

HOUSING FUTURES EVALUATION MATRIX

| <b>1. Investment Needs of the Stock-Decent Homes+medium/long term needs</b>   |   |
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| <b>STAYING WITH THE COUNCIL</b>   | <b>TRANSFER TO A HOUSING ASSOCIATION</b>  |
| <i>Both options would meet the immediate 2010 Decent Homes target</i>   |   |
| <p>Even though the Decent Homes short term target of 2010 can be met, the council cannot afford the <u>recommended minimum</u> level of expenditure that homes need even in the short term. Compared with amount of work that is needed, deficits are expected in the Major Repairs and Improvement Budget from 2008/9 onwards and total £217m over a 30 year period. Even to achieve a minimal standard the council would be in excess of £100m short of the funding requirements over the same 30 year period.</p> <p>Capital resources in 2009/10 are likely to be £2m less than the current capital programme and £6.5m less than the recommended programme.(Tribal)</p> <p>The new HRA Business Plan will need to include details of what this will mean in terms of planned works to homes in the future.</p> | <p>After meeting the immediate government deadline for Decent Homes this option would maintain this standard in the longer term, provide for all investment needs from the stock condition survey and fund improvements within a 30 year business plan, including contingencies and external works.</p> |

| <b>2. Viability of the HRA-medium/long term</b>   |   |
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| <b>STAYING WITH THE COUNCIL</b>   | <b>TRANSFER TO A HOUSING ASSOCIATION</b>  |
| <p>Based on an up to date assessment of all relevant factors the HRA needs to make revenue savings from 2010 onwards since it will be running at a deficit from 2008/9.</p> <p>The new HRA Business Plan will need to include details of what this will mean in terms of future housing services.</p> | <p>The new landlord would have a revenue account that was viable over at least a 30 year period and able to afford all of the work and services that would be promised to tenants in their formal pre ballot offer.</p> |

| <b>3. Tenant priorities-investment and development</b>  |  |
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| <b>STAYING WITH THE COUNCIL</b>   | <b>TRANSFER TO A HOUSING ASSOCIATION</b>   |
| <p>None of the tenants expressed improvements to services (above existing service levels) would be possible and the HRA would have to be cut thus reducing existing services. Maintaining the Decent Homes standard could not be guaranteed beyond 2010, even with no investment in new affordable housing.</p> | <p>The exact package of services that would be offered to tenants would be developed through consultation and set out in a formal pre ballot offer document.</p> <p>Initial consultation results indicate the priorities for investment should include energy efficiency and central heating plus good quality kitchens and bathrooms.</p> |

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|  | Areas for improvement include environmental and external works, as well as repairs and improvement programmes. There was also support for more affordable homes to be provided. |
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#### **4. Impact on Corporate Objectives and Community Strategy**

| <b>STAYING WITH THE COUNCIL</b>   | <b>TRANSFER TO A HOUSING ASSOCIATION</b>  |
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| <p>Within available resources, the council would retain control of the housing service and align it with Corporate Objectives as closely as possible. However, the reductions in services needed to balance the capital and revenue shortfalls would adversely affect local tenants and would work against enhancing quality of life and providing best value services.</p> | <p>Councillors and tenants would together control the housing association via their combined majority on its board - assumes a stand alone model and could shape its activities. As a regulated social landlord it would be obliged to pursue objectives similar to local authorities eg Sustainable Communities, dealing with anti-social behaviour, housing the homeless etc. Safeguarding the future of existing council housing would contribute to both Corporate Objectives and the Sustainable Community Strategy, particularly partnership working, enhancing the quality of life, inclusive local communities and promoting high quality best value services. The capital receipt to the council would offer a small benefit to the council's General Fund hat could be allocated to council priorities.</p> |

#### **5. Impact on the Councils' Housing Objectives**

| <b>STAYING WITH THE COUNCIL</b>  | <b>TRANSFER TO A HOUSING ASSOCIATION</b>   |
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| <p>The council would not be able to maintain services at a level that it considers appropriate and this would lead to deterioration in both the condition of homes and services supplied to residents.</p> | <p>A transfer would protect existing services and allow for improvements above current service levels. The net benefits of the councils' capital receipt could be used for housing purposes if that is a priority. The separation of strategic and landlord functions would become complete and the council would need to include arrangements in the transfer agreement to enable it to carry out remaining duties-eg rehousing the homeless.</p> |

## 6. Results from Resident Consultation

### STAYING WITH THE COUNCIL

### TRANSFER TO A HOUSING ASSOCIATION

Residents have been exploring a wide range of issues relevant to both the options being considered. This includes rent levels, tenancy rights, the nature and identity of a potential new landlord, leaseholders rights, future repairs and improvement programmes, services to sheltered housing etc

In general, those who have provided feedback as part of the consultation have shown an interest in having more detailed information about the likely outcomes under both retention and transfer scenarios.

## 7. Deliverability

### STAYING WITH THE COUNCIL

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The government target of achieving Decent Homes by 2010 is likely to be met. However, it would be illogical of the government to set this target and not follow it with a new requirement to maintain standards after 2010. Under retention the Decent Homes standard could not be maintained long term. It is likely there would be sanctions for failure to meet required standards with potentially little local control over the actions required by government resulting from failure to maintain standards.

Completing a transfer requires government approval and a positive tenant ballot. Initial findings from tenant consultation suggest that a significant number of tenants would like more details of this option before they are asked to make up their minds. Sufficient resources- staffing, financial, specialist advice/support and member involvement - would need to be committed to the development of a viable transfer option if that route were chosen.

## 8. Implications for employees

### STAYING WITH THE COUNCIL

### TRANSFER TO A HOUSING ASSOCIATION

Housing staff would continue to be employed directly by the council unless future reviews concluded that alternatives were appropriate. The impact of cuts in the HRA and reduced capital programmes would almost certainly have implications for job security. The impact of reducing services would lead to lower levels of job satisfaction.

Staff spending 50% or more of their time on landlord activities would transfer to the housing association under TUPE. New jobs created by the housing association would customarily be ring fenced for other housing related staff but the full implications for staff would be finalised in the run up to transfer. The housing staff are more likely to experience greater job satisfaction working for an organisation that can deliver improved services.

## 9. Value for money issues

### STAYING WITH THE COUNCIL

### TRANSFER TO A HOUSING ASSOCIATION

*With Rent Convergence there would be no value for money issues concerning rent levels for transferring tenants because rent levels would be similar under both options. Transferring tenants would also have the right to buy with both options.*

Under retention half of tenants rent payments have to be given to the government. Financial pressures would make achieving value for money more difficult

For tenants, all of their rent payments would be available to the new association to buy the homes, carry out repairs, modernisation and improvement and provide services.

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| <p>with the balance between capital and revenue spending driven by the need to reduce both, rather than prudent, long term property related decisions. The council would have to pursue government efficiency savings. Procurement strategies are more difficult to pursue with less concentration on planned programmes of work and uncertainty about government subsidy regimes year to year. The needs of the stock would be in competition with other council objectives for scarce capital resources.</p> | <p>The new housing association would have fully funded revenue and capital budgets, vetted by risk averse lenders. Programmes could therefore be constructed on the basis of best practice, including value for money. The new landlord would have to pursue government efficiency savings. Value for money would be maximised with a long term, funded procurement strategy for all goods and services. A group structure or other partnership could potentially offer economies of scale and access to a wider range of activities than might be achievable with a completely “stand alone” organisation. The council would have a capital receipt which it could spend or invest depending on its view at the time, including value for money issues.</p> |
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