Compared to the current service, what do you think the service would be like under a group landlord and under a stand alone landlord?

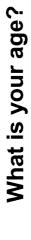


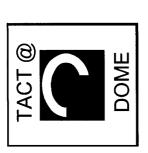


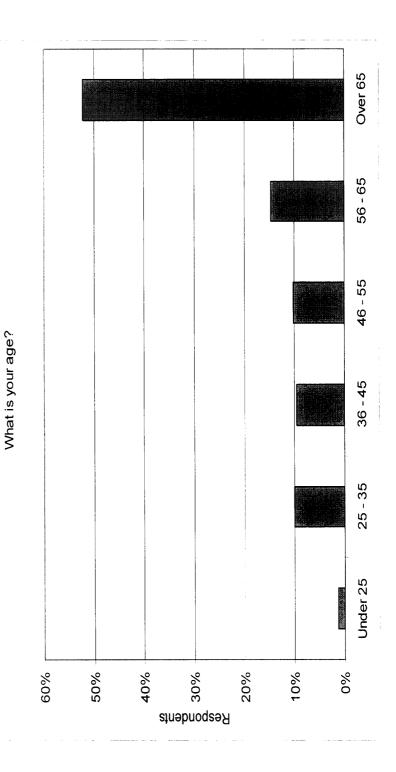


Taking everything into consideration, if transfer were to take place, would you prefer the transfer to be to:



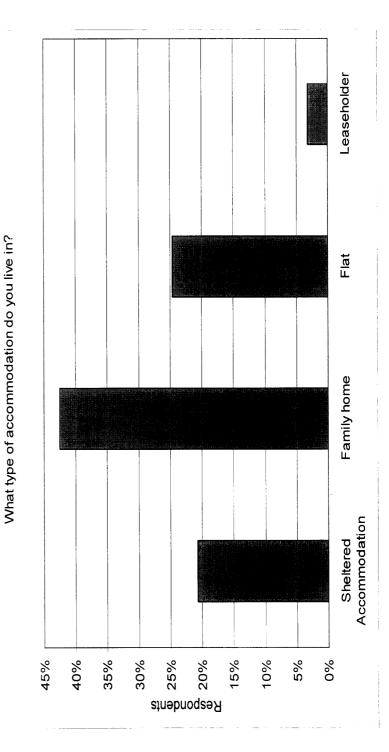








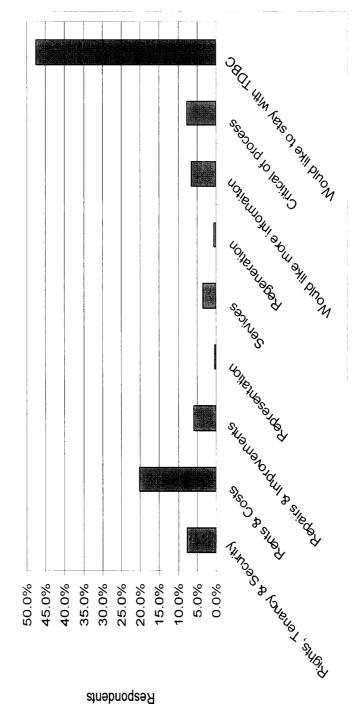
What type of accommodation do you live in?





Further Comments - Concerns

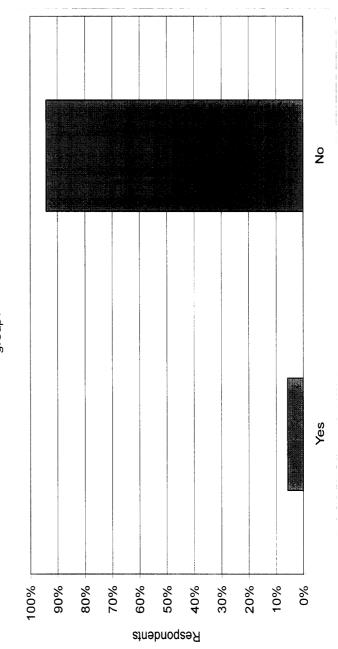
Further Comments - Concerns





Would you like to get more involved with the transfer proposals or join a tenant group?

Would you like to get more involved with the transfer proposals or join a tenant



APPENDIX 6

Housing Stock Options - Communication Questionnaire (Partners)

The Housing Stock Options Steering group are keen to ensure that all Members have adequate information about the Stock Options Process. This questionnaire enables the Officer Working Group to address any areas, which require more clarification and information. We appreciate the time that you will spend to complete this questionnaire and we really value your input into the process.

8 Responses were received

Q1 Over the last 3 months, the Council has been providing information about the future Options for Council housing. Have you received any information from the Council about these Options?

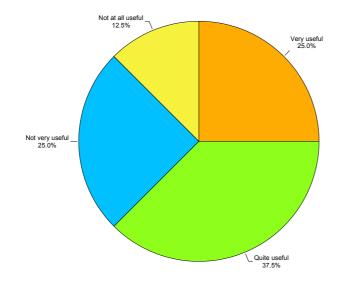
0	(0.0%)	No, no information received		
1	(12.5%)	Yes - Leaflet in payslip		
3	(37.5%)	Yes - Core Brief		
0	(0.0%)	Yes - Weekly Bulletin		
4	(50.0%)	Yes - At a meeting/Members briefing		
1	(12.5%)	Yes - Local Press		
1	(12.5%)	Yes - Other method (Please specify)		
0	(0.0%)	Yes - but don't know method		
	If you ticked Yes - Other Method then please specify 1 (12.5%)			
	1 (12.57	0)		

If you ticked Yes - Other Method then please specify

Q2 How useful was this information?

2	(25.0%)	Very useful
3	(37.5%)	Quite useful
2	(25.0%)	Not very useful
1	(12.5%)	Not at all useful
0	(0.0%)	Don't know
0	(0.0%)	No information received

How useful was this information?

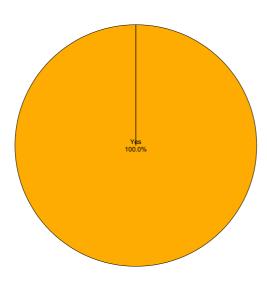


[&]quot;Tenants Forum magazine"

Q3 Do you feel you know why Taunton Deane Borough Council is carrying out its review of the future of Council Housing?

- 8 (100.0%) Yes 0 (0.0%) No
- 0 (0.0%) No really need more information

Do you feel you know why Taunton Deane Borough Council is carrying out its review of the future of Council Housing?



Q4 FUTURE HOUSING OPTIONS

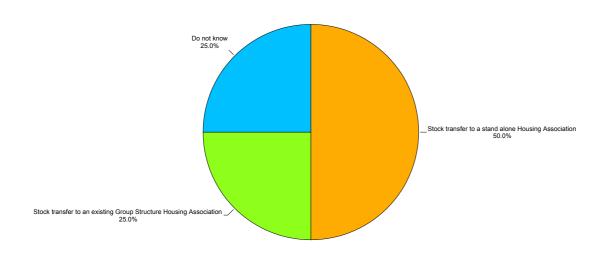
How well do you feel you understand the 4 major choices for the future of the Council's homes, as explained in the leaflet and other information you have received?

	Don't understand at all	Understand a little	Understand the main points	Understand it well
Stock Transfer to a Stand Alone Housing Association	0.0%	2 (25.0%)	4 (50.0%)	2 (25.0%)
Stock Transfer to a Group Structure Housing Association	0.0%	3 (37.5%)	3 (37.5%)	2 (25.0%)

Q5 Which option or options do you feel might provide a positive future for Council housing in Taunton Deane as a whole?

- 4 (50.0%) Stock transfer to a stand alone Housing Association
- 2 (25.0%) Stock transfer to an existing Group Structure Housing Association
- 2 (25.0%) Do not know

Which option or options do you feel might provide a positive future for Council housing in Taunton Deane as a whole?



Q6 Please state why you do like this/these options 5 (62.5%)

Please state why you do like this/these options

"Job security. But why do we have to choose an option, if as you are trying to tell us, the outcome is not yet decided." "Why should there be an option. We have jobs at the moment and we are doing it well why is there a need for change."

"I just think this will be the best option for our tenants."

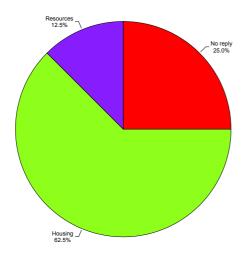
"It's better if they are a existing group because they should already have the set up."

"For house's stay in house be a part of Taunton Deane Council still and by a housing association which sounds like title Scotts - man where work take to long to sort out."

Q7 In which service are you employed?

0	(0.0%)	Corporate Services
5	(62.5%)	Housing
0	(0.0%)	Development
0	(0.0%)	Environmental Health
1	(12.5%)	Resources
0	(0.0%)	Policy and Performance

In which service are you employed?



Q8 Do you have any comments? 4 (50.0%)

Do you have any comments?

"What has happened to the option ""stay as we are"", and why do all of these bullshit surveys try to ?????????

people into choosing something they did not wish, what happened to free choice!"
"It would seem that a decision has already been made. What has happen to the stay as we are. People are being taken for a ride by all this paper work. It is a waste of money."

"Would like to know if we still have a job, if change over?"

"I wish a better class and people which would look after their properties but with a housing association we might let this will people keep clean house and gardens which will make an effort. I hope?"

Housing Stock Options - Communication Questionnaire (Members)

The Housing Stock Options Steering group are keen to ensure that all Members have adequate information about the Stock Options Process. This questionnaire enables the Officer Working Group to address any areas, which require more clarification and information. We appreciate the time that you will spend to complete this questionnaire and we really value your input into the process.

15 responses were received

Q1 Over the last 4 months, the Council has been providing information about the future Options for Council housing. Have you received any information from the Council about these Options?

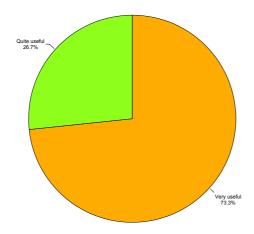
0 (0.0%)No, no information received Yes - Leaflet in payslip 1 (6.7%)(26.7%)Yes - Core Brief 4 Yes - Weekly Bulletin 10 (66.7%)(93.3%)Yes - At a meeting/Members briefing 14 Yes - Local Press 9 (60.0%)(46.7%)Yes - Other method (Please specify) 0 (0.0%)Yes - but don't know method If you ticked Yes - Other Method then please specify 7 (46.7%)

If you ticked Yes - Other Method then please specify

Q2 How useful was this information?

11	(73.3%)	Very useful
4	(26.7%)	Quite useful
0	(0.0%)	Not very useful
0	(0.0%)	Not at all useful
0	(0.0%)	Don't know
0	(0.0%)	No information received

How useful was this information?



[&]quot;Councillors correspondence."

[&]quot;Stock options steering group meetings."

[&]quot;Group meetings."

[&]quot;I've been allowed to visit other options from which I've gained much knowledge, manifesto 'dome' insight group."

[&]quot;Direct information from officers."

[&]quot;In post."

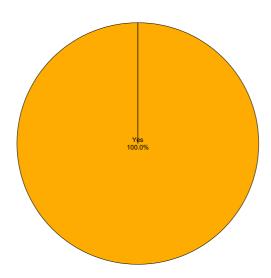
[&]quot;Housing Review Board"

Q3 Do you feel you know why Taunton Deane Borough Council is carrying out its review of the future of Council Housing?

15 (100.0%) Yes 0 (0.0%) No

0 (0.0%) No really - need more information

Do you feel you know why Taunton Deane Borough Council is carrying out its review of the future of Council Housing?



Q4 FUTURE HOUSING OPTIONS

How well do you feel you understand the choices for the future of the Council's homes, as explained in the leaflet and other information you have received?

	Don't understand at all	Understand a little	Understand the main points	Understand it well
Stock Transfer to a Stand Alone Housing Association	0.0%	0.0%	9 (60.0%)	5 (33.3%)
Stock Transfer to a Group Structure Housing Association	0.0%	0.0%	10 (66.7%)	5 (33.3%)

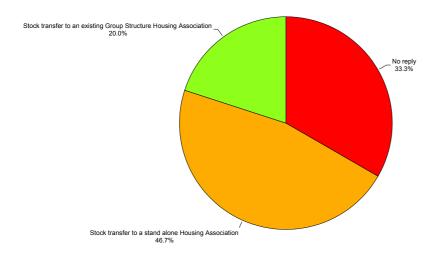
Q5 Which option or options do you feel might provide a positive future for Council housing in Taunton Deane as a whole?

7 (46.7%) Stock transfer to a stand alone Housing Association

3 (20.0%) Stock transfer to an existing Group Structure Housing Association

0 (0.0%) Do not know

Which option or options do you feel might provide a positive future for Council housing in Taunton Deane as a whole?



Q6 Please state why you do like this/these options 15 (100.0%)

Please state why you do like this/these options

"The tenants seem more happy with this option. To them it is less remote."

"Transfer should be as seamless as possible for tenants as same staff but different name for organisation."

"Positive option not currently available i.e. returning in-house in the longer term. Housing association likely to be swallowed up by larger one in time and lead to loss of local focus and direction."

"A dedicated stand alone Housing Association would naturally concentrate on TDBC tenants. Staff could continue more smoothly than if they had to accept changes which mainly benefited tenants elsewhere. There are sufficient tenants and premises to justify a separate service."

"Retains the identity and bulk of the workforce re TDBC."

"Still think fourth option is viable. Some authorities (e.g. Swindon) have managed this and not bowed down to dictates of central government."

"It's the lesser of two evils! South Somerset has useful experience we can tap into, apart from duplicating else."

"Economy of scale. Experience. Enhanced borrowing facility. Possibility of building more houses."

"It's clearly the only realistic option for the medium to long term."

"Only option and best option."

"So the new Association can continue and improve on the good standard of housing that has been accomplished in the past. By transferring the Deane Housing Staff this will work with time and patience."

"I am convinced the stand alone HA will give the best value to existing tenants and the best opportunity to meet the Decent Homes Standard and other expected improvements. although there will be no track record of the new HA as a Registered Social Landlord. The staff that operate the new HA I am sure will be well experienced. Such a ????? Home HA is the best chance for additional facilities and new homes to rent in Taunton Deane."

"I don't like these options."
"Anything but the three choices offered."

"Because the Council will have an increasing large debt from approx year 10 from now."

Q7 Do you have any comments? 9 (60.0%)

Do you have any comments?

"We need to fully explore how some Councils are achieving full funding and decent home standards by prudential borrowing because if not possible, it must be factually discounted."

"Yes, I shall be voting to stop a ???????"

"Presentations to date have been very clear, especially those by Pricewaterhouse and GOSW."

"TDBC can afford the resources necessary to ring stock up to decent homes. Therefore stock retention is a viable option."

"We must ensure communication, communication communication to the public to address their fears."

"Sadly because of Government direction Taunton Deane BC has no options but to go down this route. Given similar funding to the HA then I am sure TDBC would wish to keep the service in house. Now in the best interests of the tenants I hope the stand alone HA is chosen for it will serve them best. The difficulty will be to announce the tenants, for the staff of the Deane and TDBC over the years have in general provided a very good and caring service."
"Would prefer a fourth option i.e. no sale of housing stock."

"We need to manage our own housing stock and continue to improve and maintain it as we have in the past." "Emphasis should be put on the pegging of rents under new system to ?????? fears."

APPENDIX 6 CONT.

Housing Stock Options - Communication Questionnaire (Staff) - Nov 2004

The Housing Stock Options Steering group is keen to ensure that all Staff have adequate information about the Stock Options Appraisal Process. This questionnaire enables the Officer Working Group to address any areas, which require more clarification and information. We appreciate the time that you will spend to complete this questionnaire and we really value your input into the process.

62 responses were received

Q1 Over the last 4 months, the Council has been providing information to staff about the future Options for Council housing. Have you received any information from the Council about these Options?

```
0 (0.0%) No, no information received
45 (73.8%) Yes – Leaflet in payslip
45 (73.8%) Yes – Core Brief
35 (57.4%) Yes – Weekly Bulletin
34 (55.7%) Yes – At a meeting/Staff briefing
28 (45.9%) Yes – Local Press
6 (9.8%) Yes – Other method (Please specify)
5 (8.2%) Yes – but don't know method
If you ticked Yes – Other Method, then please specify
8 (13.1%)
```

If you ticked Yes - Other Method, then please specify

Q2 How useful was this information?

- 13 (21.3%) Very useful
- 37 (60.7%) Quite useful
- 5 (8.2%) Not very useful
- 1 (1.6%) Not at all useful
- 3 (4.9%) Don't know
- 0 (0.0%) No information received

[&]quot;Panel/Executive meetings"

[&]quot;E-mails"

[&]quot;E-mail"

[&]quot;Through the post as I am a leaseholder."

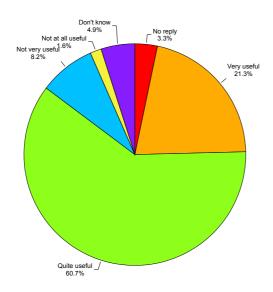
[&]quot;Note on Q2: The information wasn't ""useful"" as I don't need to use it. It was informative "

[&]quot;Attached e-mail"

[&]quot;Info leaflets/emails"

[&]quot;May have read about it in Core Brief/ Weekly Bulletin but cannot remember."

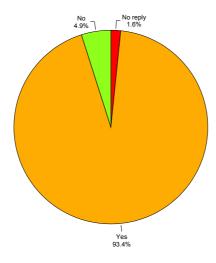
How useful was this information?



Q3 Do you feel you know why Taunton Deane Borough Council is carrying out its review of the future of Council Housing?

- 57 (93.4%) Yes
- 3 (4.9%) No
- 0 (0.0%(No really need more information

Do you feel you know why Taunton Deane Borough Council is carrying out its review of the future of Council Housing?



Q4 FUTURE HOUSING OPTIONS

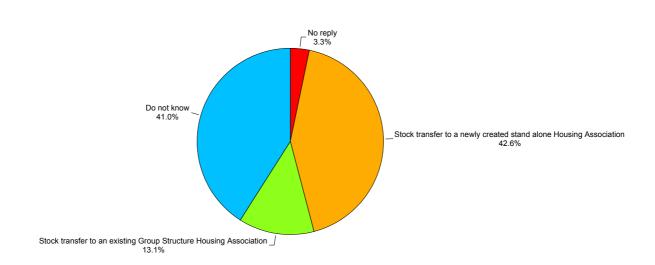
How well do you feel you understand the choices for the future of the Council's homes, as explained in the leaflet and other information you have received?

	Don't understand at all	Understand a little	Understand the main points	Understand it well
Stock Transfer to a Stand Alone Housing Association	*****	11 (18.0%)	34 (55.7%)	13 (21.3%)

Q5 Which option would you choose which might provide a positive future for Council housing in Taunton Deane as a whole?

- 26 (42.6%) Stock transfer to a newly created stand alone Housing Association
- 8 (13.1%) Stock transfer to an existing Group Structure Housing Association
- 25 (41.0%) Do not know

Which option would you choose which might provide a positive future for Council housing in Taunton Deane as a whole?



Q6 Please state why you do like this option 30 (49.2%)

Please state why you do like this option

"It would be run locally for the local people"

"SATISFIES THE CURRENT REQUIREMENTS AND ALLOWS US TO RETAIN CONTROL TO CONTINUE THE GOOD SERVICES PROVIDED TO OUR CUSTOMERS."

"Less risky as company has experience and history. There may be more opportunities for staff transferring" "Tenants are more likely to understand one landlord being replaced by another rather than by a group takeover."

"It appears to offer greater local accountability. I do not like the way Somerset County Council have handed over their highways/transport services to a national consultancy WS Atkins, or the 'contract culture' that seems to arise."

"It gives more of a chance that new social housing may be built"

"Reduces overheads and allows use of existing expertise and specialists e.g. solicitors, personnel and accountants. Also more likely to be able to build new homes where existing development teams exist." "Houses in Taunton Deane will be the priority. No compromises to suit another group."

"The service will improve and the continuity with the existing staff would not be lost. The possibility of building new affordable homes would be greater."

"Local accountability, potentially better integration with the Taunton vision and corporate priorities. Taunton as a growing centre will have particular needs and opportunities, which may well attract a different level of 'partnering' and funding. Where is the third option of no transfer?"

"More input from the local tenants"

"could it be half and half? This would allow people to use a reputable company if they wanted, but also provide some competition."

"Financial advantages whilst retaining ""good will"" of TDBC housing department."

"May one ask why the retention of the stock, by TDBC isn't listed as a positive future? Indeed by not listing it as such, isn't one weighting the argument against the stock being kept by the council, despite the fact that the Tenants may in fact vote for this option?"

"It frees up the future management of the housing stock and hopefully will give a better client based service. The top heavy bureaucracy will also be a thing of the past and lower levels of staff member would be able to make more decisions."

"If we were to become part of a group structure I feel that decisions would be made centrally, and tenants and staff would not have the input into the management and maintenance of the homes. TDBC have experienced and loyal staff who give the tenants a very good service, and they have the knowledge to deal with each tenant on an individual basis."

"I previously worked in a local authority that transferred it's housing stock to an existing group structure HA and it worked very well. There was little problem at transfer and the tenants barely knew there had been any changes!"

"Keep it local"

"I feel that the existing housing associations have a bad name, my parents rent a bungalow with Knightstone Housing Association and its a pain getting them to do any repairs etc."

"It would appear to keep a social responsibility for the provision of housing within Taunton Deane."

"We would still maintain a degree of control over the structure of the HA and ensure current staff are accommodated in this HA"

"It seems there would be more risks involved by going to a stand alone, whereas a group structure would already be established."

"Local ownership and decision making"

"Neither - Council Housing should stay with the Council"

"Taunton Deane's tenants and stock will stand a better chance of survival. Hopefully the good standard tenants are given at present will continue in the future with a transfer to a stand alone Housing Association." "-Set up easier. Poole expertise -More cost-effective in certain areas where services can be pooled. More

prospect of developing more new homes locally. - More employment opportunities."

"I am not enamored with either option. Neither will continue to provide the tenants with the high class service they have come to expect at an affordable rent with the landlord of their choice - i.e. TDBC."

"Control of policies and standards would still be retained at a local level."

"Previous experience may benefit tenants. Financial backing therefore more security for tenants and staff. Additional staff benefits."

"I think we would retain more control over our destiny as a social housing provider"

Q7 In which service are you employed?

24 (39.3%) Corporate Services

10 (16.4%) Housing

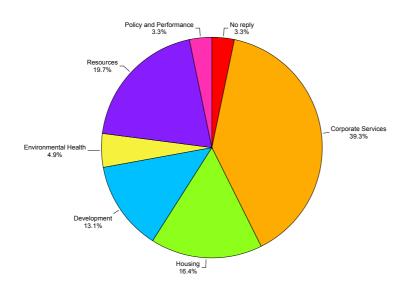
8 (13.1%) Development

3 (4.9%) Environmental Health

12 (19.7%) Resources

2 (3.3%) Policy and Performance

In which service are you employed?



Q8 Do you have any comments? 10 (16.4%)

Do you have any comments?

"Let's make sure we manage publicity and change well, by giving good factual information, so that tenants can make an informed choice at the end of the consultation process."

"If I was a tenant, I am not sure I have enough information to make an informed choice e.g. Impact of either option on all of the residents of Taunton Deane? Safeguards to prevent the independent landlord transferring into an establish remote landlord soon after transfer with large redundancy payments, etc? I assume the transfer for the majority would be seamless and almost irrelevant. The question is what would either party bring to the Deane as a clearly visible and measurable benefit or contribution to our priorities?" "Please see above (thank you)"

"The decision will affect staff in all areas. I am concerned that despite giving tenants all the necessary information needed to make such an important 'vote', many tenants are still unaware or uninterested in what is happening. The decision may be left to a small group, and not be the true reflection on the best way forward for all concerned, and the future of housing within Taunton Deane."

"I think, from my previous experience with other local councils, that the transfer of housing stock is a foregone conclusion. Tenants think that it is going to be detrimental to them and the services they receive but, when it happens, they are surprised at how little hassle it causes and how little the service does change"

"Consultation is a wonderful thing. But I feel experienced Council Housing Officers/Councillors should make some of the decisions themselves, i.e. stand alone housing association or established housing association. This issue is too complex for the average person to make an informed decision - TDBC should know which is better option for the value/number of stock we have."

"Keep the housing run by the Council"

"Concerned that 'Group Arrangement' may lose some flexibility on tenant and community involvement in ownership of landlord. -Would need to be monitored to greater extent that 'Stand Alone Arrangement'. - Parent headquarters for 'Group Arrangement' may be located a great distance away from Taunton." "TDBC have been stitched up by a Government who are unwilling to shoulder their responsibility towards those who require social housing. So TDBC are stitching up their tenants and the rest of the community. Also, I have yet to see evidence of any consultation with the WHOLE community (i.e. people other than TDBC tenants) - who are, after all, potential customers of the Housing Service."