

TO: **COMMUNITY SCRUTINY COMMITTEE - 4th FEBRUARY 2003**

SUBJECT: **HOUSING OPTIONS - UPDATE REPORT ON VISITS TO OTHER ORGANISATIONS**

FROM: **HOUSING**

1. PURPOSE OF REPORT

- 1.1 To inform members of the visits completed to other organisations and the key learning points.
- 1.2 Briefing notes from each visit are attached as appendices.

2. BACKGROUND

- 2.1 Council on the 24th April 2002, agreed that the decision on housing options be deferred until more information can be presented on the following key issues - stock condition, a firmer feel on the views of tenants, the impact of the options on tenants and the impact on the Council as a whole.
- 2.2 Following on from this, the Executive on the 27th May 2002 approved a comprehensive programme to enable more information on the above issues to be provided, in order to facilitate a decision on housing options by July 2003. This included a programme of education and awareness raising for the Community Scrutiny Committee, on the issues surrounding the impact on tenants and the wider Council.
- 2.3 On the 16th July 2002 the Community Scrutiny Committee agreed an education and awareness programme which included visits to South Warwickshire Housing Association, Wycombe District Council and Shrewsbury and Atcham District Council. A seminar on 5th December 2002 was also attended, the title being Stock Transfer - Experiences of South Staffordshire Housing Association 5 years on.
- 2.4 A visit to West Oxfordshire Council has been arranged, which is a Council that has transferred its stock. This will be reported to you in due course.

3. POLICY AND BUDGET FRAMEWORK

- 3.1 The long term management and maintenance of the Council's housing assets at Warwick is a critical decision, which is highlighted within both the Housing Strategy and the HRA Business Plan.

4. OUTCOME(S) REQUIRED

- 4.1 Members to note the report for consideration in the wider housing options debate.

Jean Hartley
Housing Services Manager

BACKGROUND PAPERS

Housing Options Report - Executive 11th March, 2002
Housing Options Report - Council 24th April, 2002
The Next Steps Report - 27th May, 2002
Education and Awareness Programme - Community Scrutiny - 16th July, 2002

Areas in District Affected: All

Executive Portfolio Area and Holder: Councillor Alan Boad

For further information about this report please contact:

Contact Officer: Jean Hartley
Tel: (01926) 456403 (Direct Line)
E-Mail: hartley@warwickdc.gov.uk

Notes for Community Scrutiny Committee

Visit to South Warwickshire Housing Association
Monday 11th November 2002

Warwick District Council

Councillors Alan Boad, Michael Doody and Balvinder Gill, John Wheatcroft - Tenant Representative, Jean Hartley - Housing Services Manager and Jan Marsh - Administration Manager.

South Warwickshire Housing Association (SWHA)

Wendy Temple - Chief Executive, Howell Merchant - Chairman of SWHA, Steve Day - Vice Chairman and Tenant Board Member, Tony Dixon, Councillor Board Member, Gill Baker - Chair of Tenant Forum, Sue Bent - Director of Operations.

Some Information about SWHA

Stock transferred in 1996 from Stratford District Council. It is an Industrial and Provident Society.

A Group Structure was set up - Heart of England Housing Group, the main arm being SWHA.

Heart of England Housing and Care Limited is involved in running 9 residential care homes.

Following lengthy consultation with tenants, 86% of tenants voted and 86% of these tenants voted Yes. Careful consultation with elderly people is needed.

Homelessness and waiting list dealt with by Council.

The Business

£500 million asset base - homes valued on open market value

Turnover is £27 million p.a.

Spend on maintenance is £8 million p.a.

500+ staff in Heart of England Group, although only about 70 involved in SWHA.

They have 5,700 properties and 10 care homes.

The Board

Board of management comprises 8 independent Members from the community, 5 tenants voted from Tenant Panels and 3 nominations from Stratford District Council. They are elected every 3 years.

Board meets monthly.

Role of all Board Members is to manage the multi million pound business. Each Board Member acts only in the interests of the organisation and not on behalf of Council, tenants group or any other constituency / interest group.

They deal with strategic issues, not day to day issues.

Skills of Board Members are crucial and have to cover key areas - law, finance, housing, social care, architect / builder knowledge. Each member has to have a degree of financial awareness.

There are no lack of volunteers, despite the increase in number of housing associations. They do not get paid, only expenses, although Housing Corporation are currently looking into this.

Shadow Board was in place for about a year before transfer took place. There is a big reliance on consultants during this time and there is lots of expertise to learn from.

The Drivers Behind Transfer

The main driver was in relation to repairs. The promises at transfer were that all homes would have central heating and all windows would be double glazed.

Councillor Member advised that Stratford used receipt to subsidise Council Tax, and not specifically on housing. Council also receives steady flow from Right To Buy reimbursement.

Staffing Issues

Pre transfer the main issues were to keep staff informed and assured that there was no threat to jobs. Most of the staff are still with SWHA and is a good indication of how well staff have settled down to the new culture / way of working.

Communications were mainly done through big staff meetings in the Council Chamber. Even though a lot of information pre transfer was commercially sensitive, and therefore could not be public knowledge, staff were clear in that they would be told what they could. They understood sensitive nature of the information and why it could not be passed on.

Working closely with Unions was important.

Post transfer the main issues were:

- α Big change
- α Culture change - staff used to saying No could now say Yes. This involved a new way of working as this is often harder and delivery was of prime importance.
- α Continuity - tenants appreciated same staff after transfer and this was a plus point in tenants saying Yes.
- α It became a housing focussed business, which within the Council it could not be. Reduced time in fighting the Housing corner with Council colleagues.
- α Tenant involvement became the heart of the service
- α Because SWHA is separate to local authority, it became clear there was nowhere to hide - 'the buck stops here'
- α Also very importantly there is nothing SWHA can't do (within reason). It now has the funds to do the things which are important to tenants. A 'can do' mentality has developed.

They appointed a Finance Director and Director of Operations, these skills were not contained within the Council.

Drawbacks to transfer

Very few!

The loss of housing management experience at Stratford Council has resulted in some problems. They do not understand as readily the problems being experienced by SWHA and this leads to long debates in ensuring that they are brought up to speed.

The Councillor Member also advised that Housing was a loss to Council, in terms of contributions to corporate strategies such as Community Safety.

What they would do differently

They now think that they did not nurture their relationship with the Press sufficiently. If they were to do it again they would give greater priority to courting the press from day 1.

What has been achieved

All homes had central heating and double glazing 10 months before schedule.

£9 million spent on double glazing, £4 million on central heating, £6 million on re-roofing, rewiring, kitchen, bathroom renewal.

Programme of kitchen/bathroom replacement is continuing.

No problem at all meeting decent homes.

£1.9 million in sheltered housing. They are committed to making homes for life.

364 affordable homes built.

2.4 week turnaround.

.83% rent arrears (really helped by excellent HB relationships)

As above figures indicate they are much more performance orientated than before.

There has been a huge improvement in tenant involvement - it has become part of everyone's job, not just the TP officer role.

They have 100 tenant representatives, one Tenants Forum and 5 Tenants Panels. They also have a Quality Group, an e team and 13 best value service review groups. They have a tenants annual training programme.

Organisational Challenges

Biggest challenges were:

- Culture Change
- Sheltered Housing changes that they had to do
- Changing teams from generic teams to functional teams.

Strictly Confidential

Notes for Community Scrutiny Committee

Wycombe District Council - 19th November, 2002

Present:	Councillor Alan Boad	Warwick District Council
	Councillor Michael Doody	Warwick District Council
	Councillor Balvinder Gill	Warwick District Council
	Jean Hartley	Warwick District Council
	Jan Marsh	Warwick District Council
	Ian Westgate, Director of Housing & Property	Wycombe District Council
	Bill Holkham, Head of Housing	Wycombe District Council

Impact of a No Vote on Ballot for Stock Transfer

Introduction

Approximately 7,000 stock

- Consultants Chapman Hendy. They worked with High Wycombe District Council before, so were aware of organisation. They gave a clear recommendation to go LSVT. Flagged up several problems.

- Council decided to go ahead, despite some reservations on how tenants felt about it
The drives were
 - The Council becoming debt free enabling LAHSG for additional affordable homes
 - Rent guarantee
 - Money for affordable homes
 - Improve/repair stock

- Shadow Board set up. Worked well, stable.

- Stock Condition Survey 100%! Costly but invaluable Hunter & Partners.

- Council had a “Golden Vote” in event that the transfer HA wanted to change constitution.

- Agreed to set up new HA although they did look at joining with existing.

- Core Group - 10 members
 - 5 from Housing Services
 - 5 from Client.They pulled in others as needed.

- Information to staff
 - Intranet
 - Questions and Answers

Problems

- Timescale too short. Maximum 18 months!
Decision not taken until after elections. Before elections it had not been high on agenda!
- One group was against LSVT even though rest of politicians in favour/willing to take it through. They were vocal in their opposition. Very strong message that 100% political support is required.
- Press very much against transfer (in fact Press very much against Housing Department - historical).
They presented a negative front.
Staff tried very hard to get Press on side - to no avail.
- Defend Council Housing was very active
- Mischievous information was fed to Press "its in the bag" type headlines. Once published not able to undo damage.
- The Housing Department was not given extra staff. Performance in other areas suffered as a result of work on transfer.
- The process cost £400,000. That did not include staff time.
- It was difficult to get across to rest of Council that other staff/departments would be affected by transfer.

Housing prepared figures to show corporate impact. Non-housing staff "unsettled" by the experience.
- Shadow Board infiltrated by Defend Council Housing. This was one of tenant members. Members began to go into factions/dissent etc.
- Timing was wrong.
Tenants suspicious and not enough time allowed to work through problems and resolve.

What have they learnt/benefits of No Vote/Consequences

- They now have a fully elected Tenant Forum.
- Tenant Participation is much healthier than before the vote. A lot of work on Tenant Compact, Best Value etc. has been a benefit of greater tenant involvement.
- Good stock condition information. Used to develop programme.
- Pockets of change
 Small group of properties going for Small Scale Voluntary Transfer
 (147 demolish and rebuild. Tenants want this to happen).
- Vote 51% / 49%. Close (190 votes) 68% turnout. This has not lead to a blame culture. Staff are heartened by closeness of vote. Feel there has been a greater trust in Council since vote.
- Above average HIP Allowance in following year.
- Should/could have given more recognition/remuneration to staff.
- Staff morale was at rock bottom - several left after no vote.
- General fund now has problems.
- Now have problems with meeting Decent Homes standard.
- Time has been wasted!
 A lot of work had to be put on hold and P.I.'s suffered. It has taken a long time to get back to acceptable levels.
- Elections again next year!
- On balance - a negative process.
- Process went too quickly. Need time after agreeing to go for a vote and vote. Need to develop tenant involvement. Need tenant champion(s).
- Need 100% support from Councillors.

Notes for Community Scrutiny Committee**South Staffordshire Housing Association**
5 years on lessons to be learned

Transferred March 1997.

5,256 good quality well maintained properties. 95% post war, no high rise.

\$ 130 staff including \$ 30% unionised.
Sheltered Scheme staff

\$ 68 DLO operatives. \$ Unison proved helpful during process

Set up because of:

- Government Constraints on Councils.
- PSBR.
- Housing Benefit. Costs paid by HRA.
- Increased rents.
- No new-build for 20 years.

Timetable

Process began in 1995 when they examined all options available to them.

Consultation included newsletters, meetings, documents to keep both tenants and staff fully informed. Getting and keeping trust is vital.

Important to keep contractors and DLO staff fully informed. Tenants were not interested in the strategic issues.

1997 Transfer.

1999 Move to new offices (they had asked for and been granted a special dispensation to stay an extra year. South Staffordshire is very short of land and new offices not available). Vital to give enough time to the process.

Original Board had to be selected due to time constraints now there are:-

8 ordinary members.
5 tenants.
3 councillors Are all elected.

Management of Change

- Process went through a series of highs and lows. Important to keep staff informed and on board at all times.
- Move to new offices was a particularly low time. (New office at other side of district). Staff offered 4 years 'relocation expenses'.
- Tenants had been consulted on location of new offices.
- Vital to make sure that Housing Management function is sound before transfer.

Some Differences/Advantages

- Decision making process much quicker.
- Non political.
- One focus - housing.
- Flexibility.
- Forward Planning. 30 year plan.
- Funding future secured.
- Housing Corporation Rules and Regulations.
- Customer orientated.
- More emphasis on Performance.
- Staff more accountable.
- More services offered.
- Staff training and development.
- New Conditions of Service (5 year exercise). 96% of staff now earn more.

Guarantees on Transfer

- Rent: Inflation + 1% Promise kept [NB now have rent restructuring].
- Tenant Involvement: Massive increase as previously DC did not fully support tenant involvement.
- Repairs & Modernisation: Spending at twice the level of DC.
- New Dwellings: Only target they have been unable to meet. Lack of land means new properties in short supply, most of additional properties have been "buy backs".
- Contractual Rights: Transfer tenants keep their rights.
- Other Achievements: New PVCu windows and doors to all properties.

Replacement of door to door rent collection.

Introduction of Freephone telephone service and Customer Call Centre.

Now provide Advice & Support Service (from door to door rent collection savings).

Move to new offices.

DLO have changed and improved their working practices.

Refurbishment of 'Airey' houses.

Staff Issues

Advantages:

- ∨ Better working environment and reduced working week (35 hours).
- ∨ Freedom to make decisions.
- ∨ Investors in People enhanced training and development.
- ∨ Job opportunities. Overall number of jobs has increased but there was some rationalisation of posts.

Disadvantages:

- ∩ More accountable. Can't hide behind Council.
- ∩ More statistics and forms to fill in.
- ∩ Governance and Interests.
- ∩ More disciplinaries (this has come with Union support).

Lessons Learned - Pre Transfer

- Trust: Everyone (Councillors, Tenants, Staff, Unions) must have trust in process.
- Communication: Vital to keep everyone informed regularly.
- Contractors: Keep them informed so they do not worry for their jobs. [These are the people who have a lot of contact with your tenants!].
- Opposition: Make sure you deal with it straight away.
- Pensions: Emotive subject for staff.
- Publicity: Take action immediately. Tackle the Press. Defend adverse publicity.
- Tenant Adviser Ensure they have 100% tenant support.
- RTB Sharing Agreement: Be careful on RTB tie-ins.
- Land Transactions: Know what you need/want and don't take over what you don't need. Make sure if you do that you have all the necessary permissions to go with it.

Lessons Learned - Post Transfer

- Work with Housing Corporation and Funders.
- Retain links with Council. Meet at least once a quarter.

- Housing Management Matters!
- Essential to have a good Finance Director.
- Meet leaseholder at least twice a year. Dedicated Officer.

Considered That Transfer Was a Success

- Tenants are more involved.
- Regular contact with Council maintained.
- Properties improved.
- Staff feel they provide a better service and receive appropriate 'rewards'.

The Future

Refurbishment of Sheltered Housing Schemes/Hostels.

Extend role of customer/tenant.

New Chief Executive and Finance Director 2003/4.

Stock size, RTB, stock now 5,150. Problem with Business Plan if keep reducing numbers.

Rent Restructuring and Rent Controls.

Lack of land to develop.

Supporting People.

Decent Homes, not a problem.

JM/MB
10.12.02