

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Housing Portfolio Holder 8th July 2008
AUTHOR/S: Executive Director / Housing Futures Project Manager

HOUSING FUTURES: NEW LANDLORD SELECTION PANEL - KEY FINDINGS AND CONCLUSIONS

Purpose

1. To consider the key findings and conclusions report of the New Landlord Selection Panel.
2. To make a recommendation to Full Council on the preferred model of new local housing association landlord that would take on the Council's housing in the event that tenants support a housing transfer in a ballot.
3. This is a key decision because:
 - it is likely to be significant in terms of its effects on all communities living or working in the District
 - it is of such significance to a locality, the Council or the services which it provides that the decision-taker is of the opinion that it should be treated as a key decision.

and it was first published in the March Forward Plan.

Background

4. On 13th March 2008 the Executive considered a report on a proposed selection process for the model of new housing association landlord as part of the development of a housing transfer proposal in full consultation with tenants, elected members and staff.
5. The recommendations agreed included the following:

That a new landlord selection panel with 5 tenants, 5 staff and 5 elected members will evaluate the options and present their findings to the Housing Options Portfolio Holder who will make a recommendation to Full Council on the preferred model of new landlord which will be either:

- a new stand alone local housing association or;
- a new subsidiary of an existing or new group of housing associations

That the Housing Options Portfolio Holder will make a recommendation to Full Council based on the outcome of the work of the new landlord selection panel at the end of the initial activity within the process.

A further competitive stage to the selection process will only be commenced in the event that establishing a new subsidiary of an existing housing group or establishing a new group of housing associations is the recommendation considered and agreed by Full Council.

Considerations

6. Following approval of the proposed process for the selection of a model of new local housing association landlord the stakeholder panel was established in April and completed its work in evaluating the options at the end of June 2008.
7. The key findings and conclusions of the panel are set out in the report attached as an appendix.

Options

8. To support the conclusion of the New Landlord Selection Panel (NLSP) that a new standalone local housing association would be the model that would best suit South Cambridgeshire.
9. The alternative option would be to consider a second competitive stage of a new landlord selection process in order to further explore the group models.
10. However, the evaluation process carried out by the NLSP strongly suggests that a new standalone local housing association would best meet local needs, should tenants vote in favour of transfer. Key gains of this model are assessed as:-
 - maximum autonomy
 - maximum local accountability and partnership
 - tenant empowerment in service and strategic matters, and
 - locally determined service excellence.

Importantly, this conclusion takes into account the views and priorities of other stakeholders who have been engaged in the new landlord selection process.

Financial Implications

11. The pre ballot costs of developing a housing transfer proposal would be fully borne by the Council if a new standalone local housing association is agreed as the preferred model of new landlord. However, if tenants support a housing transfer through a ballot these costs are recoverable through the capital receipt and/or from the new landlord.
12. Typically, if a new or existing group of housing associations is the preferred option the pre ballot costs are shared between the local authority and the partner housing association thereby minimising these 'at risk' costs in the event that tenants do not support a housing transfer.
13. The price to be paid for the Council's homes will be also influenced by the model of any new local housing association. In general terms group structures can afford to meet a higher valuation than a new standalone organisation because of reduced set up costs and utilisation of the financial strength of the partner housing association. However, maximising the valuation was not considered to be a high priority in deciding on the model that would best suit South Cambridgeshire as long as the preferred model will deliver two viable organisations – the Council and any new local housing association.

Other Implications

14.	Legal	A new local housing association will need to establish appropriate governance arrangements and meet the registration criteria of the Housing Corporation (or successor body). This is the case regardless of the model selected although if a new local housing association were to be part of a new or existing group structure it would benefit from the experience of the partner organisation in meeting these requirements.
	Staffing	The setting up of a new standalone local housing association will be more resource intensive than with the group models as the partner housing association would be able to provide staffing resources to assist with this process. If tenants support a housing transfer at a ballot the Council will therefore, need to make available key senior managers and support staff to lead on the establishment of the new landlord pending permanent appointments to the senior management structure. This will be in addition to identifying key personnel to lead the negotiations on behalf of the Council in any post ballot phase. A separate report on the agenda on managing conflicts of interest deals with some of these issues in more detail.
	Risk Management	The main risk of not conducting an open and inclusive process for selecting a model of new landlord is that the key stakeholders do not support the outcome. The risk management implications were set out in the Appendix to the report to the Executive on 13 th March.
	Equal Opportunities	Any new local housing association landlord will need to ensure that all groups can be represented and get involved in decisions that affect their homes, including hard to reach groups such as older people and rural communities. The Housing Corporation (or successor body) will require that any new housing association can meet its requirements in terms of equality and diversity in order to achieve registration.

Consultations

15. The details of the stakeholders who were engaged as part of the new landlord selection process are set out in the key findings and conclusions of the NLSP that is attached to this report.

Effect on Service Priorities and Corporate Objectives for 2008/09

16.	Work in partnership to manage growth	A housing transfer proposal could enable the Council to make a more effective contribution to delivery of the new Sustainable Community Strategy and the growth agenda including increasing the supply of affordable housing.
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<p>Deliver high quality, value for money and accessible services</p>	<p>Identifying aspirations of tenants and leaseholders for the future of the housing service and delivering them through a housing transfer proposal will help meet the aim to provide excellent services.</p> <p>Deciding on the model of new landlord is a key first stage in developing a housing transfer proposal and the involvement of tenants, staff and elected members in the process should help secure the support of these key stakeholders for the outcome.</p>
<p>Enhance quality of life and build a sustainable South Cambridgeshire</p>	<p>A housing transfer could help ensure the sustainability and affordability of homes and services in the longer term through investment in energy efficiency measures and improvements above the Decent Homes Standard (DHS). Additional services could be delivered in line with tenant aspirations and priorities that could benefit the wider community.</p>

Recommendation

17. To make a recommendation to Full Council on the preferred model of new local housing association landlord that would take on the Council's housing in the event that tenants support a housing transfer in a ballot.

Background Papers: the following background papers were used in the preparation of this report:

Housing Transfer Manual 2005

Office of the Deputy Prime Minister (now Communities and Local Government) October 2004

Good Practice Briefing Note 9: Choosing a new landlord

Community Housing Task Force (CHTF) publication 2003

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