

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 11th JANUARY 2006

Report of Housing Transfer Consultation Manager
(This matter is the responsibility of Councillor Garner)

HOUSING STOCK TRANSFER CONSULTATION

Executive Summary

The purpose of this report is to provide the Executive with an update, an overview of the returned Tenants Priority Survey and finally an introduction to the Offer Document.

Attached are two appendices, being:

- i) Tenants Priority Survey Key Areas
- ii) Report by Pinsent Masons on the Introduction to the Offer Document

1. Background

1.1 Members will be aware that progress reports have been provided recently through a number of guises, for example:

- i) November's Executive focussing on the warranted stock condition survey
- ii) December's Executive focussing on the current financial position
- iii) December's Full Council providing an overview of the process from the previous Full Council and up to February's meeting
- iv) December's Quarterly Members Briefing where presentations were given by the Office of the Deputy Prime Minister and the Housing Corporation on their involvement in this process

2.0 Tenants' Priority Survey

2.1 Members will be aware that a Priority Survey was sent to tenants in the autumn of last year with the purpose of understanding the type of housing service they wish to see in the future, including areas that were of the most importance to them.

2.2 Nearly 50% of the questionnaires sent were returned, which is a far higher response rate to any other survey the Council has carried out. Secondly, this is much higher than returns recorded where other Authorities have undertaken similar exercises, where a 30% return would be viewed as good.

- 2.3 It is therefore reasonable to assume that the high level of returned surveys provides evidence that tenants do really care about what happens to their homes and the future of the housing service. Indeed, the feedback from the 20% of tenants who spoke to the Project Team when the door knocking was taking place certainly indicated that they had a desire to both understand more about the process and what may take place in the future.
- 2.4 The percentage return across all the wards was reasonably evenly spread, ranging from the low 40's to mid 50's, which is encouraging in knowing the message about the work being undertaken is being received by our customers.
- 2.5 Attached as Appendix 1, is a list of the key areas ranked in the order that are important to tenants and which they wish to see improved. The geographical spread of tenants wishing to see these improvements was spread evenly across all the wards. This was also the case with the age profile when a pro-rata exercise was undertaken.
- 2.6 Some headline figures were that 1 in 2 tenants wished to see improvements to their kitchens and bathrooms, 1 in 2 tenants wished to receive new front and / or back doors with improved security, 1 in 3 tenants wished to see areas provided for their wheelie bins, 1 in 4 tenants wished to see better car parking and finally 1 in 4 tenants wished to see improved cleaning of communal areas.
- 2.7 Analysis was undertaken on the area of improved access and amenities for people who are disabled and although there was a higher return from the more mature tenant, the spread was still relatively even at 1 in 3 tenants.
- 2.8 Further analysis was undertaken on the area of anti-social behaviour, showing this being a high priority across all wards but more so in the more urban areas across the Borough. On average over 1 in 2 tenants' wished to see more action taken to tackle anti-social behaviour with it being higher in urban areas.
- 2.9 The final area that was looked at more closely was the desire to have area offices. The higher returns were in some areas of Wellington and the urban areas of Taunton. However, less than 15% of those surveys returned indicated this as a desire.

3.0 **Introduction to the Offer Document**

- 3.1 Attached to this report as Appendix 2, is a report written by Pinsent Masons, introducing the concept of the Offer Document. Quite simply, the offer document will explain what the transfer is, why the Council is proposing to transfer and what level of service tenants could expect should they vote either "No" or "Yes" to transfer.
- 3.2 Key elements of the Offer Document will be drawn from the returned Tenants Priority Survey, to ensure the offer is matching the desires and aspirations of our tenants. As the process develops a further report on the Offer Document will be presented.

4.0 **Recommendation**

4.1 The Executive is asked to note the report and appendices.

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Appendix 1

Tenants Priority Survey Key Areas

Inside and around your home:

1. An improved / modern kitchen
2. An improved / modern bathroom
3. Improved access and amenities for people who are disabled
4. Better insulation between homes
5. Storage of wheelie bins
6. Better garden fencing
7. Better car parking
8. Telephone, TV, digital and computer points
9. New double-glazing
10. Improved cleaning of communal areas
11. Better insulation to keep heat in
12. Plumbing for a washing machine
13. More storage space
14. New or extended central heating
15. Better play areas
16. An extra loo where possible

Safety and security:

1. New front and / or back doors with improved security
2. Security lights
3. Windows with locks
4. Secure and lockable entrance doors to communal hallways
5. Better street lighting

Managing your home:

1. More action to tackle anti-social behaviour
2. Higher quality repairs
3. Housing staff out and about more in local neighbourhoods
4. Faster repair times
5. Greater choice of colours and finishes when improvements are carried out
6. More local housing offices

Appendix 2

REPORT TO:	TAUNTON DEANE BOROUGH COUNCIL – EXECUTIVE
DATE:	11 JANUARY 2006
AUTHOR:	PINSENT MASONS
TITLE:	INTRODUCTION TO THE OFFER DOCUMENT
PURPOSE:	REPORT FOR INFORMATION

1. INTRODUCTION

The Stage 1 Consultation Document or "Offer Document" will be sent out by the Council to the tenants in the first half of this year. It will create a formal context for the informal consultation undertaken with tenants to date and will provide tenants with details of the Council's transfer proposal.

The Offer Document will explain what the transfer is, why the Council is proposing to transfer and what the benefits to tenants and the wider community would be if the transfer takes place. It will give brief details of the other options the Council and tenants have considered and will explain what would happen to the housing stock and the housing service if the transfer does **not** take place. The Offer Document will give the information to the tenants in a balanced way so that tenants can make a genuine choice when it comes to the ballot.

The procedure the Council has to follow when formally consulting its tenants is laid down by law and the Office of the Deputy Minister ("ODPM") Housing Transfer Guidance. The key requirements are as follows:

- The Offer Document is sent to all secure and introductory tenants;
- Tenants consider the terms of the transfer proposal;
- Tenants contact the Council or their independent advisers if they need any more information or clarification;
- Tenants express their views to the Council by returning the pre-paid response form;
- The Council formally considers the views expressed by the tenants and then decides whether to hold a secret ballot to test tenants opinion; and
- If the Council decides to proceed to the next stage, an independent secret ballot will be conducted.

2. THE OFFER DOCUMENT

The Offer Document contains promises made by the Council on behalf of the new transferee registered social landlord ("RSL") detailing the commitments the RSL will be required to deliver in relation to the housing stock and housing service if the transfer goes ahead. The commitments can be summarised in the following sections:-

Appendix 2

2.1 Rights

The Council should give a commitment that tenants' key existing rights will be protected, if the transfer goes ahead. For example, confirmation that the transfer will have no adverse effects on tenants rights to live in their homes; the right to pass on their homes when they die; or their right to buy. Tenants should also be advised that they would not keep their Right to Manage. In all other respects, tenants should be given no fewer rights than they have enjoyed as secure tenants of the Council. The new tenancy agreement will form part of the Offer Document, so tenants will be able to see that their rights will be preserved in a formal contract.

2.2 The RSL

As well as giving specific detail about the formal offer itself, the Offer Document will also explain the nature of the new RSL. It will give details of the Board and Board Members, explain how the Board Members were appointed and will set out the RSL's priorities if the transfer takes place. The Offer Document will also explain why the RSL would be able to borrow the money needed to make the improvements in the borough of Taunton Deane when the Council cannot. It will also give details of the roles and responsibilities of the Housing Corporation, Audit Commission and (if applicable) the Charity Commission in the monitoring and regulating of the RSL.

2.3 Monitoring

The Offer Document will give tenants reassurance that as well as being regularly monitored by the Housing Corporation, Audit Commission and (if applicable) the Charity Commission, the RSL will also have a legally binding contract with the Council who will have the powers needed to make sure that all promises made to tenants are kept.

2.4 Price

The Offer Document will give a basic description of how the price for the homes will be calculated and how this differs from the calculation of the price of a property if it is being sold to a tenant under the Right to Buy. Tenants will also be advised how the Council will use the receipt.

2.5 Rent and Other Charges

Certainty on the level of rent levels is likely to be a key issue for tenants in the transfer proposal. From April 2006, the information used by the Council and the RSL to calculate the "target rent" for similar properties will be the same based on local earnings and property values. This principal will be captured in the Offer Document to confirm that, whether or not transfer goes ahead, any future change in rent levels will be calculated in exactly the same way.

The Offer Document will describe how rent will be paid if the transfer goes ahead and how housing benefit will be treated. Tenants will need to know that their eligibility for housing benefit will not be affected and that they would still be able to obtain advice and assistance from the Council. Much of the information here will be supplied by the lead housing consultants from their detailed rent calculations and business planning assumptions.

The rent section will probably be linked to the section of the Offer Document which deals with the repairs programme. This is so that the tenant can appreciate that although the rents will to be similar with the Council or the RSL, the RSL will be able to deliver significant modernisations and improvements that the Council would be unable to do (because of financial restrictions).

Service charges can also be a major issue and it is important to describe in the Offer Document what services charges would cover with the RSL, how they would be calculated and how any proposed charges would compare with charges payable to the Council.

2.6 Repairs and Improvements

One of the key benefits of transfer will be the programme of repairs and improvements that the RSL can provide.

Appendix 2

As much specific detail as possible will need to be given to tenants about the proposed capital investment in the stock and the improvements to the housing service in the future. Detailed work will be done to plan the specific works programme and to find out the priorities tenants have for the improvement of their homes and services (i.e. the "Deane Standard" which will exceed the Government's Decent Homes Standard).

The Offer Document will need to advise tenants of the works to be carried out; whether tenants have to have the works done; whether there will be additional charges as a result of the works; the proposed timescale; whether the tenant will have to move home while the works are being done; and who, broadly speaking, will carry out the work.

Linked to the improvements in the bricks and mortar will be improvements in the housing service. Tenants will need to be given details of the RSL's proposed repair response times; performance standards; responsibilities for maintenance of, for instance, open space or other common areas; and also the RSL's complaints procedure.

2.7 Tenant Participation

Another key benefit of transfer is the opportunity for tenants to become more involved in the hands-on management of their homes. The RSL will have a policy allowing tenants to take part in decision making on housing matters which might affect them. The Offer Document will be an opportunity for the RSL to explain ways in which it would consult tenants and the support and training it would give to tenants' organisations who represent tenants in their area.

2.8 Regeneration and Anti-Social Behaviour

The transfer will not just be about the housing stock and housing service. The RSL will have a significant role to play in tackling anti-social behaviour and wider regeneration within the borough of Taunton Deane. The RSL's intentions as regards these issues will need to be set out in the Offer Document.

2.9 Leaseholders

Although the Council's statutory duty is to consult its secure and introductory tenants, the views of leaseholders are important. At the time the Offer Document is sent out to secure and introductory tenants, leaseholders will also be given information about how the transfer would affect their rights.

3. DEVELOPMENT OF THE OFFER TO TENANTS

For the Offer Document to be relevant to the tenants of Taunton Deane, the input of several groups will be needed in its development. These groups will be the tenants' representative group and their independent advisers, elected members, Council officers and members of the Shadow Board. As well as your legal, communications and lead consultants, officers of the ODPM, the Housing Corporation and the Community Housing Taskforce will also be given an opportunity to comment as the Offer Document takes shape.

As an initial first step, we will prepare a draft framework document which will set out the information recommended by the ODPM's Housing Transfer Guidelines.

Once the framework document is prepared, we will work with your officers to tailor it to the particular circumstances of Taunton Deane's transfer. The document will then go to your tenants' representative group and their advisers, who will work with your officers to decide what the priorities are for your tenants. Inevitably, the expectations of tenants will need to be managed, as the RSL will probably not be able to afford to meet all tenants' aspirations. This work is well underway following on from the findings of the Tenant's Priority Survey dated October 2005 in which 49% of tenants participated.

It is important to bear in mind that this will be the **Council's** offer to its tenants and Council members and officers will have a significant role to play in deciding what they want the transfer to deliver.

Appendix 2

Officers of the Housing Corporation and the Community Housing Taskforce on behalf of the ODPM will have the opportunity to comment on each and every draft of the Offer Document as it is prepared. The Housing Corporation's principal role is to ensure that the promises made on behalf of the RSL are realistic and appropriate for a registered social landlord to deliver. The Community Housing Taskforce will want to see that the offer to tenants keeps within the Government's policy on housing transfer, is within the principles of good practice and within the Government's guidelines on tenant consultation.

The lead consultant's role in the development of the Offer Document will be to make sure that commitments given to tenants on rents and service charges, capital investments and improvements to services will be affordable to the RSL within its business plan.

The Board of the RSL must also be comfortable that the promises being made to tenants by the Council on their behalf take the RSL in the direction that the Board would want it to go in the future. Although the Board will appreciate that it is the Council's offer to its tenants, the Board will be given the opportunity to comment on the Offer Document itself as part of the development process.

4. **CONCLUSION**

The Council's officers and consultants will work with tenants and their advisers to bring together the information needed to put together a formal offer to the tenants.

The Offer Document will be drafted in plain, understandable English and strictly in accordance with the Government's guidelines on consultation, which state that all material sent out to tenants must be fair and even handed. The Offer Document will be considered carefully by all of the Council's consultants, the Community Housing Task Force and the Housing Corporation to make sure that before it is sent out to tenants it meets the Government's requirements and its fairness cannot be challenged.

Even though this will be the Council's offer to their tenants, it is the officers and Board of the RSL who must ultimately carry out the commitments to the tenants. The RSL must be comfortable that its business plan gives it the funds and flexibility it needs to do so.

PINSENT MASONS