

# Housing Options Appraisal

## The Future of Council Housing in Poole

December 2009



**Update from the Working Party's  
Communications Group**

# Welcome...

This is a vital project for all of us. It is about the future of our homes and neighbourhoods – what could be more important?



We've been asked to make sure every tenant and leaseholder knows how the project is going, so do please have a read through this newsletter which explains the project, the work we have done and the next steps. There is much more information on the website (see the address at the bottom) if you are hungry for more.

Your opinion counts and we would love to see you on 15th December at the next Residents' Panel meeting, 5.30pm at PHP's offices in Beech House – just turn up!

**Rod Wood** Resident representative on the Communications Group for the project.

This newsletter is written on behalf of the Options Appraisal Team set up by the Council. The team comprises volunteers who are tenants and leaseholders, Councillors and an independent Board Member of PHP.

The Communications Group is a panel of residents who, along with Council and PHP staff, have been tasked with producing leaflets and newsletters and organising events, on behalf of the Options Appraisal Working Party, to spread the word about the project. This document is part of that process and reflects the group's views.



Andy Ross, Residents' Representative on the Communications Group



Marie Marsh, PHP's Resident Involvement Coordinator

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'This is an important project which will look at the options for funding housing services to council tenants in the long term. It is essential we fully examine all the options, which could include a change to the way your housing is managed. We will be working closely with residents and obtaining specialist advice to help us reach the right decision'.

*Cllr. Elaine Atkinson, Chair of the Options Appraisal Working Party and Portfolio Holder for Social Care and Equalities, Borough of Poole.*

# What's this project all about?

Last year the Council and PHP set up the Options Appraisal Project when it became clear that funding problems were looming. The project needs to find the best way to deliver a housing service that meets your needs in the future.

In 2004, PHP became responsible for managing and maintaining the Council's housing stock. When PHP was assessed as 'excellent', the government allowed Poole to borrow an additional £35.4 million to invest in your homes and neighbourhoods. This was great news for tenants. Over the last five years we have been able to invest much more than previously and many residents have new bathrooms, kitchens, central heating, electrical wiring, roofs, doors and much more.

In 2010, the extra borrowing comes to an end. In future years the Council and PHP will have a lot less to spend and there is a danger that your homes will deteriorate.

## So how can we continue the good work and carry on maintaining your homes to the standards we have achieved since 2004?

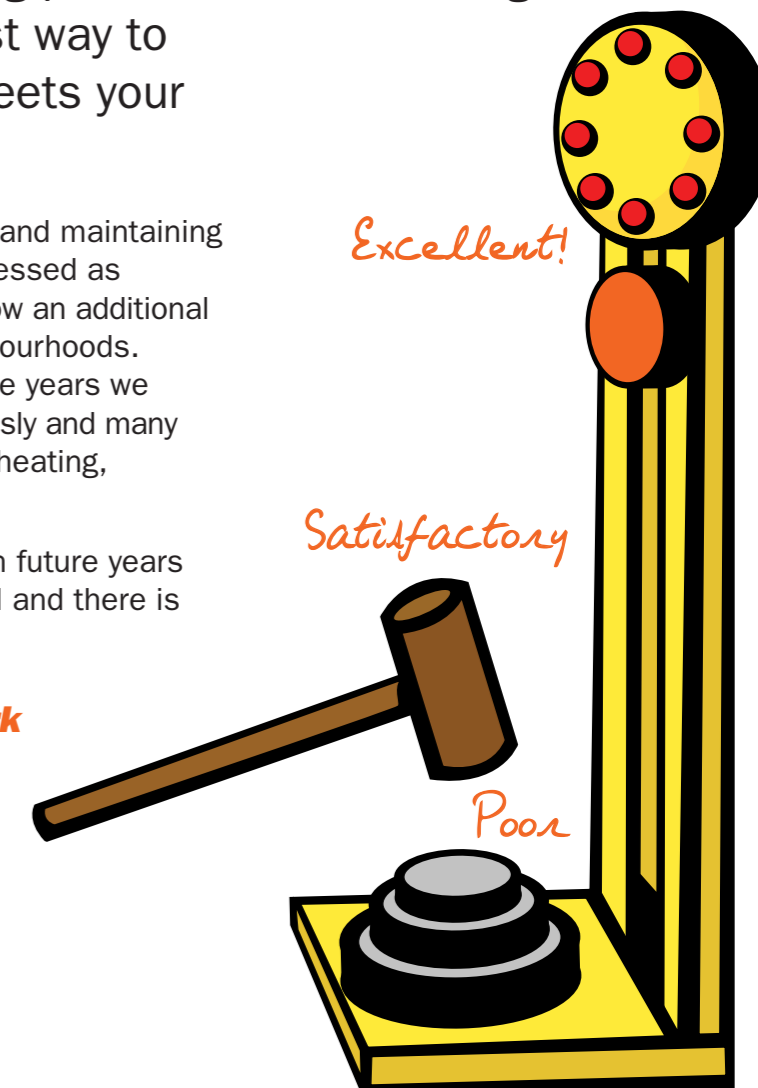
Right now the Government is reviewing the way it funds council housing across the country. We thought this review would help us make a decision about the future but the outcome is still uncertain (See page 5).

We must find a way of managing and maintaining your homes and neighbourhoods to the level residents have told us you expect. We do not know what the future holds. But whatever happens, we will consult with all tenants and leaseholders before any final decision is reached.



'Satisfaction levels of Council tenants and leaseholders are now very high. Our funding will not remain at current levels so we have to look carefully at options for the future. We must find a way to continue to provide high quality services to tenants and leaseholders across Poole'.

*Bill Constance, Chairman of PHP*



## What's the story so far?

### The project started in late 2008

The Council and PHP:

- set up the Working Party which will make the final recommendation
- set up the Residents' Panel to enable residents to hear about the project and give their views to influence the Council's decision
- appointed an expert advisor to make sure the Working Party fully understands the issues
- appointed a specialist resident advisor (DWA) to make sure residents get good quality impartial advice
- updated the stock condition survey so that we know what needs to be spent to keep your homes in good condition
- completed a first round of consultation to tell residents about the project and to obtain their views on priorities for the future
- contacted local organisations to tell them about the project and get their views
- considered and responded to the Government's proposals to reform housing finance

### What you have told us:

Meetings have taken place throughout the year with a range of residents' groups, forums and panels. We asked you about your priorities and hopes for the future.

You told us the most important things are:

- repairs and maintenance
- tackling anti-social behaviour
- more improvements in security

You would also like to have resident involvement in the allocation policy, more facilities for young people, voluntary gardening services and better support for lone parents and vulnerable tenants.

Sheltered Housing residents told us they wanted their homes to be made more accessible, including:

- provision of walk-in/level access showers
- shallower baths
- better door-entry systems
- improved security



'Our Forum members are concerned for the future and want to see standards improved, not cut back.'

*Brian Muspratt,  
Sheltered Housing Forum.*

## The Government's proposals:

### The Government's proposals on the funding of Council Housing, and our response.

In July 2009 the Government sent a consultation paper to all councils who still have council housing. They asked us to comment on a proposal to change the way in which council housing is funded across the country.

The paper contained proposals on how the national housing finance system might be replaced by a local system.

### What happens now – the national system

In Poole we pay £4.5 million to the Government every year – 29p out of every pound of rent paid by tenants! The main reason for this is the national housing debt. Some local councils have no housing debt; others have lots of debt. So the rent we pay back to Government (known as 'negative subsidy') goes to those councils who have to meet high interest payments. The money they receive is known as 'positive subsidy'.

This system of financing is controlled by Government, which sets guidelines on how much rent we should collect – and how we should spend it.

The size of a council's debt might in some cases be a result of how well a council has managed its finances, but it might also depend on things like how many homes it has sold under the 'right to buy' scheme (proceeds have been used to clear debts), or the date at which a council developed or improved its homes. It's certainly a complicated picture.

This national finance system has many drawbacks. It is complicated and each year we have to wait for Government's decision on how much we are allowed to spend and how much we will have to pay in negative subsidy. It makes long-term financial planning very difficult.

Our forecasts show that in future, under the current system, we shall not have sufficient resources to maintain your homes at current standards.

### The proposal: the 'local solution'

The idea being considered by Government is an end to the national subsidy system. Each council will manage its own affairs locally and there will be no subsidy payments either to or from Government. In effect we will make a one-off payment to buy ourselves out of the Government system, instead of paying negative subsidy every year. Government will then allow us to retain all our rental income. The idea is the one-off payment would be designed to leave enough rental income for PHP to maintain the Decent Homes Standard (which we have exceeded for the past five years) and undertake some limited maintenance to communal areas, but not to Poole's own standards.



## Continued:

### **FOR a local system:**

- a) Less Government control and more local financial freedom
- b) Increased certainty of future income
- c) Better long-term business planning and increased value for money from maintenance budgets

### **AGAINST a local system:**

- a) The risk of changes in inflation and interest rates would fall on Poole rather than the Government (but of course this could also sometimes work in our favour)
- b) We will need to take out a loan to cover the one-off payment to Government on which we will have to make interest payments each year (so we will still be paying back some of your rent to Government)
- c) It does not guarantee additional resources for Poole. The amount would be dependent on how large the lump sum payment to Government would be (and how much we will then have to pay each year in interest).

The Government has also said that if a council wishes to transfer its housing stock to a housing association, it will not support a deal which is 'any more favourable to residents than under the new proposals'. This part is not clear, but might mean that the option of PHP becoming the owner of the houses may no longer be an available option for the Working Party to consider.



We asked to meet with the Government's top civil servants to talk through the problems their review causes us in Poole and, in response, staff from PHP and the Council were invited up to London.

'We were delighted to be given the opportunity to talk

through Poole's issues and were really pleased they accepted our offer to visit Poole and see the problems we face for themselves. They came down in October and saw some of the challenges ahead, like the high-rise blocks that need refurbishing, and looked at the 30-year business plan. They were very interested and understanding, and agreed we could work with them as they work up the details of the Government proposal'.

*Joe Logan, Chief Executive PHP*



### **So how did we respond?**

We said that in principle a local, rather than a national, housing finance system looks good but...

- a) we need more detailed information on the calculations so we can understand what it means for Poole;
- b) it depends on the size of the lump sum payment we will need to make to Government in exchange for being able to keep all the rental income;
- c) we will only support the proposal if it leaves us with a healthy business plan which enables us to continue to provide the higher standards of management and investment in the stock that we have achieved over recent years;
- d) residents should be able to explore all other options including the possibility of transferring the ownership of the stock to PHP.

### **What next?**

The Government has promised to provide detailed information in the new year, as well as considering all the responses they have received to their proposals. However there is no specific timetable for this.

The other problem is that the Government will probably have to pass legislation for the new system to take effect and it is very unlikely that this legislation will be passed before next year's election.

### **Why has there been a delay in the project?**

We were expecting a Government decision last April on the future funding of council housing across the country but their proposals didn't arrive until July and the consultation period only ended in October. The proposals were also not as detailed as we had anticipated and the outcome of the Government's review is still uncertain.

### **So where does this leave us?**

#### **It leaves us with a problem!**

Because of the election in May or June, any change to the current national system seems unlikely in the near future. We know that under this national system we are faced with a shortage of capital to invest in your homes. We will continue to lobby Government to make sure Poole has viable options.

#### **NOTE FOR YOUR DIARY:**

**Next Residents' Panel Meeting  
5.30pm, Tuesday 15 December  
at Beech House – just turn up!**

## Questions & answers

### **But we've been through this before. And things have improved in recent years. Why are we doing it again?**

Yes, the Council went through this process in 2002, when the preferred option offered to residents was to set up an ALMO. This led to the creation of PHP. The Council promised to improve homes, services and resident empowerment. PHP has delivered all these promises and exceeded everyone's expectations. PHP's satisfaction ratings are higher than ever. But the additional funds come to an end in 2010 and the Borough of Poole and PHP have to look at how best to continue to maintain and improve the housing stock. We need to go through a similar process to decide 'what next?'

### **So what are the possible options?**

Difficult to say at this stage because the Government is still considering responses to its ideas on reforming the national housing finance system, but the choice is likely to be a continuation of PHP as an 'ALMO' or PHP changing to become the owner of the housing stock – a local registered provider. We do not know yet because it depends on the Government's review. But remember, if this were to happen, tenants retain their right to buy.

### **Is Poole unique or are other councils in the same position?**

Many councils are in the same position as Poole and are looking at the available options. Like Poole, most are awaiting the outcome of the Government review before making a firm decision.

## Q&A - Resident involvement

### **Will residents be consulted over any changes?**

We are keen that all residents have an opportunity to have their say over the future of their homes. We have set up a Residents' Panel to enable people to get involved in the project.

If the recommended outcome of the project is a major change in the management and ownership of your homes nothing will happen without the majority of tenants and leaseholders voting in favour of it. If the chosen option is not a major change from the present arrangement, residents will not need to be balloted.

### **I'm a leaseholder. Will I have a say too?**

Yes, we want to hear the views of leaseholders as well as tenants.

### **Under any of the possible options could I lose any rights as a tenant?**

All key rights would be protected. Come along to the Residents' Panel meetings to find out more – see advert on page? for more info.

### **How can I get involved in the project or find out more?**

A Residents' Panel has been set up for residents (tenants and leaseholders) to become involved in the project if they wish. We will also issue regular newsletters, such as this one.

## USEFUL CONTACTS

**For quality, impartial advice call DWA – Deborah Walthorne or David Williams, on 0800 0855 492 (calls are free from a landline). Alternatively write to FREEPOST SWC 5119, Telford, TF8 7ZA (no stamp needed)**

**If you would like to be involved in the Residents' Panel or would like to know more about the project, please contact Marie Marsh, PHP's Resident Involvement Coordinator on 01202 264422**

## Be heard and have your say!



'When landlords consider major changes to the housing service, residents have a right to independent advice. This is why a panel of officers and resident representatives chose us, Deborah Walthorne and David Williams Associates (DWA). We are really pleased to be working with you. Our job is to help you get the information you need about what is going on. So if you are not sure about anything, or just want to give your views, please call our freephone number 0800 0855 492 between 10am and 3pm, Monday to Friday.

It isn't a call centre, so you'll speak directly to someone from DWA. Out of hours, or when the line is busy, you can leave a message and we will call you back. Calls from BT landlines are free but the cost of calls from mobiles may be higher. You can also write to us at Freepost SWC 5119 Telford TF8 7ZA (no stamp is needed).

I look forward to hearing from you.'

*Deborah Walthorne, Specialist Advisor (DWA)*



'The Working Party set up a special Residents' Panel to provide an opportunity for detailed involvement in the project. The panel has met monthly and attendance has been anything between 25 and 50 people. The panel has enjoyed detailed discussions about the project and the options available and has provided a real opportunity for residents to acquire an in-depth understanding of the issues. The next meeting of the Residents' Panel is on 15th December – why not join us?'

*Ray Aggett, Member of the Residents' Panel and Working Party*



## Where do we go from here?

### Possible project timetable

The timetable depends on the Government's reactions to the responses to its consultation paper and possibly on the outcome of the general election, which is likely to happen in May or June. The following

is a possible outline project timetable:

#### Winter 2009/10

- Government reviews the responses to its ideas on reform
- Government works up further details (depending on the responses it receives)
- We undertake further financial analysis

#### Spring 2010

- Government announces outcome of review and issues further details
- We analyse the Government proposal

#### Summer 2010

- We consult with residents on the proposals and any other options

#### Autumn 2010

- The Working Party decides on a preferred option to recommend to the council

### Meanwhile, it's business as usual

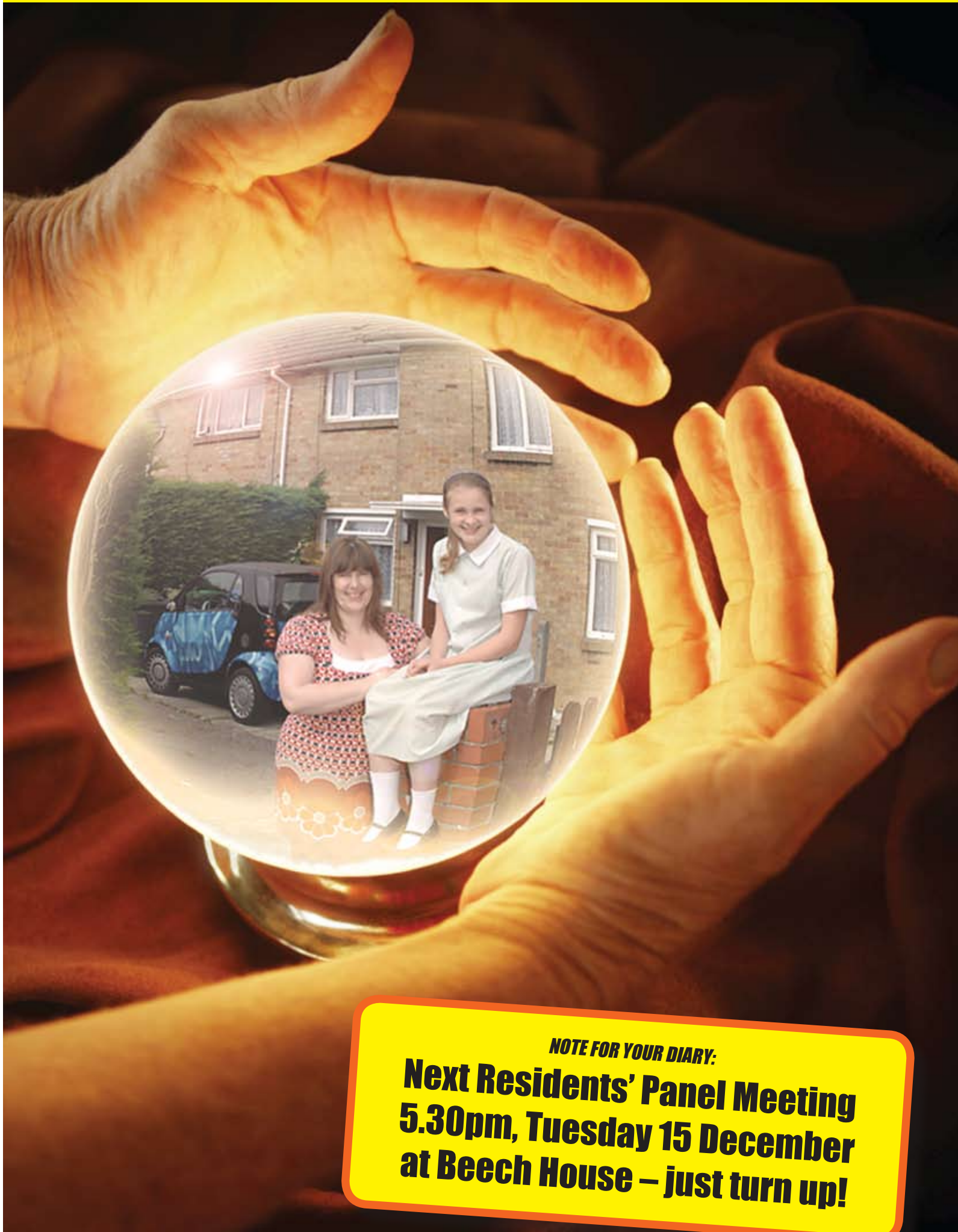
While all this is going on, PHP and the Council are still committed to giving you the very best service, working in close partnership with residents every step of the way. It's a way of working that's been recognised by PHP's recent achievements:

- Customer Service Excellence Award from the Government
- National Housing Excellence Award from the Audit Commission
- Inclusion, at number 46, in the *Sunday Times* list of the 100 best small companies to work for

### Tell us what you think

We are committed to ensuring you get the right information – as and when you need it. Part of this commitment is producing this newsletter. If you feel it could be improved, or there is a more effective way of receiving the information, or if you have any suggestions or ideas for the next edition please contact Marie Marsh, PHP's Resident Involvement Coordinator, on 01202 264422

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