

# Appendix C

## 1. Introduction

PS Consultants were appointed in March 2004 by tenants' representatives in South Cambridgeshire, to undertake the role of the Independent Tenants' Advisor (ITA) during the course of a Housing Options Appraisal exercise being undertaken by South Cambridgeshire District Council (the Council).

The Council had appointed Tribal HCH to act as its Financial Consultant during the course of the appraisal exercise and had established a Steering Group, known as the Housing Options Working (HOW) Group, consisting of tenant representatives, councillors, and representatives from the Council's housing staff, in order to manage the process on its behalf.

The HOW Group's role, supported by Tribal HCH and PS Consultants, was to ensure that the process of the appraisal of the four options for the future ownership and management of the Council's housing stock of approximately 6000 properties was undertaken in accordance with the Government's guidance on Options Appraisal that was issued in June 2003.

The four options that were under consideration were: -

- Stock retention by the Council with the existing financial and management arrangements
- Stock retention by the Council with management undertaken by an Arms Length Management Organisation (ALMO)
- Stock retention by the Council through the Private Finance Initiative (PFI)
- Stock Transfer to one or more Registered Social Landlords

The Government's guidance provides detailed requirements for the way in which an Options Appraisal exercise must be conducted. This includes a requirement for tenants and leaseholders to be able to make meaningful contributions to the process through representation on working groups, and for tenants to be at the heart of the decision making process about the preferred option for the future ownership and management of homes.

As the ITA in South Cambridgeshire District therefore, PS Consultants' role was, essentially: -

- To support the tenants' representatives on the HOW Group, through the provision of detailed advice and training, in order to ensure that they were able to make a full and informed contribution to the process;
- To provide information to, and undertake consultation with, the wider tenant and leaseholder population with regard to the issues relating to the Options Appraisal process.
- To undertake further consultation with tenants to determine their aspirations for improvements to homes and housing services that lead to the development of the 'Future Homes Standard.'
  - To receive a report on the implications of each of the four options from the financial consultants, Tribal HCH
- To undertake detailed consultation with tenants to obtain an informed view with regard to their preferred option for the future ownership and management of the Council's homes.

In conducting the role of the ITA, PS Consultants' work was managed by the tenant representatives who had been responsible for their appointment to the role.

Their work relating to the consultation with the wider tenant and leaseholder population was, however, overseen by the HOW Group as a whole who considered and approved the methodologies that were employed and the consultation material that was produced.

This report outlines the work that has been undertaken by PS Consultants during the period April 2004 - May 2005 with regard to consultation with tenants in South Cambridgeshire, details the findings of the consultation that was undertaken and offers some initial conclusions.

In writing this report PS Consultants would like to acknowledge the contribution of all the people who assisted in both the planning and the delivery of the consultation programme, in particular, the Tenant Representatives on the HOW Group and Tracey Cassidy, Tenant Participation Officer.

## **2. The Consultation Programme**

### **2.1 Objectives**

The detailed objectives for the consultation exercise were

- To raise awareness amongst tenants and leaseholders about the Options Appraisal exercise that was being undertaken
- To advise tenants of the key Government policies that affect the process, including the requirements of the Decent Homes Standard, and of the four options under consideration for the future ownership and management of the Council's homes
- To obtain further, detailed, information about tenants' aspirations with regard to the improvement of homes and the future development of the housing service
- To provide detailed information to tenants with regard to the ability of each of the four options to provide the investment required to meet the investment requirements
- To provide tenants with a range of easily accessible opportunities to obtain further information about the Options Appraisal process and the implications of the different options
- To determine through consultation tenants' views with regard to their preferred option.

### **2.2 Methodology**

The consultation exercises were designed to incorporate the use of a range of consultation methods that were consistent with the Council's Tenant Empowerment Strategy and that would allow all tenants the opportunity to gain sufficient information to enable them to develop an informed view about their preferred option.

In order to ensure that all tenants received information about the options and were given the opportunity to comment the consultation exercise incorporated the use of the following methods: -

- Three newsletters
- A postal survey
- Four focus Groups
- A postal test of opinion
- Coffee mornings
- Drop-in information sessions
- Resident Group meetings
- Telephone Survey

## **Newsletters**

The first newsletter was distributed to all tenants during August 2004 and had the objective of raising the profile of the Options Appraisal process amongst tenants. It described the key government policies that would influence the Options Appraisal process in South Cambridgeshire, and sought to obtain further, detailed, information about tenants' aspirations with regard to the improvement of homes and the future development of the housing service. It explained the role of PS Consultants as the ITA, and provided details of the freephone number and email address that were open to tenants throughout the duration of the consultation exercise.

The second newsletter was distributed to all tenants in February. This explained the Future Homes Standard that had been established as a result of the survey carried out in August, and reiterated key Government policies, including the Decent Homes Standard.

The third newsletter was distributed to tenants in early April 2005 and provided, on the basis of the report that had been undertaken by Tribal HCH, an analysis of the ability of each of the four options to meet the investment required to meet the Decent Homes Standard and the Future Homes Standard.

The newsletter encouraged tenants to obtain further information by attending one of the series of information events or by contacting PS Consultants directly via either the freephone or email.

The third newsletter also contained the postal test of opinion that tenants were requested to complete and return in a pre-paid envelope that was also provided. In order to encourage a wide response PS Consultants sponsored a free prize draw into which all tenants who responded were entered.

All newsletters were written in consultation with the HOW Group and sought to highlight the issues that it considered would be of the most significant concern to tenants.

In order to support the consultation exercise a series of seven fact sheets were produced giving further details about the process and the implications of each of the options. These were available on request, at the consultation events and from the Council Office.

## **Information Events**

A total of 28 consultation events were held between 4 and 15 April 2005. In order to encourage the maximum attendance the sessions comprised a variety of events, including 16 coffee mornings, 1 afternoon tea, 8 'drop-in' sessions and 3 Resident Group meetings. These were held at a variety of locations and at different times of the day, including evenings.

A total of 382 tenants attended the meetings, including a number of shared equity tenants. This rate of attendance was higher than had been anticipated and compares favourably with PS Consultants' experience of conducting similar exercises elsewhere. It was noted, however, that those tenants who did attend were predominantly from older age groups, largely because the majority of the sessions were held at Sheltered Schemes.

Each meeting (other than the 'drop in' sessions) took the format of a detailed presentation by the ITA followed by the opportunity for questions and comments from the audience. The 'drop in' sessions, afforded people the opportunity to come along at any time during the session to pick up information or discuss relevant issues with the ITA.

### **Focus Group**

In addition to the wider consultation an additional four Focus Group type meetings were established in order to determine, in greater detail, tenants' views on various issues relating to the Options Appraisal process and the options that were being considered.

The Focus Groups comprised tenants who indicated on the first survey form that they would like to be more involved in the process. The Focus Groups began with a presentation from the ITA outlining the background to the Options Appraisal exercise, and the aims of these sessions. Tenants were then asked to break into separate groups to consider, in detail, the following: -

- Prioritisation of desired home improvements
- Prioritisation of desired service improvements
- Issues surrounding service improvements, e.g. repairs, tenant participation
- Preferred consultation methods and material
- Hopes and worries about the future of council housing with regard to the options.

The views of each group were fed back into a discussion of the whole group and collective views were made with regard to each of the subject areas.

## **3. The Survey Findings – Phase One**

PS Consultants received a total of 2075 completed surveys, which represented a response rate of approximately 36% of tenanted households in the District.

This response rate compares very well with other similar consultation exercises that have been conducted by PS Consultants during the first phase of consultation in the course of Housing Options Appraisal exercises.

### **3.1 Who responded?**

The survey sought first to identify the type of people who were responding by asking: -

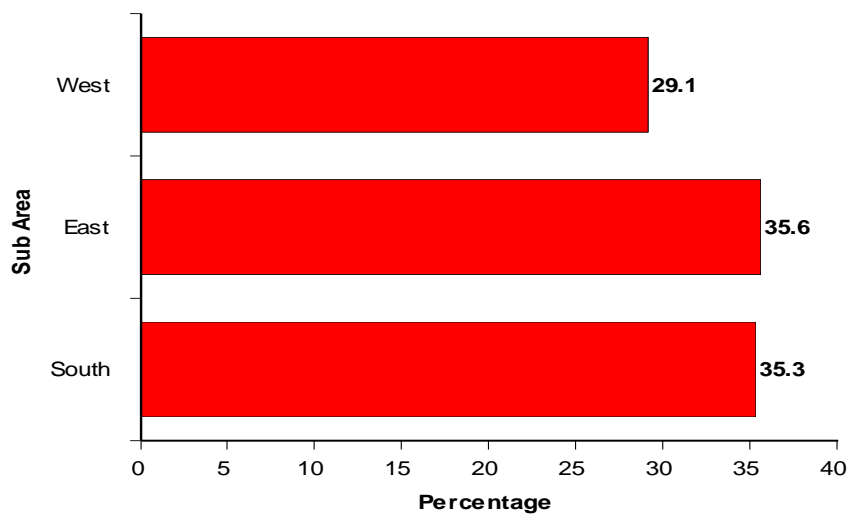
- The area in which they lived
- What type of property they lived in
- How long they had been a tenant

- How old they were

This information could then be considered in order to determine how representative the sample obtained was of the tenant population in general.

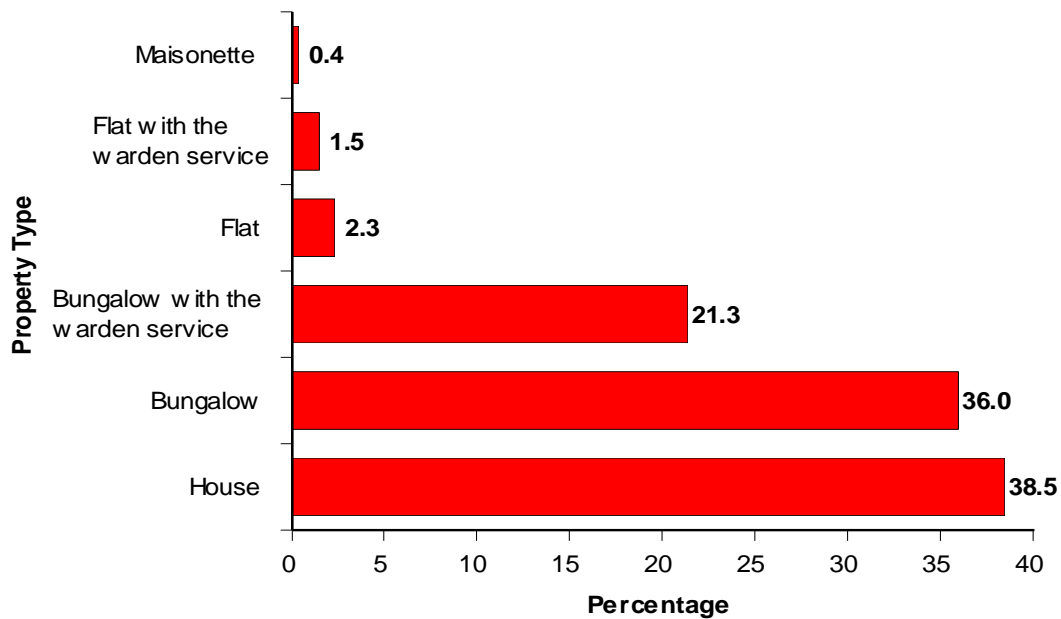
➤ **Area**

The table overleaf shows the percentage of responses that were received from each of the identified areas within the District and demonstrates that the sample obtained is reasonably representative of the overall distribution of the Council's homes in the District.

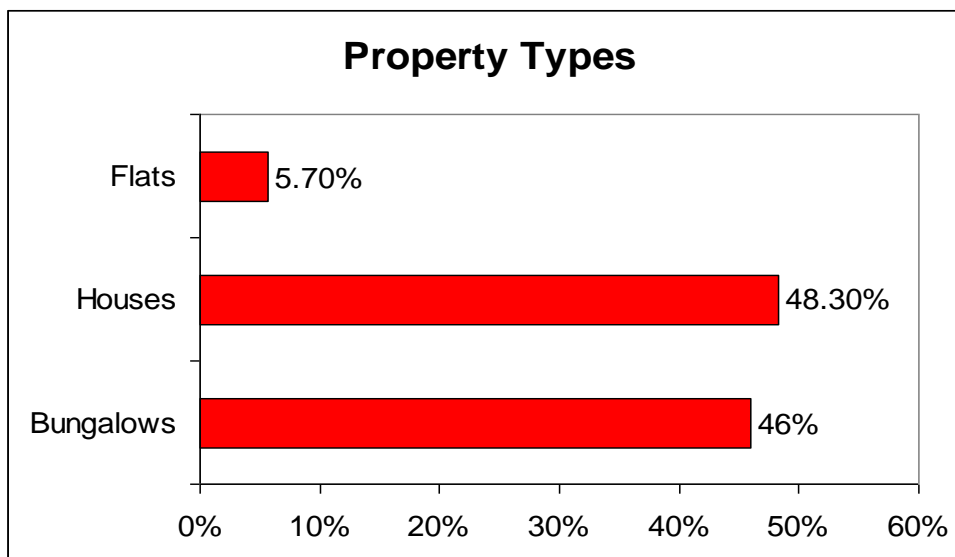


➤ **Property Type**

The graph below demonstrates the type of property in which respondents lived.



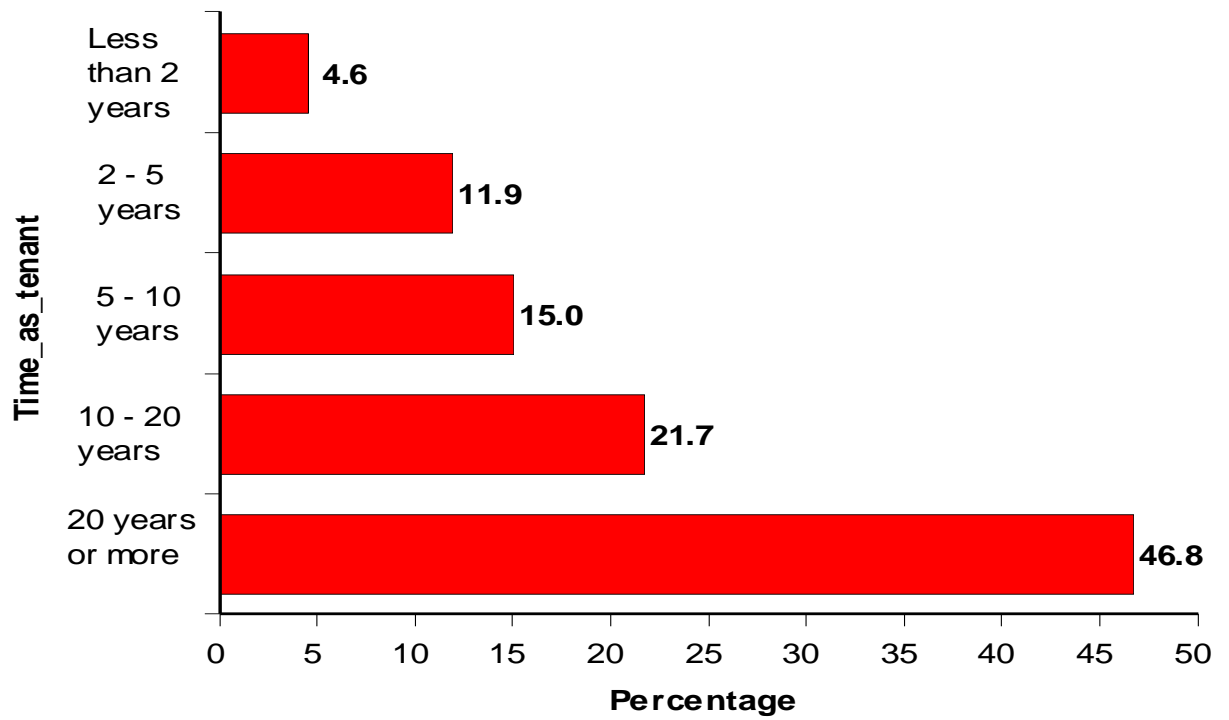
The graph overleaf illustrates the percentage of each property type within the Council's housing stock and demonstrates that the sample obtained was reasonably representative in this regard. However, the 57% response rate from people living in bungalows reflects the high percentage of responses from the older age groups, who are more likely to reside in this type of accommodation.



Source: 2004/5 Business Plan

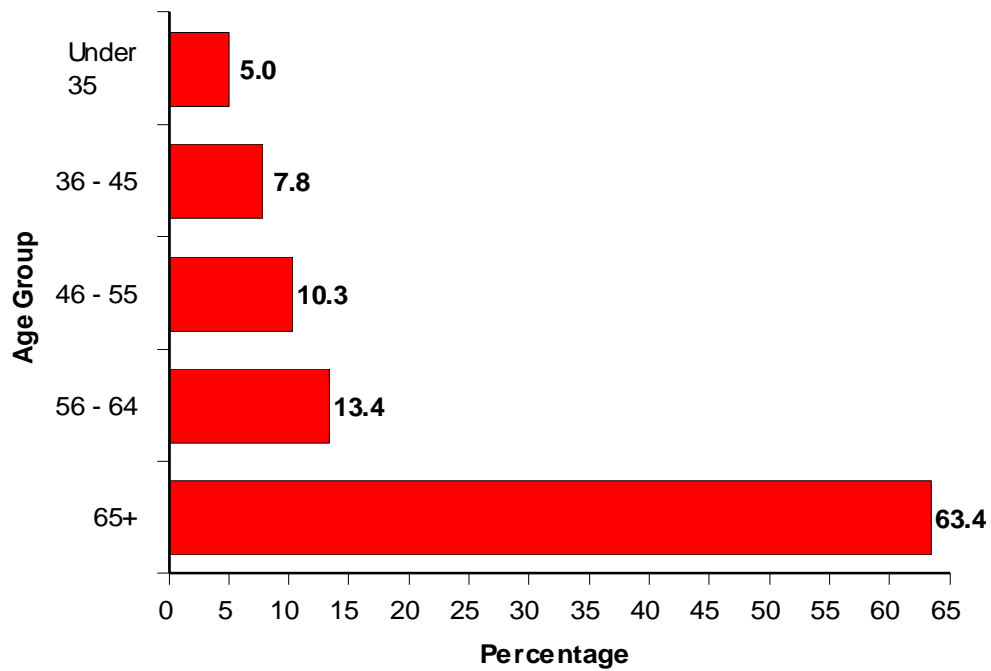
### ➤ Length of Tenancy of Respondents

The graph below demonstrates the length of tenancy of the respondents.



➤ **Age of Respondents**

The graph below demonstrates the age of respondents: -



The graph shows that respondents to the survey tended to be from older age groups and that the majority of respondents (over 63%) were aged over 65.

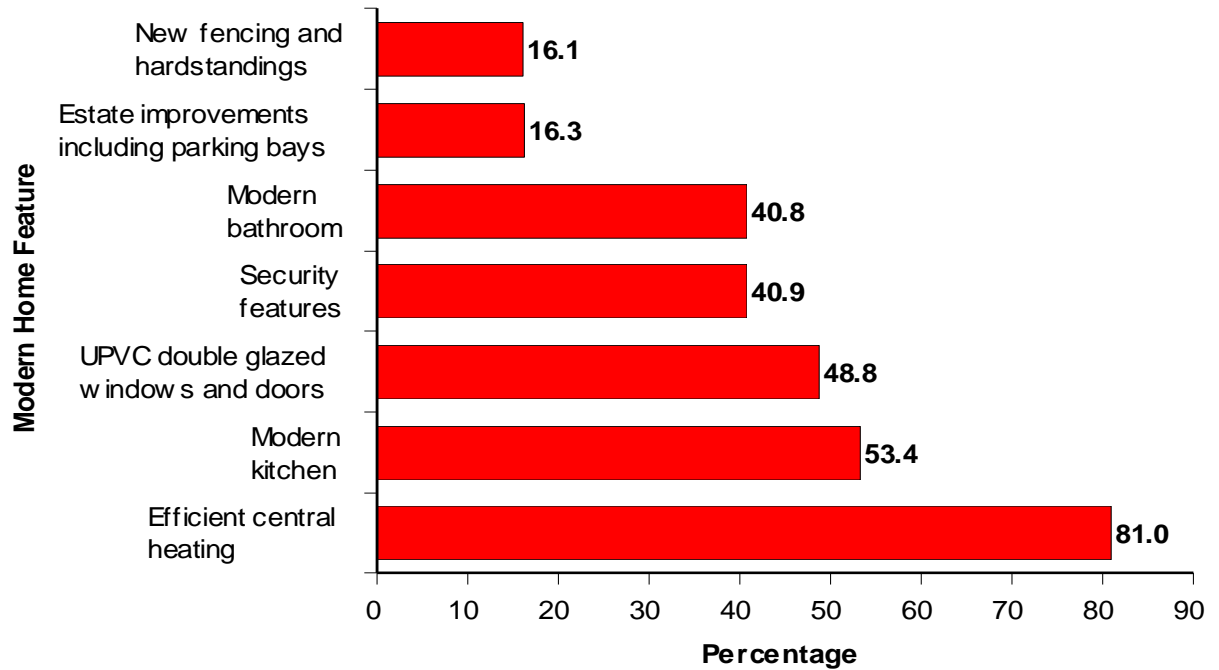
Without accurate information from the Council in respect of the ages of tenants it is impossible to give a direct comparison between the response rate and actual figures. However, a Best Value Performance Indicator survey carried out by the Council in 2003 had a response rate of 57% from the 65 and over age group.

The response rate, in terms of the age of respondents, is similar to that obtained in other surveys that have been undertaken by PS Consultants and demonstrates the extent to which older and more longstanding tenants are prepared to engage in consultation regarding their homes and housing services.



### 3.2 Most Important Elements of a Modern Homes

Tenants were asked to select the three elements of a modern home that they felt were of most importance to them. The graph below shows the response.

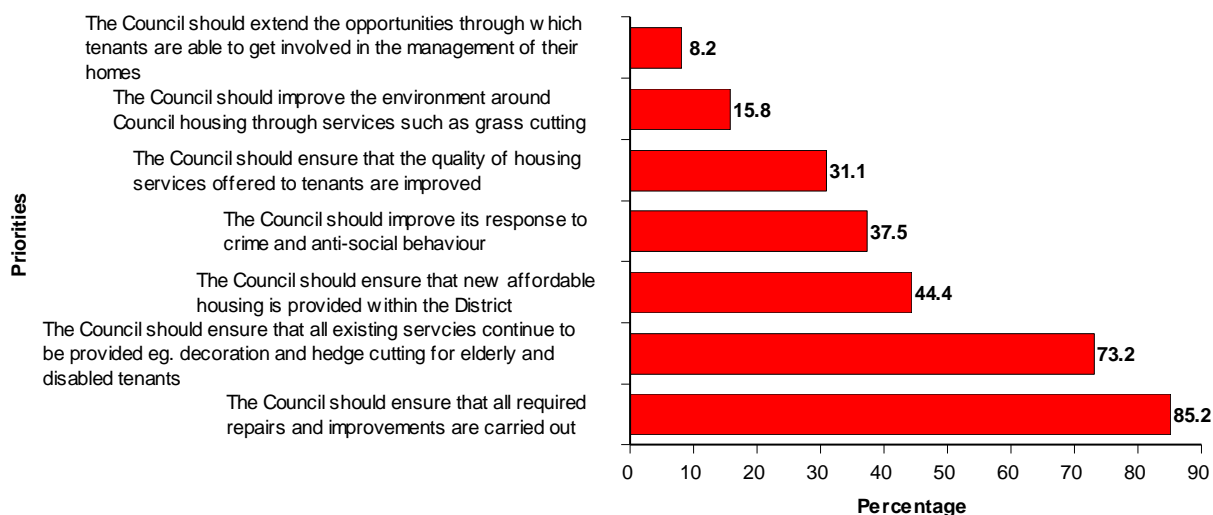


By far the most important element of a modern home was deemed to be an efficient central heating system. This was reflected in the focus groups, free phone calls, and the consultation in phase two, where many were concerned about whether storage heaters and warm air heating would be replaced with a more efficient and cost effective heating system.

Over half of the respondents indicated that a modern kitchen was important, and modern bathrooms, security features and double glazed windows and doors were important to a large proportion of respondents. None of these are a requirement of the Decent Homes Standard.

### 3.3 Improvements to the Housing Service

Tenants were asked to select their priorities for improvements to the housing service. The graph below shows the response.



Over 85% of respondents indicated that repairs and home improvements being carried out, were of the greatest priority, and over 73% felt that it was important for the Council to continue with existing services such as decorating and hedge cutting for elderly and disabled tenants. This could reflect the high response rate from the older age groups.

The provision of new affordable housing in the District was an issue for 44.4% of tenants, and improvements to the existing housing service, including an improved response to anti-social behaviour was important to many.

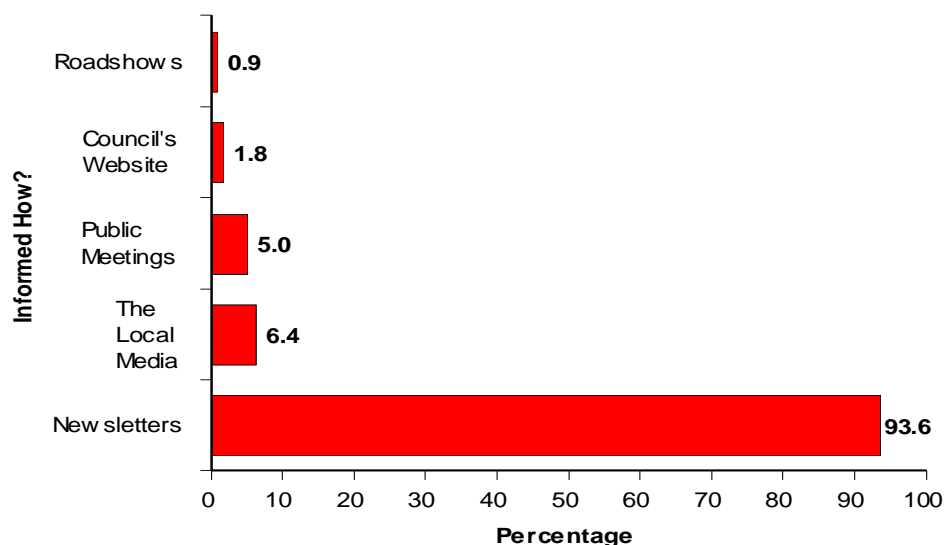
Further analysis of this table was undertaken in respect of the 65 and over age group, and the table below, shows the overall response compared to that of the 65 and over age group.

Service	General Response	65 and over
Repairs and Improvements	85.2%	84.5%
Continuation of Existing Services	73.2%	84.3%
Provision of New Affordable Housing	44.4%	38.4%
Improved response to crime and anti-social behaviours	37.5%	38.4%
Improve the quality of housing services	31.1%	24.7%
Improved environmental works	15.8%	17.8%
More tenant involvement	8.2%	5.6%

As can be seen in the graph above, the older age groups placed more emphasis on continuing existing services, such as decorating and hedge cutting for older and disabled tenants.

### 3.4 How to be kept informed?

Tenants were asked what was their preferred method of being kept informed about the Options Appraisal process. The graph below shows the response.



### 3.5 Who wanted to be more involved in the process?

169 tenants indicated that they would like to be more involved. These people were invited to attend and participate in the Focus Groups held in October 2004.

## 4. Conclusions of Phase One Consultation

The survey that was conducted by PS Consultants, as the Independent Tenants Advisor, during the course of the first stage of the consultation programme about the Stock Options Appraisal exercise received 2075 responses, representing approximately 36% of council households in the District of South Cambridgeshire.

This level of response compares extremely favourably with those which have been obtained in other consultation exercises undertaken by PS Consultants in terms of both its overall size in percentage terms and also in respect of its demographic breakdown. The sample can, therefore, be regarded as being a reasonably good test of opinion amongst council tenants in South Cambridgeshire, although it has been demonstrated that the older age group may be over represented.

With regard to the consultation programme's objective of establishing tenants' views with regard to their priorities for the homes, the environment and the service, the survey has demonstrated some clear findings. It has, for example, demonstrated the extent to which tenants regard the provision of a high quality repairs service as being the Council's greatest priority within the process. The findings also demonstrate that tenants view the continuation of existing services as being important, particularly amongst the older age groups.

With regard to the type of improvements that tenants would like to see to their homes, the survey demonstrates a clear desire for improvements to be undertaken which exceed the requirements of the Decent Homes Standard. 81% of respondents, for example, indicated that they thought that the provision an efficient central heating systems was important, with over 50% indicating that modern kitchens were a priority.

The findings suggested that there was merit in developing the 'Future Homes Standard', a standard above the Decent Homes Standard, and in excess of the requirements of the Stock Condition Survey, to which council homes should be improved.

The survey demonstrates that there is a desire, albeit to varying degrees, amongst tenants for an improvement in the quality of both the housing service, and the homes in South Cambridgeshire.

## 5. The Survey Findings – Phase Two

PS Consultants received a total of 1412 completed surveys, which represented a response rate of approximately 23.5% of tenanted households in the District.

This response rate compares well with other similar consultation exercises that have been conducted by PS Consultants during the course of Housing Options Appraisal exercises and is considerably in excess of the benchmark response rate of 10% that is considered to be acceptable by the Government's Community Housing Taskforce.

### 5.1 Who responded?

The survey sought first to identify the type of people who were responding by asking:

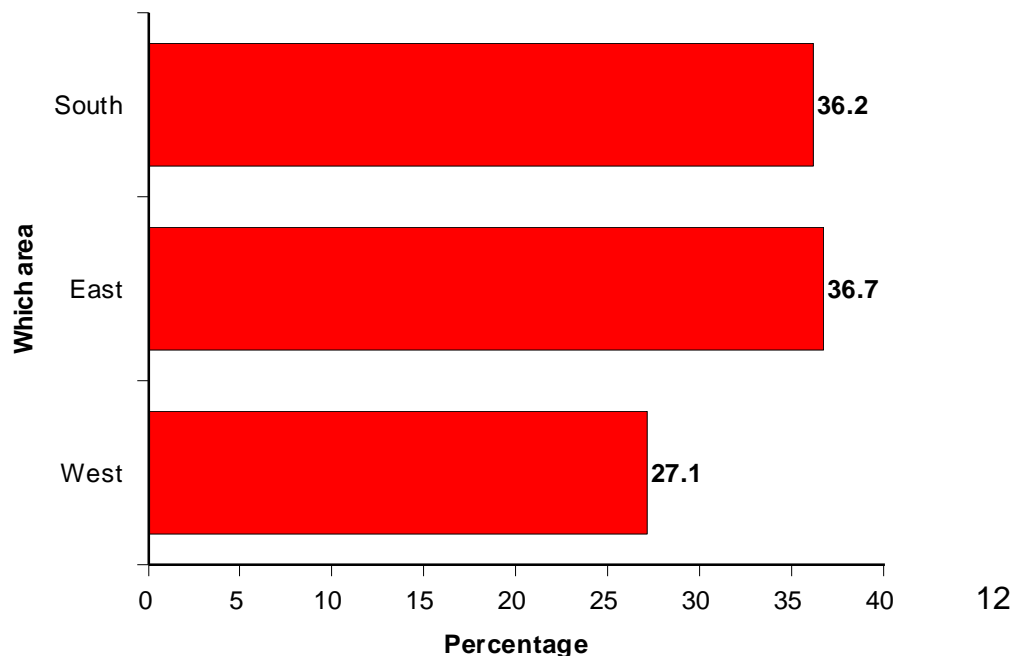
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- The area in which they lived
- What type of property they lived in
- How long they had been a tenant
- How old they were

This information could then be considered in order to determine how representative the sample obtained was of the tenant population in general.

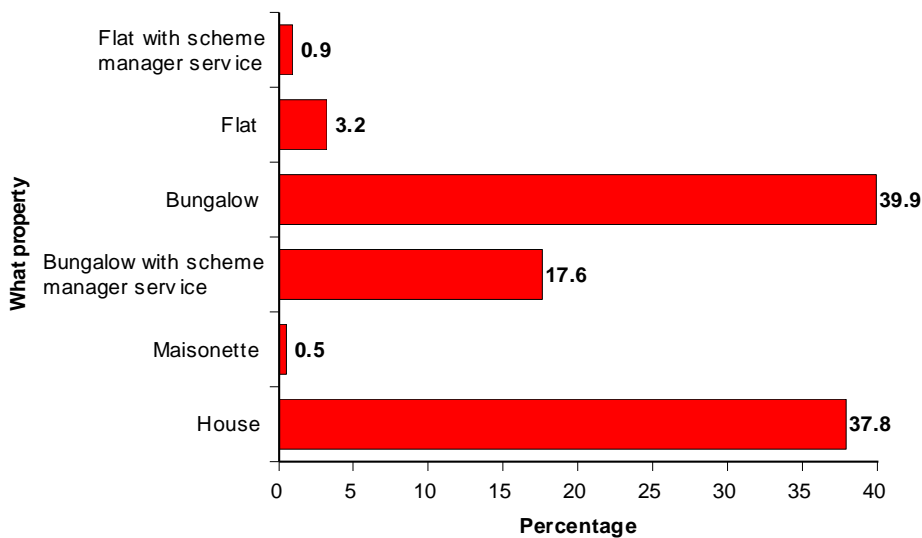
#### ➤ Area

The table below shows the percentage of responses that were received from each of the identified areas within the District and demonstrates that the sample obtained is reasonably representative of the overall distribution of the Council's homes in the District.



➤ **Property Type**

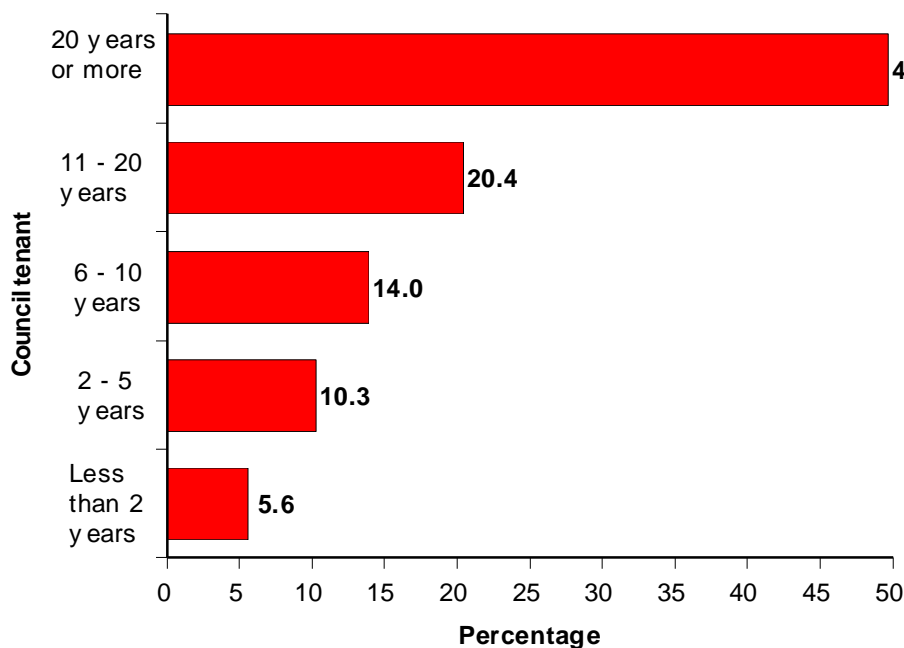
The graph below demonstrates the type of property in which respondents lived.



The graph below illustrates the percentage of each property type within the Council's housing stock and demonstrates that the sample obtained was reasonably representative in this regard. However, as with the first survey, there was a high response rate (57.5%) from people living in bungalows again, reflecting the high percentage of responses from the older age groups, who are more likely to reside in this type of accommodation.

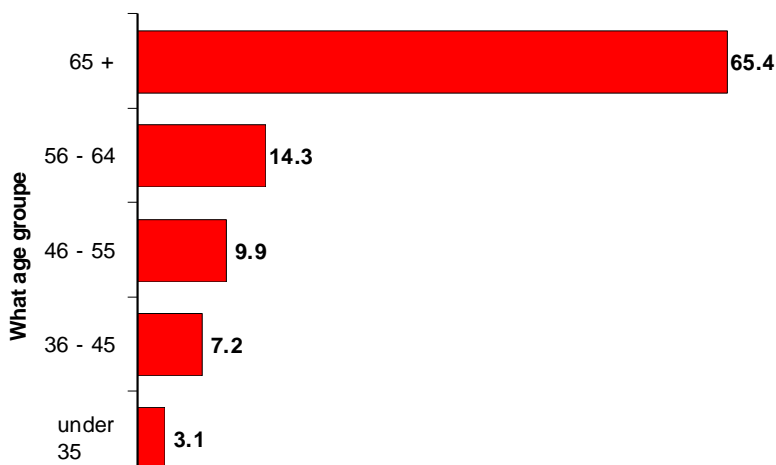
➤ **Length of Tenancy of Respondents**

The graph below demonstrates the length of tenancy of the respondents, and demonstrates that longer standing tenants are more likely to respond to a survey of this type.



➤ **Age of Respondents**

The graph below demonstrates the age of respondents: -



The graph shows that respondents to the survey tended to be from older age groups and that the majority of respondents (over 65.4%) were aged over 65. This is a slightly higher percentage than the response rate in the first survey, which was 63.4%.

Without accurate information from the Council in respect of the ages of tenants it is impossible to give a direct comparison between the response rate and actual figures. However, a Best Value Performance Indicator survey carried out by the Council in 2003 had a response rate of 57% from the 65 and over age group

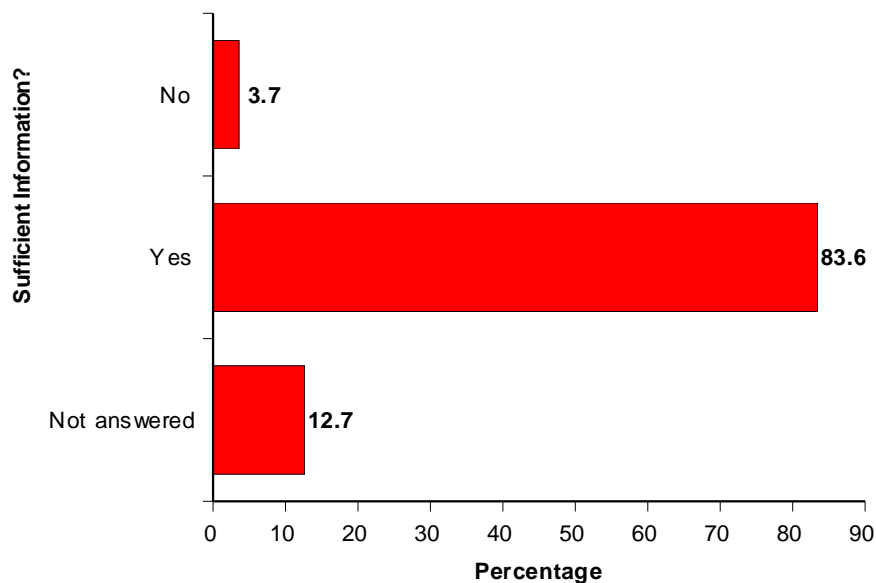
The response rate, in terms of the age of respondents, reflects responses in other surveys that have been undertaken by PS Consultants and demonstrates the extent to which older and more longstanding tenants are prepared to engage in consultation regarding their homes and housing services.

The overrepresentation of older tenants is, however, a factor that the Council may wish to take into account when considering the outcome of the consultation exercise as a whole.

➤ **Had Respondents Received Sufficient Information?**

Having identified respondents according to their geographic location, property type and age the survey sought to identify whether respondents considered that they had received sufficient information to enable them to make a decision about their preferred option for the future ownership and management of homes.

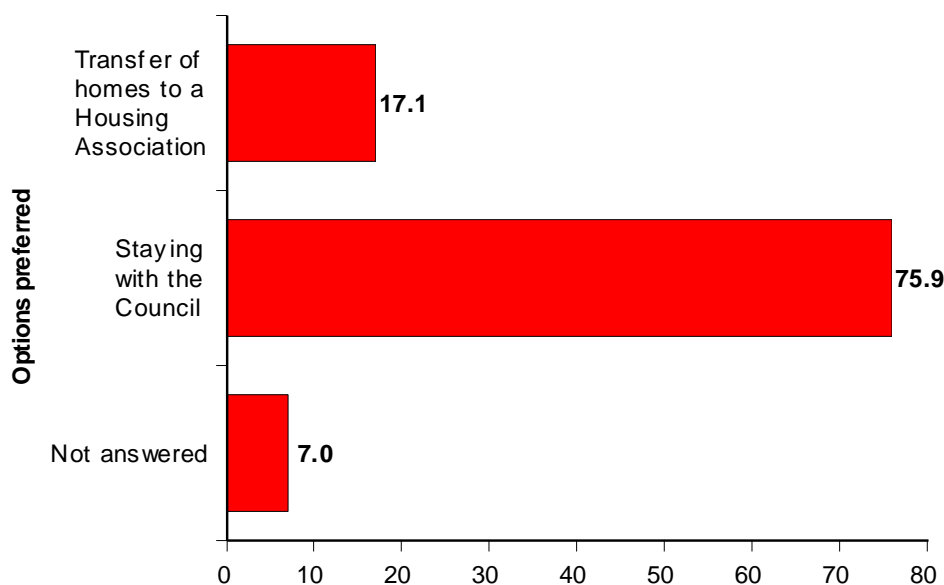
The graph below demonstrates that the vast majority of respondents considered that they had received sufficient information.



Although it is satisfying to note that such a high proportion of tenants considered that they had received sufficient information to enable them to develop an informed view about their preferred option, it should be noted that the answers to subsequent questions demonstrated that there were a number of misconceptions about the options.

### 5.1 Tenants' Preferred Option

Tenants were asked, which of the two options they would prefer for the future ownership and management of South Cambridgeshire District Council's homes.



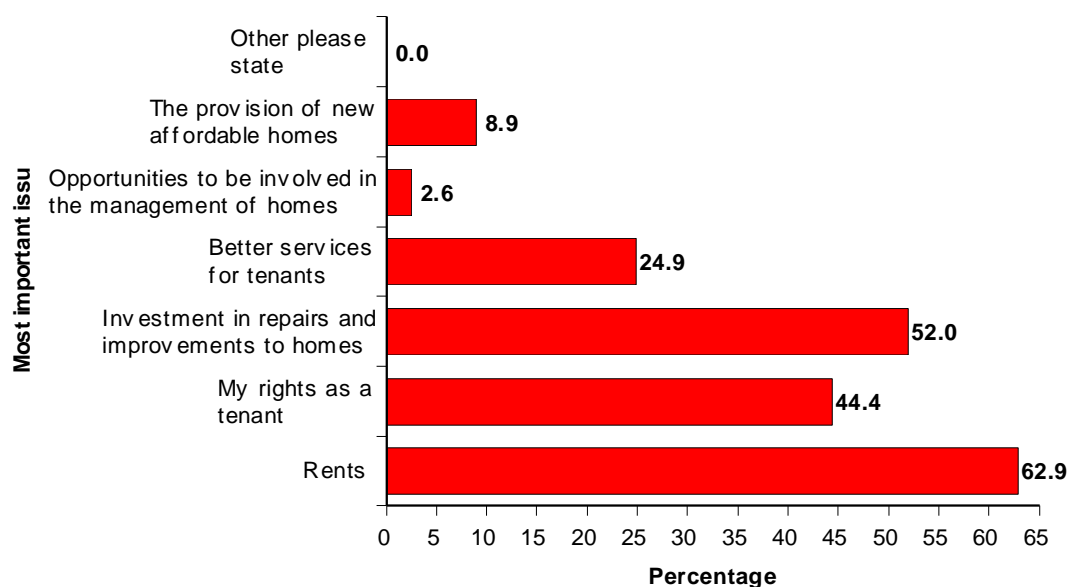
The graph demonstrates that the majority of respondents who expressed a preference, indicated that their preferred option was for the Council to retain the homes. Analysis of this field after the first 800 responses were entered, gave a slightly different response with only 2.9% being in favour of a transfer. This may indicate that opinions changed as people had opportunities to discuss the issues further at consultation events, by using the freephone service, or discussion between themselves.

In PS Consultants' experience it is unusual for a test of opinion, at this stage of an Options Appraisal exercise, to demonstrate support for any option other than Stock Retention by the Council with the existing financial and management arrangements.



## 5.2 Tenants' Concerns and Priorities in Considering the Future of Their Homes

Tenants were asked to indicate which two issues were of most importance to them. The graph below shows the response to this question.



The graph shows some inconsistency with the preferred option being that of stock retention.

Tenant's major concern proved to be that of rents. Under Rent Convergence, in the event of a stock transfer, the rent would be more or less that same as tenants would pay if the Council were still the landlord.

The second priority is that of investment in repairs and improvements to homes. This was fairly evenly reflected across the age groups, with it being a major concern for 59% of the under 35-age group. The amount of investment possible in homes and services varies substantially under each of the options, with stock transfer able to offer the greatest amount of investment.

44.4% of respondents indicated that tenants' rights were a major concern. As with rents, there would be very little difference between the two options, with secure tenancies, and protected assured tenancies being very similar.

## 6. Issues and Concerns Raised

The main concerns expressed at the consultation events and on the freephone help line were reflected by the findings of the survey. The main issues raised at these events were generally those of rents, tenancy rights, particularly the Right to Buy, and repairs and improvements.

In addition, many people queried the finances of RSLs and were concerned as to how improvements to homes and services could be offered if rents were no higher than the Council rents. People were interested in the different financial structures of RSLs and Councils, particularly in the issue of the housing subsidy.

Interest was expressed over the difference in the management structures, with tenants having greater participation and consultation opportunities in RSLs, including membership of the Board of Management.

Some expressed concern about the ability of the Council to continue to provide its current level of services to tenants within the context of the proposed revenue savings that would have to be made in the event of stock retention. Some questioned the extent to which the Government will support this option in the longer term.

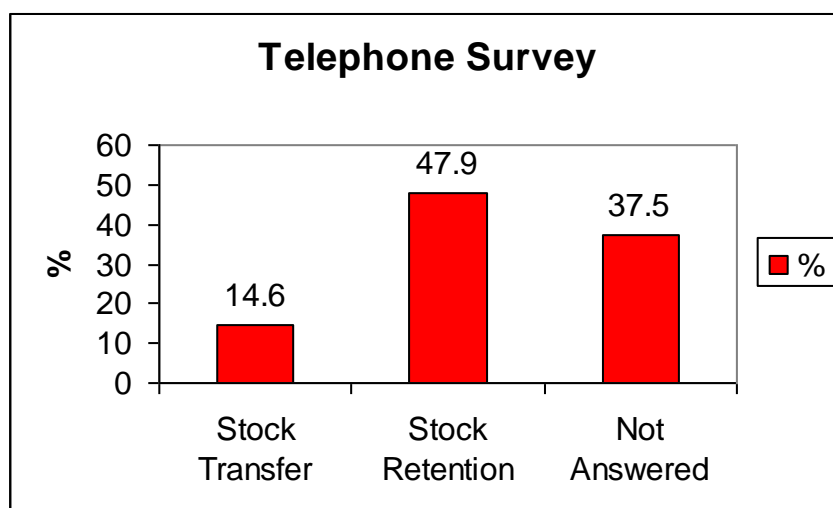
➤ **Equity Share**

There was a great deal of interest from those with an Equity Share property. Many of these appear to feel marginalized by the process because, in the event of the Council choosing to consider a Stock Transfer, they would not, under current legislation, have the right to vote in the formal ballot. Reassurance was made that they have right to be consulted throughout the process, and that their views should be considered throughout, and in particular, in the formal offer document. A copy of the lease agreements has been sent to the Office of the Deputy Prime Minister for clarification on the rights, and it is recommended that the Council seek further legal advice on how Equity Share property residents would be affected in the event of move towards stock transfer.

➤ **Telephone Survey**

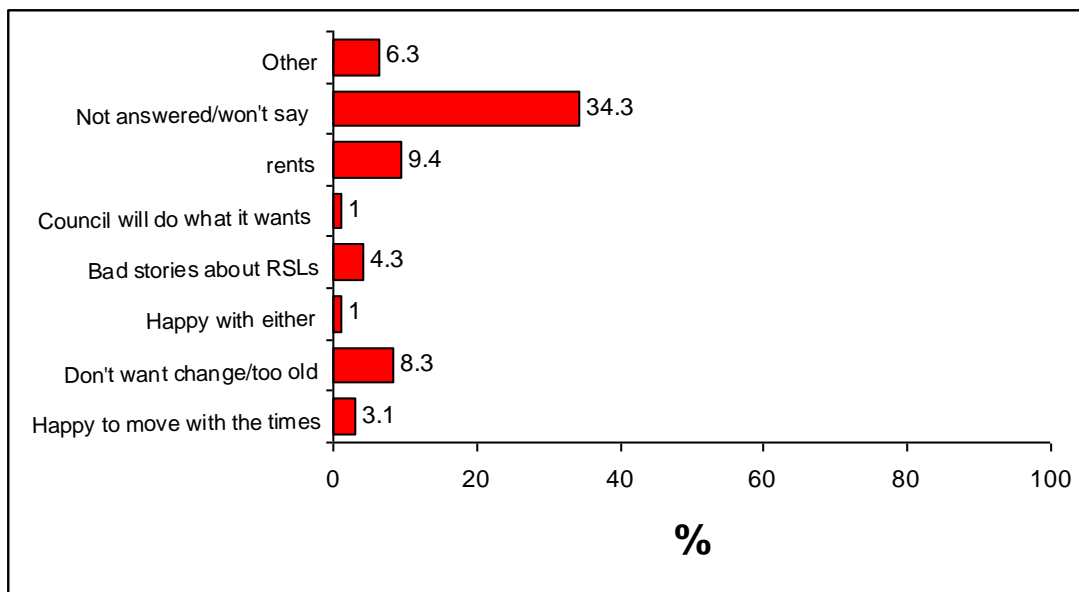
A telephone survey of 96 tenants under the age of 65 was undertaken, principally to identify the reason for a lack of response in this age group.

The survey asked for tenants' preferred option, and the graph overleaf shows the response.



People were asked to identify their main reason for voting as they did, or would do now.

The graph below shows that response



People were asked what their main concern was, and again the majority, 67.8% indicated that rents was a major concern for them, and 14.3% saying they didn't know anything about RSLs, so had general concerns about how they would be affected in the event of a transfer.

## 7. Conclusion

The consultation exercise that was undertaken with tenants in South Cambridgeshire by PS Consultants was successful in providing a range of opportunities for tenants to obtain information about the Council's Housing Options Appraisal exercise and to give their views with regard to their preferred option.

The test of opinion that was undertaken in April 2005 as part of the consultation exercise obtained a response rate of approximately 23.5%, which is in excess of the Community Housing Task Force's benchmark response rate of 10%. Although the sample that was obtained was broadly representative of the distribution of the Council's housing stock in the district it has been noted that tenants from older age groups were possibly over represented and that this could have had an impact upon the overall result.

The survey demonstrated that Stock Retention was the favoured option by 75.9% of tenants. It has been noted within the report that, in PS Consultants' experience, it is relatively uncommon for any option, other than Stock Retention, to receive support at this stage within the Options Appraisal process.

The principle reason for this is that during this stage of the process, people are being asked to consider a change to an unknown type of organisation, with no specific information about services, improvements, policies, rents, rights, and most importantly, who that landlord would be. We would expect, and can demonstrate that this level of interest and support would grow following further in depth consultation with tenants and leaseholders, where issues such as those listed below would be resolved:-

- The identity of the proposed new landlord
- Rents

- Tenancy conditions
- The Offer to tenants
- Investment levels and programming of improvement works

Although there appears to be little support amongst tenants for a Stock Transfer at this stage, it is recommended that, in making its decision, the Council should take the desire for continued investment in homes and services and demonstrated in the Future Homes Standard, into account during the course of the further consideration of the options.