

THE EXECUTIVE

17 FEBRUARY 2004

REPORT OF THE HOUSING ASSOCIATIONS SCRUTINY PANEL

HOUSING ASSOCIATIONS SCRUTINY PANEL	FOR DECISION
<i>Final Reports of Scrutiny Panels are submitted to the Executive as set out in paragraph 11 of Article 5B of the Constitution.</i>	
<u>Summary</u>	
<p>This report outlines the work of the Housing Associations Scrutiny Panel, for comment by the Scrutiny Management Board and The Executive and for decision by Assembly. Having regard to the terms of reference, the report raises the following key points:</p>	
<ul style="list-style-type: none">• Trickle Transfer Programme - in its current state this programme is no longer a viable option for the Council because the Local Authority Social Housing Grant has ended.• Right to Buy and Right to Acquire Schemes - there is considerable disparity between these.• Registered Social Landlords (RSLs) -<ul style="list-style-type: none">➤ differing levels of customer satisfaction.➤ regeneration benefits through closer working with RSLs.➤ recently developed mechanisms to ensure RSLs will be held accountable for their services.➤ an ongoing restructuring of housing rents for a convergence of rents between RSL and Council properties.➤ comparison of standard response times and the complaints procedures between RSL and the Council.➤ consultation with RSLs and RSL tenants.	
<u>Recommendations</u>	
<p>This Panel makes the following recommendations and observations:</p>	
<ol style="list-style-type: none">1. That the Trickle Transfer Programme in its current state is no longer a viable option for the Council because the Local Authority Social Housing Grant has ended. In the unlikely event that the Director of Housing and Health's further investigations might prove there to be a positive and tenable case for continuing the Trickle Transfer Programme, the Director should submit a report to the Executive and the Assembly for consideration, as this would be a major policy issue for the Council.2. That RSLs will be held accountable for services through four key channels:<ul style="list-style-type: none">• the new Housing Strategy Officer will monitor compliance of RSLs in terms of management performance, nomination rights, and community development, and will also make sure tenant satisfaction surveys are undertaken and reported.	

- the RSL Forum, through the Barking and Dagenham Partnership Housing Sub Group, will address regeneration and new developments, management services to tenants, nominations, anti-social behaviour, community safety, community development and tenant participation.
 - the Barking and Dagenham Housing Association will have responsibility for all the homes transferred to Stort Valley Housing Association from the Council plus all of its new build (some 500 homes in the Borough);
 - under current arrangements, the RSL Preferred Partner Panel members will undertake all new affordable housing developments in the Borough and the ultimate sanction of being removed from it will encourage RSLs to deliver satisfactory services.
3. That, in order to monitor the success of the mechanisms designed to ensure accountability of Housing Associations' management services, this Panel should reconvene at a period no later than a year after completion of its investigations to consider an evaluation report, particularly on RSLs.

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1. Introduction

- 1.1 At its meeting of 18 December 2002, the Scrutiny Management Board (SMB) received a report from the Director of Housing and Health in response to a suggestion by Councillor Liam Smith that the policy of trickle transfer of void houses to Stort Valley Housing Association should be reviewed in light of the Government's proposed changes to the housing capital finance rules.
- 1.2 The SMB agreed to set up a Scrutiny Panel to consider issues relevant to the trickle transfer programme of houses to RSLs and, following a request from Councillor Mick McCarthy, the management services provided by RSLs to their tenants and estates.

2. Membership

- 2.1 The membership of the Panel originally comprised Councillors W F L Barns (Lead Member), Ms M G Baker, A H G Cooper, M A McCarthy and L A Smith. Following Councillor Smith's appointment to the Executive his place on the Scrutiny Panel was taken by Councillor R C Little.
- 2.3 After some initial difficulty finding a candidate, Mr J McDermott was appointed as the Panel's external representative.

2.4 Ken Jones, Interim Head of Housing Strategy, was the Lead Client Officer, Jeremy Grint, Head of Regeneration, was the Independent Scrutiny Support Officer and John Barry, Democratic and Electoral Services, supported the Panel.

3. Terms of Reference

3.1 The terms of reference of the Panel were:

1. To examine the Trickle Transfer Programme under which the Council transfers stock to a Housing Association and to comment on the appropriateness of the Programme in the light of the Government's proposals on Housing and Finance. In doing so, to consider (a) possible alternative ways of property disposal, and (b) apparent delays in the transfer process and resultant void periods.
2. To look also at various aspects related to the housing services provided by Housing Associations including:
 - Comparisons of rent levels and rent convergence, and of repairs policies;
 - The Management services provided by Housing Associations and how to ensure accountability for properties that have been transferred and any future new build;
 - Matters associated with complaints about non or poor service delivery by Housing Associations and how to access their service point contacts;
 - The Right to Acquire Scheme, its take up and how it compares with the Council's Right to Buy Scheme.
3. To have regard to any Equalities and Diversity issues.
4. To report back with findings and any recommendations.

4. Work Programme

4.1 The Panel's work can be divided into three main areas- Trickle Transfer Programme, RSLs, and consultation/evidence. Set out below is the work undertaken within each of these areas.

4.2 Trickle Transfer Programme

As the Panel commenced its work, the Director of Housing and Health was examining the policy of Trickle Transfer of void properties to Housing Associations in light of the Government's proposed changes to housing capital finance rules.

In looking at the Trickle Transfer Programme, the Panel considered the following:

- the Executive's decision of 11 March 2003 to apply a discount of 10% to the final batch of 40 properties in the Trickle Transfer Programme.

- problems with continuing the Trickle Transfer Programme, particularly as this was considered highly unlikely because:
 - ministerial consent would have to be given to increase the maximum number of properties allowed in this scheme; and
 - the imminent cessation of the Local Authority Social Housing Grant (LASHG) which underpins the whole scheme would make the transfer of housing stock considerably less attractive.
- implications of pursuing Trickle Transfer without the LASHG.
- the Office of the Deputy Prime Minister's (ODPM) position on extending the maximum number of properties allowed under Trickle Transfer.
- options and underpinning principles for the continuation of Trickle Transfers, following ministerial approval from the ODPM granting the Local Authority permission to transfer a further 111 Council properties.

4.3 Registered Social Landlords

The Panel looked at various issues around Housing Association management, including:

- the creation of a post in the Housing Strategy Division specifically created to monitor management performance standards of RSL's and the nomination rights given to the Council for re-lets of properties.
- the creation of the:
 - RSL Preferred Partner Panel
 - the RSL Developer Forum
 - the Local Housing Company (Barking and Dagenham Housing Association)
- RSLs' potential contribution to regeneration programmes in Barking & Dagenham.
- the RSL's 'Right to Acquire' scheme compared with the Council's 'Right to Buy' scheme and their relative impacts.
- comparisons between RSLs and the Local Authority in the areas of rent levels, repairs policies and complaints procedures.
- the issue of ensuring greater accountability from RSLs to the Council and their tenants.

4.4 Consultation/Evidence

The Panel consulted with RSL residents and representatives of Housing Associations as follows:

- spoke to three RSL residents.
- made two site visits to RSL properties.
- received a written report from a resident.
- met with John Lefever, Thames Gateway Manager, and Mike Ward, Business Growth Manager, representing Stort Valley Housing Association.
- met with Dawn Smart, Head of Development, Margaret Wright, Thames Gateway Regional Director, Karl Allison, Social Investment Manager and Tony Hughes, Area Manager representing the Southern Housing Group
- met with Victor daCunha, Managing Director, Jonathan Gregory, Head of Neighbourhood Management and David Anteh, Head of Customer Services representing East Thames Housing Group.
- met with Steve Yianni, North Thames Region Director, and Dianne Hart, Head of Housing representing London & Quadrant Housing Group

5. Equalities, Diversity and Health Issues

- 5.1 Considerations around equalities, diversity and health are adequately covered in existing arrangements with RSLs.

6. Observations/Conclusions

To examine the Trickle Transfer Programme under which the Council transfers stock to a Housing Association and to comment on the appropriateness of the Programme in the light of the Government's proposals on Housing and Finance:

- 6.1 The Panel was of the view that subsequent to the ending of the LASHG it was highly unlikely that any further properties would be transferred under the Trickle Transfer Programme. In the unlikely event that the Director of Housing and Health's further investigations might prove there to be a positive and tenable case for continuing the Trickle Transfer Programme, the Director should submit a report to the Executive and Assembly for consideration, as this would be a major policy issue for the Council.

Comparisons of rent levels and rent convergence and of repairs policies:

- 6.2 Using a formula to be set by the ODPM, housing rents are to be restructured so that within 10 years of April 2002 RSL rents will only be 5-10% higher than the Local Authority rent for an equivalent property. Already efforts have been made in Barking and Dagenham to equalise the rents (for example, rents for the void houses transferred to Stort Valley under the Trickle Transfer Programme are within 5% higher than identical (though un-refurbished) Council properties).
- 6.3 The Panel compared both standard response times and complaint procedures between the Council and some of its RSL partners. In both cases, the differences in times and procedures varies very little between RSL and the Council. There may be questions about how accurately the tables reflect the real situation, but from the

Panel's interviews with residents it is clear that there are instances where the RSL procedure is better than the Council's own.

The Management services provided by Housing Associations and how to ensure accountability for properties that have been transferred and any future new build:

- 6.4 The establishment of a Local Housing Company, Barking & Dagenham Housing Association, between the Council and Stort Valley Housing Association to take ownership and management of all of Stort Valley's housing in the Borough is a demonstration of practical benefits to be gained from partnerships. The board of the Company includes equal numbers of Councillors and tenant representatives.
- 6.5 RSLs will be held accountable for services through four key channels:
- (i) the new Housing Strategy Officer will monitor compliance of RSLs in terms of management performance, nomination rights, community development and will also ensure tenant satisfaction surveys are undertaken and reported;
 - (ii) the RSL Forum through the Barking and Dagenham Partnership Housing Sub Group will address regeneration and new developments, management services to tenants, nominations, anti-social behaviour, community safety, community development and tenant participation;
 - (iii) the Barking and Dagenham Housing Association will have responsibility for all the homes transferred to Stort Valley from the Council plus all of its new build (some 500 homes in the borough);
 - (iv) under current arrangements, the RSL Preferred Partner Panel members will undertake new affordable housing developments in the borough and the ultimate sanction of being removed from it will encourage RSLs to deliver satisfactory services.
- 6.6 The Panel was satisfied that there is a definite link between regeneration and the supply of new houses and therefore a clear reason for working in Partnership with RSLs. Through the use of various sources of funding, the Housing Corporation's Approved Development Programme, the Challenge Fund, private finance sources as well as their own private reserves, RSLs are able to help towards achieving some of the key targets from the Council's Housing Strategy action plan. RSLs will also play a major role in helping the Council achieve the Decent Homes Standards.

Matters associated with complaints about non or poor service delivery by Housing Associations and how to access their service point contacts:

- 6.7 There are a number of Housing Associations operating in the Borough. These and the number of properties managed by each are appended.
- 6.8 Consultation with RSL residents has shown differing levels of satisfaction with RSL management. Two residents of London & Quadrant properties listed numerous complaints, which included anti-social behaviour, faulty lighting and parking problems. There was evidence that London & Quadrant had made efforts to address some of these issues, but they had thus far failed to remedy the problems. By

comparison, the Stort Valley resident commented positively on both the condition of the property when she first moved in and the ease with which she could contact the RSL to report repairs.

The Right to Acquire Scheme, its take up and how it compares with the Council's Right to Buy Scheme:

- 6.9 It was noted that there was a considerable disparity between the take-up of the Council's Right to Buy Scheme (some 18,000 homes have been purchased since the schemes inception in 1980) and the RSL's Right to Acquire (of their 2,500 housing stock, only 3 properties have been sold). It seems probable this difference is in part attributable to the variance in discounts available to potential home-owners (the maximum discount for RSL tenants in Barking and Dagenham being £13,500 compared to £38,000 for Council tenants) and an ongoing ten-year restructuring of rents, which aims to reduce the present 15% difference in sector rents to 5-10%. In effect RSL involvement ensures the continuation of social housing stock.

Background papers used in the preparation of this report: -

Minutes of the Housing Associations Scrutiny Panel 18 March, 20 May, 24 June, 22 July, 3 September, 24 September, 15 October, 28 October, 11 November and 10 December 2003.

Housing Associations/Properties Managed

Housing Association	Number of Properties in the Borough
Swan	11
Estuary	23
Warden	25
Boleyn & Forest	152
Stort Valley	508
Hanover	60
Southern	166
London & Quadrant	142
East Thames	238
Solon	31
Anchor	31
Springboard	372
Circle 33	8
Peabody	no reply yet
Metropolitan	no properties
Ujima	no properties