

London Borough of Hammersmith & Fulham

ECONOMIC REGENERATION, HOUSING & THE ARTS POLICY & ACCOUNTABILITY COMMITTEE

7 March 2017



UPDATE REPORT ON THE STRATEGIC HOUSING STOCK OPTIONS PROGRAMME

Report of the Director of Finance and Resources

Open Report

Classification: For Policy & Accountability Review & Comment
Key Decision: Yes

Wards Affected: All

Accountable Director: Kath Corbett, Director of Finance and Resources

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1. EXECUTIVE SUMMARY

- 1.1 This report updates on the Stock Transfer Programme following on from the decision taken by Cabinet on 7 December 2015. It describes how the benefits realised from the programme have been embedded in the Housing Service.

2. RECOMMENDATIONS

- 2.1 That Committee note the report

3. INTRODUCTION AND BACKGROUND

- 3.1 On 7 December 2015, following the recommendations of the Residents' Commission on Council Housing, Members agreed to pursue stock transfer to a new, locally-based not-for-profit Private Registered Provider constituted on the community gateway model. Members also noted that the stock transfer would be subject to, 'the availability of funding and the negotiation of a satisfactory financial settlement,' with Government.
- 3.2 Three other stock transfers¹ have taken place since that report, all in March 2016. All these transfers received Government funding.

¹ Gloucester, Durham & Salford

- 3.3 However, Government has now made it clear that there is no funding to support any more stock transfers.
- 3.4 The Council has with its advisors and the Shadow Board extensively explored all other options to finance a stock transfer, and has concluded it is not possible to produce a financially viable business case which also satisfies residents objectives.
- 3.5 It is not therefore possible to make an Offer to Residents as part of a Transfer Ballot. The stock transfer programme has been closed. The programme delivered a number of additional benefits which have now been handed over to the Housing Service, these are described further below.
- 3.6 The Council remains committed to safeguarding Council Homes via a resident-led new Defend Council Homes unit supported by the Housing, Growth, and Strategy service.

4. BENEFITS

- 4.1 Both the Residents Commission on Council Homes and the Stock Transfer Programme delivered a number of important benefits in addition to the core project objectives. These are set out below.
- Our stock condition survey for Council Homes was already due for a fundamental review. As part of the work of the Residents Commission on Council Homes a new Stock Condition Survey was carried out. This has been used to plan investment in residents' homes to ensure that they are maintained to a reasonable standard over the next 40 years and that those homes in most urgent need of investment are given a higher priority.
 - The Residents Commission on Council Housing produced a "Blueprint for the Housing Service", based on the evidence and experiences they gathered at the 12 public hearings. These principles have already made a huge impact on how we work, supporting our ethos of 'doing-with not-to'. The principles strongly informed our Service Improvement Programme for Housing, and have been a catalyst for our work to deliver a more resident led housing service.
 - Our new Resident Involvement Strategy launched at the Residents Conference back in June, ensures that the Blueprint principles are at the heart of the work we do. We have provided a few examples.
 - The Residents Reading Group has been invaluable in helping to ensure our documents are easy to read and written in non-Council speak!

- The Caretaking Review Group and Repairs Working Group have looked at various aspects of these key services, working with both Council and contractor teams to identify improvements.
 - The Communications Group used the style and approach from the Housing Commission, to review the council's and Mitie's approach to communication with residents. This valuable work will help shape our approach to service delivery going forward.
 - The Investment Group has worked with Tenants & Residents Associations across the borough, to help residents do more to improve their own estates.
 - The Inclusion Group has taken up the challenge of promoting more digital inclusion, with a number of pilots underway, and potential partners being sourced.
- Both the Residents Commission on Council Housing and the Stock Transfer programme resulted in a significant increase in resident engagement, through a number of opportunities for consultation, including the door knocking exercise. It provided the Council with a unique opportunity to get to know residents better, and engage them about the services they receive, and their local area. This more qualitative feedback has helped us further understand how we can shape and improve services going forward, and how to further involve residents to help raise standards.
- The additional resident engagement throughout the process, especially the door knocking, enabled us to pick up on and resolve a lot of long term repairs issues.
- The door knocking survey has enabled us to update residents contact details and demographic information where this was necessary. This will allow us to better support and serve our residents going forward, and improve our communication with them..
- The work from the financial and feasibility studies, especially that carried out while trying to come up with a self-funded business case as part of the stock transfer programme, has been used to improve the Housing Revenue Account Business Plan going forward. It has helped us bring forward £12m of repairs we'd previously postponed as a result of the 1% rent cut. It's also helped us plan how we will provide additional new genuinely affordable homes for the future.

- The detailed corporate impact assessment has ensured an in depth review of the recharges between the HRA and General Fund.
- The Shadow Board was formed to act as the champion of residents' rights and security over the course of the Pre-Ballot period. Their role will be passed to the new Defend Council Homes unit led independent resident-led resource, whose remit will be to look at ways of giving Council residents greater ability to enforce their rights and protect their homes.

5 FINANCIAL IMPLICATIONS

- 5.1 In December 2015, Cabinet approved for the pre-ballot phase of the Transfer Programme, a budget of £617k for 2015/16 and £778k for 2016/17 for the General Fund (“**GF**”) and £80,000 for 2015/16 and £125k Housing Revenue Account (“**HRA**”) for 2016/17.
- 5.2 The total budget for the pre- ballot stage was £1,395k for the GF and £205k for the HRA. Actual expenditure on the programme is much lower: £904k for 2015/16 and 2016/17 of which £802k was GF and £103k was HRA. Details are set out below:

Type of Expenditure	GF	HRA	HRA & GF
	2015/16 & 2016/17		2015/16 & 2016/17
	Total Spend	Total Spend	Total Spend Transfer Programme
	£000s	£000s	£000s
Legal Advice	103		103
Financial Advice	138		138
Communication Advice	99		99
Surveys and Door Knocking	76		76
Specialist Project Staff	308		308
Catering for the Shadow Board/RHAG	3		3
Newsletters	34		34
TPAS		103	103
Other - Recruitment of the Shadow Board	9		9
Other - Independent Advisers to the Shadow Board	32		32
Total	801	103	904

5.3 Implications reviewed by: Kath Corbett, Director of Finance and Resources.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		