



H&F RESIDENTS'
COMMISSION ON
COUNCIL HOUSING

REPORT OF THE RESIDENTS' COMMISSION ON COUNCIL HOUSING

FOREWORD

BY THE RIGHT HONOURABLE
KEITH HILL



“...staying the same is no longer an option.”

When it set up the Residents' Commission in December 2014, the Cabinet gave us three main tasks: to consider the options for empowering residents to take local control over their homes; to find the best way of maximising investment in existing council homes; and to see how new homes could be built. Because of what we learnt from our many discussions with residents and staff, we decided to take on a fourth task which was to draw up a new model of management to deliver better housing services in the borough.

The reason for setting up the Commission was to implement the present administration's election pledge to "work with council housing residents to give them ownership of the land their homes are on".

The original question, therefore, for the Commission was whether this aim could be achieved through the Council retaining the ownership of the housing stock or through a transfer of ownership to a housing association.

However, recent changes in central Government policy towards social housing have fundamentally altered local government housing finance. Providing the services residents expect is no longer possible without radical change. In other words, staying the same is no longer an option.

Our first task was to consider how to give residents the final say in deciding the future of their homes and estates. We looked carefully at ways in which residents' rights might be strengthened with the Council remaining the landlord. But, with the best will in the world, the law makes it clear that no existing council can limit the actions of a future council. The only guarantee for residents is if they themselves own the land and the only way they can do that is by forming a resident-led housing association.



We recommend, therefore, a stock transfer to create a stand-alone Hammersmith & Fulham housing association along the lines of the community gateway housing associations we saw working well in Lewisham and Watford. In the community gateway model a residents' body which all residents may join makes the final decisions.

Our second task was to consider how investment might be maximised for modernisation and repairs. The main source of investment for council housing is revenue from rents and service charges. At the same time, all housing bodies borrow to invest and pay off their borrowings over time out of their rental and service charge income.

With council borrowing subject to central Government limits, a traditional advantage of stock transfer has been the greater freedom of housing associations to borrow from financial institutions. But, as a result of central Government policy changes, Hammersmith & Fulham now faces a huge hole in its housing finances.

The one per cent rent reduction leads to a gap of some £70 million in the Borough's housing budget over the next ten years. The Council is not allowed to borrow that sum. Only a housing association could do so.

The case for stock transfer in order to be able to provide new windows, doors, bathrooms and kitchens is compelling.

The same argument applies to the building of new homes, the third task which was set for the

Residents' Commission. Everybody knows there is a housing crisis in London. Many residents told us of their worries about homes for the younger generation. In any case, central Government consent for a stock transfer will depend in part on the offer of new homes.

“ **...a better way of working for housing services in the borough.** ”

We believe there is scope for new build on land owned by Hammersmith & Fulham Council and our residents survey showed that many residents are open to development. The point is to work with residents and not against them. And only a housing association will be able to borrow to build the new homes so urgently needed.

Our fourth task led us to recommend an organisational model, a Blueprint, for a better way of working for housing services in the borough – more customer-focused and resident-led, with greater sensitivity to the distinctiveness of different estates and neighbourhoods and their differing needs. We describe the core principles of this new organisation in the present report. We shall publish the detailed Blueprint as a supplementary report.

Our detailed recommendations and the reasons for them are set out in the pages that follow. The report describes the journey of discovery



the Commission embarked on in early 2015. We have visited many outside housing bodies to learn best practice from them. We have reviewed a mountain of documents, amongst them the stock condition survey report, the stock options appraisal report, the financial appraisal report and report on the residents' survey.

These reports will be of lasting value to the Borough and are immensely timely in a period of great change in social housing policy. Because of the Commission and the research associated with it, Hammersmith & Fulham are probably ahead of the game in responding to change.

This has been a unique exercise. The Strategic Housing Stock Options Appraisal, of which the Commission has had 'strategic oversight', is a perfectly conventional procedure but is normally carried out by experts and officers behind closed doors.

In Hammersmith & Fulham, the Residents' Commission has carried out its work in the full light of day. We have held public hearings and meetings in all parts of the borough. We have carried out innumerable estate visits and meetings with tenants' and residents' associations. We have distributed monthly newsletters to the homes of all tenants and leaseholders throughout the borough. Our website has received 19,000 hits.



We wanted to demonstrate from the word go that this was an honest and transparent endeavour and that we as a Commission were genuinely open-minded and open to all representations.

It has been an extraordinary journey and in the best possible company. We have been superbly supported by our programme team, led by Charles Hyde.

The Commission has worked tremendously well together and we are enormously grateful for the expert advice of our independent members and our independent adviser, Tom Hopkins.

But the greatest tribute must go to our resident members – tenants and leaseholders from the Borough – all volunteers, and who have devoted a vast amount of their lives to the Commission during this year. In my view, all the residents of Hammersmith & Fulham owe them a huge debt of gratitude. And such nice people – and such a nice borough! It has been a privilege to serve.

Keith Jones

REPORT OF THE RESIDENTS' COMMISSION ON COUNCIL HOUSING



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London Borough of Hammersmith & Fulham Map

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INTRODUCTION



“ How can residents themselves take greater control over what happens to their homes and over decisions about management, investment and the future of their neighbourhoods? ”

Early in 2015 the Council gave us the task of overseeing a process of inquiry into the options for the future of council housing in Hammersmith & Fulham – a Strategic Housing Stock Options Appraisal.

The Options Appraisal, covered in a separate technical report, was to be a study of the ownership, management and financial options for running the Council's housing, currently home to around 12,000 tenants and around 4,800 leaseholders and freeholders.

Put simply, the study would involve looking at how much money is needed to keep existing council homes in good condition for the next 40 years and where that money could come from. Alongside this was the question of whether it would be in the best interests of the Council and the residents for the homes to remain in council ownership or be transferred into the ownership of a new organisation.

Our 'strategic oversight' role has first of all required us to make sure this study was carried out properly so that we could report to the Council and to residents that its conclusions were valid and had integrity.

But looking at options for the future of council housing in the Borough has raised questions beyond bricks and mortar, finance and legal ownership, such as:

- **What kind of organisation is best suited to run the homes and estates and raise the money to invest in them? What wider role could it play in the Borough?**

- **What should the role of a social housing provider be in a Borough with some of the highest property prices in Europe?**
- **What services, and standards of service, do tenants and leaseholders need and want from their landlord?**
- **What about the need to renew estates and provide new homes to meet future housing needs?**
- **How can residents themselves take greater control over what happens to their homes and over decisions about management, investment and the future of their neighbourhoods?**

We have looked for answers to these questions in the course of our work, aiming to open up a debate that we hope will continue in the wake of the publication of our report.

Meanwhile during the last six months a series of tremors has been felt in the social housing sector. The future landscape of housing has been changing even while our work has been in progress. We have had to take this changing landscape into account in our thinking about the best option for the future.

Our sincere gratitude to the many people and organisations who have supported and assisted us in our work is expressed at the end of the report.





“ ...the Council should draw up a timetable setting out a programme of actions to achieve the transfer of ownership to the new organisation at the earliest possible date... ”

Our recommendations are as follows:

Transfer of ownership

That the Council should take the immediate necessary steps to prepare for a large scale voluntary transfer of its stock of council homes* to a new organisation that would be a not-for-profit housing association (i.e. a Private Registered Provider) with a constitution substantially based on the 'community gateway' model.

Programme timetable

That the Council should draw up a timetable setting out a programme of actions to achieve the transfer of ownership to the new organisation at the earliest possible date subject to the outcome of a formal ballot of council tenants.

Resident engagement

That the Council should draw up a programme of engagement with tenants and leaseholders living in council homes* to ensure first, that they receive full and prompt information about the proposed transfer and the programme leading up to it, second, that they have every opportunity to get involved in preparations for the transfer including discussions about the constitution of the new organisation and the 'offer' to residents and third, that they are in a position to make an informed choice if and when asked to vote on the proposal.

** NB this does not include homes on the West Kensington and Gibbs Green estates that are sold to Capital & Counties PLC (Capco).*

Approvals and terms of transfer

That the Council should enter into discussions with the Greater London Authority (GLA), Department of Communities and Local Government (DCLG) and Her Majesty's Treasury (HMT) to establish the terms on which its transfer application might be approved.

Leadership and governance

That the Council should at an early stage make arrangements for the establishment of a 'shadow' Board for the proposed new organisation to ensure that its legal structure of membership and governance, its identity and values, financial viability, business plan, operational model and communications strategy can be given clear direction.

Opportunities for regeneration and new homes

That the Council should carry out a study of opportunities to deliver new homes and community-led regeneration that will provide resources to support the business plan of the new organisation while simultaneously helping to meet the aims of the Council's Housing Strategy and local residents' aspirations.

Housing service transformation

That the Council should initiate a programme of improvement and transformation for housing services guided by the principles developed by the Commission as a 'Blueprint' for a new housing organisation.





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**ABOUT THE
RESIDENTS'
COMMISSION**



**“...we wanted to look at the options for council housing
in a positive, forward-looking way.”**

Background

"The change we need" was the title of the Labour manifesto for the 2014 local council election in Hammersmith & Fulham. Among a range of pledges on housing issues across all tenures the manifesto included two signature commitments on council housing:

- ***"Labour will take immediate measures to protect council homes now and in the future"***
- ***"We will work with council housing residents to give them ownership of the land their homes are on."***

The Residents' Commission on Council Housing is the expression of these two commitments – first, in having as our principal task to look at how to safeguard council homes and estates for the future and second, in being a resident-led body that exemplifies the principle of working with residents.

The idea of a Residents' Commission was first put forward in November 2014 in a resolution of the Economic Regeneration, Housing and the Arts Policy and Accountability Committee:

"The Committee resolved to request the Administration to establish a Residents' Commission on Council Housing to consider the options for empowering residents to take local control over their homes and for maximising investment in existing and new council homes."

At the Cabinet meeting in December 2014 it was resolved to proceed with and produce " ... a Strategic Housing Stock Options Appraisal (SHSOA) for the future financing, ownership and management of the Council's housing stock ..." and to establish a Residents' Commission on Council Housing " ... for strategic oversight of the Stock Options Appraisal ...".

The Cabinet report gave a clear indication that the main options to be considered were retention of the stock by the Council or a transfer of ownership to an existing, or newly created, Registered Provider (housing association).

Along with many other commitments on housing in the manifesto – improving conditions in the private rented sector, increasing the supply of affordable housing, tackling homelessness – the role of the Residents' Commission features prominently in the Council's new Housing Strategy (formally approved in May 2015) under the theme of *"Regenerating Places and Increasing Affordable Housing Supply"*:

HOUSING STRATEGY ACTION 1

The Council has established a Residents' Commission which is considering options for empowering residents to take local control of their homes, maximize investment in existing and new council homes and achieve wider local regeneration. The Commission will make its recommendations to the Council and residents later in 2015.

H&F Council Housing Strategy

Membership

In consultation with residents' representatives, it was determined that the Commission should be made up of six tenants, three leaseholders and four independent members, one of whom would serve as the independent Chair.

In February 2015 the Council appointed the Right Honourable Keith Hill, a former Housing Minister, as the Chair and, in a letter from the Cabinet Member for Housing, invited residents from across the Borough to apply for the nine places on the Commission.

Working with a small panel of residents' representatives, the Chair conducted a selection process that resulted in the nine places being filled by mid-March 2015. Simultaneously three independent professionals were recruited on the basis of their skills and experience. The members of the Commission are listed in Appendix B.

The Commission's work has been ably supported by the Council's Programme Team and by Tom Hopkins of TPAS, the Independent Tenants' and Leaseholders' Adviser. We held our first meeting on 27 March 2015.

Remit

The remit of the Commission had been outlined at a high level in the Cabinet report. But as soon as we came together as Commission members we were keen to agree our aims and values, establish our identity and project a number of key messages about how we intended to carry out our work.

It had been suggested that our primary aim should be defensive – to find a way of safeguarding council housing against the threat of sales to developers for demolition and redevelopment. That threat, already realised in the case of the conditional sale of the West Kensington and Gibbs Green estates, and having cast a shadow over others, was known to have been a key driver for the commitments in the Labour manifesto that led to the Commission.

“ ...an opportunity to work on a vision for the future that would offer lasting benefits both to residents and to the Borough. ”



But as a Commission we felt strongly that we wanted to look at the options for council housing in a positive, forward-looking way. The themes of greater resident involvement and control, and of maximising investment in existing and new homes, represented an opportunity to work on a vision for the future that would offer lasting benefits both to residents and to the Borough.

At the heart of the Options Appraisal was the key question about stock retention versus stock transfer. Our 'strategic oversight' role gave us access to the expert technical advisers who would develop and evaluate the options. Our role as a Residents' Commission was to oversee this work as custodians of the interests of residents, not just those in the communities and estates where our resident members lived, but all residents of council housing in the Borough

THESE WERE OUR KEY MESSAGES:

The Residents' Commission on Council Housing is an independent group of tenants, leaseholders and housing experts that is looking at how to:

- **Safeguard council homes and estates for the future**
- **Give residents greater local control over their homes**
- **Protect tenants' rights and keep rents and service charges at levels residents can afford**
- **Fund improvements to homes and housing services**

The Commission's aim is to identify the best way to enable residents to have greater local control of their housing and maximise investment in existing and future council homes



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THE
COMMISSION'S
TASK



“ Much of the stock is old, 65% having been built more than 50 years ago. ”

THE COUNCIL'S HOMES AND RESIDENTS

Homes

The great majority of London boroughs still have a sizeable stock of council housing. Hammersmith & Fulham is part of this majority, owning some 17,102 dwellings, which represent around 21% of the total number of dwellings in the Borough. Just over 12,000 homes are rented to tenants, nearly 4,700 are leased to leaseholders and there are 165 freeholders. There are 22 sheltered housing schemes comprising 972 units in total, none of which are held under a lease.

“...there is scope for further investment and modernisation.”

In 2003, the Council established H&F Homes Ltd, an Arm's Length Management Organisation (ALMO), to get funding and deliver the investment needed to achieve the Decent Homes Standard across the stock. On completion of this programme in 2011 the ALMO was wound up and the stock reverted to Council management.

Much of the stock is old, 65% having been built more than 50 years ago, and despite the significant investment delivered by the ALMO, there is scope for further investment and modernisation. The majority of the stock (83%) is on estates of medium to high rise flats, but there are some 4,000 houses and flats in approximately 2,200 street properties scattered around the Borough. A small proportion of properties are of non-traditional construction.

At the time of writing this report 228 dwellings were classed as voids (i.e. failing to generate rental income). Of these, 84 were being repaired for reletting, five were being used for decants (where a tenant has to move temporarily), 60 were undergoing major works, 65 were due for demolition or disposal (principally Edith Summerskill House) and 14 were 'technical' voids e.g. where properties were in the process of being sold through the Right To Buy.

Annual numbers of Right to Buy applications have risen since discount levels were increased to a maximum of £103,000 in London in 2012. 89 completions are forecast in 2015-16, but this is thought to be the peak of current demand.

240 members of staff (full-time equivalents) are engaged in providing the Council's housing service. This excludes those within the Housing Options service (homelessness and housing advice) and those who are employed by external contractors.



Estates and homes in the north of the Borough (the dividing line runs roughly along the A4) are managed in-house and those in the south under a ten year contract awarded to Pinnacle Housing Ltd in 2013.

Caretaking and most estate services across the whole of the Borough are provided through a separate contract with Pinnacle Housing Ltd, running in parallel with the housing management contract.

Repairs and maintenance services, as well as planned and cyclical programmes, are provided through

“...one of the most striking features of the stock is its dispersal.”

contracts with Mitie Property Services Ltd, a national facilities management company. Repairs and maintenance is a ten year contract to 2023 with an option for a five year extension.



Grounds maintenance services are provided by Quadron Services Ltd under a bi-Borough contract with the Royal Borough of Kensington and Chelsea, which extends until 2020.

Geography

One of the most striking features of the stock is its dispersal (see map on page 75). There are 99 separate estates (including 22 sheltered schemes) of sizes ranging from the White City estate, with almost 1,500 units, to a number of single blocks with fewer than ten units. Only 19 of the 99 estates have more than 150 dwellings. Nearly a quarter of the stock is made up of units in individual street properties, including about 1,000 houses and about 1,200 house conversions.

The Borough is divided into 16 wards in which the concentrations of homes rented from the Council range from 37.4%, in Wormholt and White City to 8.1% in Ravenscourt Park.

According to the Index of Multiple Deprivation, 27% of the Borough's postcode areas are in the 10%-20% most deprived nationally, with most of these in the north of the Borough but also extending into parts of Hammersmith and North Fulham. 4% are in the top 10% most deprived nationally and these correspond with the Borough's largest council housing estates.

Residents

Residents who live in the Council's homes comprise just over 16% of the population of the Borough. Residents of council homes tend to be older than the average for the Borough, with many more over the age of 85 and considerably more over the age of 65 than in other tenures. About a quarter of the total population of

council residents are retired. There is a higher incidence of poor health among council tenants and leaseholders than the rest of the Borough's population.

The majority of council tenants (57%) have lived in their present homes for ten or more years, 20% between five and ten years, 15% between two and five years, 4% between one and two years and 4% less than one year. The average length of tenancies appears to be increasing. For those tenancies that ended in 2014-15 the average length was over 16 years.

Last year (2014-15) there were 631 terminations of tenancy and 453 new lettings. Both of these annual figures have been steadily falling over the last ten years, indicating a continuing reduction in tenancy turnover, despite the recent introduction of the bedroom tax. A policy of fixed term new tenancies has been in effect since 2013 but this is unlikely to have an impact on turnover figures in the short term and is in any case presently under review.

“ ... average income levels among residents of council housing are around 35% below average income levels for all residents of the Borough. ”

Other than English, the main five languages spoken by residents are Arabic, Somali, Spanish, Polish and Portuguese.

The available evidence suggests that average income levels among residents of council housing are around 35% below average income levels for all residents of the Borough.



62% of all households renting council homes in the Borough currently receive housing benefit (HB). 39% of such households receive full HB, 23% receive partial HB.

The Housing Revenue Account

As required by law, the costs of managing and maintaining the Council's homes and the income generated by it in rents and service charges are held in a ring-fenced Housing Revenue Account (HRA).

Before 2012, all councils with a HRA were part of a national subsidy system controlled by central Government. Among other things the system provided a way of ensuring that councils could manage their housing debt (i.e. historic loans taken out to fund the building and refurbishment of their housing stock).

When 'self-financing' replaced this system in 2012, the level of housing debt on Hammersmith & Fulham Council's HRA was cut from £417 million to £217 million. This eased the burden of loan interest repayments on the HRA to compensate for the withdrawal of central Government subsidy. This figure of £217 million has since been reduced (by debt repayments) to £205 million.

However the Council was also set a 'debt cap' of £254 million, meaning that it was not allowed to borrow above this figure to meet future shortfalls or fund additional capital spending on housing.

These new arrangements gave the Council a new freedom to manage its housing finances, with a degree of flexibility over rent-setting.

In January 2015 the Council's Cabinet approved a 40 year HRA business plan that had been drawn up following consultation with residents' representatives. The plan allowed for rents to be increased at a lower rate than in previous years while still enabling planned investment to go ahead.

Governance and Resident Involvement

In addition to its landlord responsibilities the Council is the strategic housing authority in the Borough. This means that the Council has the responsibility – through its Housing Strategy – for ensuring that there is provision to meet housing needs in Hammersmith & Fulham.

The strategic function and the landlord function are both directly under the governance of the Council, with lead responsibility being taken by the Cabinet Member for Housing. Scrutiny is carried out by the Economic Regeneration, Housing and the Arts Policy and Accountability Committee.

There is at present no direct or formal link between the structures for resident involvement in the landlord function and the Council's decision-making apparatus.

“ ... a new resident involvement structure. ”

Prior to the May 2014 local election resident involvement mainly took the form of quarterly Area Forums. Approximately 30 estates had their own Tenants' and Residents' Associations (TRAs), run by local residents.

By October 2014 the Area Forums had been replaced by a monthly TRA Forum, and the following month the Council, in consultation with the TRA Forum, agreed to develop a new resident involvement structure. A



“ Following the programme of estate engagement events in the summer of 2015 the number of active TRAs has risen to 39. ”

new Resident Involvement team has been recruited to support the new structure. The TRA Forum has recently been superseded by the Housing Representatives Forum.

March 2015 saw a borough-wide conference of the Council's tenants, organised by a working group of tenants, and this was followed in May 2015 by a conference of leaseholders.

As well as hearing keynote speeches on the Residents' Commission, each of the conferences covered a range of agenda items set by residents themselves.

Following the programme of estate engagement events in the summer of 2015 the number of active TRAs has risen to 39.

Regeneration

The Council's draft Local Plan has identified five major regeneration areas in the Borough with the potential to deliver significant numbers of new homes and new jobs over the next 20 years.

Apart from the Fulham Regeneration Area, where the Earls Court Masterplan includes the redevelopment of the West Kensington and Gibbs Green estates, there are no regeneration projects currently affecting council homes, either within or outside the regeneration areas in the draft Local Plan.

Under the Council's Direct Housing Development programme it is estimated that there is capacity to build some 208 new homes on 20 council-owned sites. The first phase, for which detailed planning consents have been obtained, will see 31 new homes for social rent being built on four sites. The second phase would see 42 new affordable homes being built on two other sites subject to the necessary planning consents.

West Kensington and Gibbs Green

The two estates were sold to EC Properties LP, a wholly owned undertaking of Capital and Counties Properties PLC (Capco) under a Conditional Land Sale Agreement (CLSA) dated 23 January 2013. The option under the CLSA was triggered on 14 November 2013. The agreement details the phased disposal of land from the Council to Capco including Council-owned properties on the West Kensington and Gibbs Green estates. The CLSA requires the developer to provide the Council with 760 replacement units plus a capital receipt for each phase of the disposal programme.

This scheme is part of the Earls Court Masterplan – one of the larger and arguably one of the more high profile regeneration projects in London.

For the purposes of the Options Appraisal, the CLSA means that the West Kensington and Gibbs Green estates could not be included in a whole stock transfer proposal.



However, the properties on the estates (including replacement homes provided under the CLSA) would have to remain in a residual HRA even if the rest of the Council's stock were to be transferred to a new organisation. As will be seen, this has an important impact on the financial aspect of the Options Appraisal.

On 11 August 2015 West Kensington and Gibbs Green Community Homes, one of a number of residents' organisations on the estates, served a Right to Transfer proposal notice on the Council under section 34A of the Housing Act 1985.

“ Hammersmith & Fulham is reported to have a house-price multiple more than 20 times of local incomes. ”



CONTEXT

London's housing market

Land values and house prices in London are rarely out of the national press. The numbers are eye-catching, from the rates of increase in house prices (currently over 10% per annum) to the widening gap between average house prices and average incomes. Hammersmith & Fulham is reported to have a house-price multiple more than 20 times of local incomes.

Alongside reports on the inexorable upward trend in prices sit reports on housing shortages, with London's continuing growth said to require a new supply of 50,000 homes a year.

As one of the boroughs where land values and house prices are among the highest in the capital, Hammersmith & Fulham is subject to a unique set of housing pressures, not least a pressure to exploit rising values through development.

Many commentators point to the simple economic fact that even those on above average incomes are being priced out of the Borough and that opportunities for social mobility that at one time offered a route into home ownership have effectively disappeared.

The fact that the bar for entry into home ownership is set as high as anywhere in the country means that there is pressure on other tenures to provide for the needs of those residents of the Borough excluded from home ownership.

Representing over 20% of the Borough's total housing stock, the Council's homes are therefore a key resource in meeting local housing need and ensuring that people on lower incomes can continue to live in the Borough.

“The Council's homes are therefore a key resource in meeting local housing need and ensuring that people on lower incomes can continue to live in the Borough.”

Housing strategy and housing need

The Council's Housing Strategy outlines a vision of “... more and better, well-managed affordable housing in mixed income, mixed tenure successful places.”

The Strategy sets out three themes to frame the Council's plan for delivering change:

- **Regenerating places and increasing affordable housing supply**
- **Meeting housing need and aspiration**
- **Excellent housing services for all**

Each of these themes has provided points of reference for the Commission's work.

Under the first theme it is recognised that as the major landowner in the Borough the Council's own assets are a key resource to help meet regeneration objectives, but also that local residents have to be involved in how this is done. This is of course part of the rationale for the Residents' Commission.

The second theme includes a review of the Council's allocations scheme and tenancy strategy and a commitment to look at new options for meeting the housing needs of older people, disabled people and those with learning difficulties.

The third theme, in addition to plans for improvements to the private rented



sector, proposes greater involvement of residents of council housing in management decisions.

Social housing policy

Large scale voluntary transfer (LSVT) has been a tried and tested route for councils to meet the investment needs of their housing stock for the last 25 years.

Although only one of a number of options, it has been chosen by more than 200 councils during that period. Not the least of its attractions has been the readiness of central Government to write off any HRA debt outstanding after an agreed valuation of the stock in order to facilitate the transfer.

The reforms of the HRA subsidy system in 2012 were designed to ensure that all councils who still had a HRA were in a position to meet their debt repayments and new guidance was accordingly issued for housing transfers under the new regime.

While the Commission was being formed during March 2015, the three

“...a major change of outlook for social housing.”

large-scale voluntary transfers in the 2014-15 programme – Durham, Gloucester and Salford – were in the process of being finalised following positive tenant ballots. Each of these benefited from an element of debt write-off, but it had to be demonstrated in each case that the benefits of transfer had a monetary value in excess of the cost of the debt write-off.

LSVT is regulated and administered under a central Government programme, and until the Comprehensive Spending Review (CSR) is published in November 2015 there is no certainty that there will be a budget to fund debt write-offs beyond March 2016 when the current Housing Transfer Manual expires.

Less than six weeks after the Commission's first meeting an outright Conservative victory in the General Election signalled a major change of outlook for social housing.

First, it was announced that the Right to Buy was to be extended to housing association tenants, the funding for this to be raised by requiring local authorities to sell their highest value properties as they became vacant; then in his summer budget the Chancellor of the Exchequer introduced a package of welfare reforms that included an annual 1% reduction in social housing rents for four years from 2016.

Other measures included new restrictions on welfare benefit entitlements and a requirement for 'higher earners' living in social housing to start paying higher levels of rent.

The draft Housing and Planning Bill published on 13 October 2015 introduces a number of new legislative



measures for social housing that include giving the Secretary of State and the Greater London Authority powers to give grants to housing associations to enable them to offer discounts to their tenants under a voluntary Right to Buy scheme.

Other measures in the Bill include a requirement for councils to sell their high value vacant properties and pay the proceeds to central Government. In addition tenants in social housing who are on high incomes are to be required to pay higher rents, the extra income to councils again having to be paid to central Government, although housing associations are to be allowed to keep these amounts.

These policy changes have caused much soul-searching and debate in the social housing sector in the lead-up to the Bill's publication. There is a general sense that the present Government wishes to see housing associations, in particular, become more business-like in their outlook and focus on helping people into home ownership, with social housing being reserved increasingly for vulnerable residents and those with special needs.

KEY POLICY CHANGES THAT HAVE OCCURRED DURING THE RESIDENTS' COMMISSION'S PROGRAMME

May

General Election - outright Conservative majority enables full programme of reforms.

July

Summer budget announcement of annual 1% rent reduction for social housing tenants in each of the next four years.

Publication of the Welfare Reform and Work Bill reducing overall benefit cap in London to £23,000 per annum, ending automatic entitlement to Housing Benefit for 18-21 year olds and freezing working age benefits, tax credits and Local Housing Allowances for the next four years.

October

Publication of the Housing and Planning Bill introducing starter home requirement for planning consents, discounts for housing associations to enable them to offer their tenants the Right to Buy, a requirement for local authorities to sell high value void properties and pay proceeds to central Government and a requirement for social housing tenants on 'high incomes' to pay 'mandatory rents' (i.e. up to market levels).

KEY ISSUES FOR THE COMMISSION

Having established our remit, our understanding of the scope and method of the Options Appraisal and our approach to our task, we were clear that there were a number of key over-riding issues.

Ownership, governance and resident involvement

We had been asked to look at how to '*... give residents ownership of the land their homes are on ...*' and how to '*... [empower] residents to take local control over their homes.*'

These questions directed us to look for a way to safeguard residents' homes, placing decisions about the future of their homes under residents' control – in what sense could residents 'own' the land their homes are on? What mechanisms would enable residents to take 'local control' over their homes?

Critically, in the context of an Options Appraisal that would require the Council to choose between retaining and transferring its ownership of council homes, which of these options could meaningfully offer residents ownership and control?

Investment, regeneration and new homes

We had been asked to look at options for '*... maximising investment in existing and new council homes.*'

Every Options Appraisal requires a stock condition survey to assess what it will cost to bring the condition of the stock up to the Decent Homes Standard and maintain it at that standard by means of a 30-year (or longer) business plan.

The Decent Homes Standard is sometimes referred to as a 'minimum

“ This led us to consider how regeneration could play a positive role in shaping the future of the Council's homes, and what opportunities the different options might create to deliver new homes. ”

lettable standard'. Many housing organisations aim higher than this, setting their own standards. In any event what may be an acceptable standard in the early years of a business plan may be superseded over time as changes in lifestyle, changing energy standards and new technology drive aspirations to higher levels.

We needed to consider if higher standards could be achieved and how to secure the required levels of investment to deliver this. But higher standards also mean higher expectations, a better quality living environment and better life chances. This led us to consider how regeneration could play a positive role in shaping the future of the Council's homes, and what opportunities the different options might create to deliver new homes.

Funding

Once the stock condition survey has professionally assessed the investment requirement, the financial appraisal models, using the different financial conventions governing retention and transfer business plans, have to show how this investment might be funded over the business plan period, and what scope each option might provide to fund regeneration and new build opportunities.

“ Whichever model of ownership was preferred, there had to be a commitment to service transformation. ”

The financial appraisal inevitably draws on custom, practice and previous experience. It was clear at an early stage however that our circumstances were unprecedented – the policy climate was unpredictable, previous guidance and assumptions could no longer be taken for granted, the future held unknown and unquantifiable risks.

Quality of service and organisational culture

Our remit included looking at how to fund improvements not only to homes but also to housing services.

The agenda of working with residents, putting their needs and interests at the heart of decisions about housing, led us to consider what changes might be needed to the design and delivery of housing services, and whether these changes could be more readily introduced under different options.

We came to see this question in terms of leadership and organisational

culture, resident involvement in service design and service improvement, the principle of knowing your customers and the use of digital intelligence. Whichever model of ownership was preferred, there had to be a commitment to service transformation.

Retention versus Transfer

Without a doubt the most fundamental issue was the choice between retention and transfer. Every other issue had to be seen in terms of the differences between these two possible futures.

We knew from the outset that for things to stay the same was not an option.

But if the Council retained ownership of the stock, it was clear that there would be limits on residents' influence over decisions and there were already concerns that residents' homes could miss out on the investment they need because of the financial restrictions on the Council.

On the other hand the alternative of a stock transfer could not be a foregone conclusion. For it to happen the approval of three bodies would be needed: the Council (who would have to make the case for it); central Government (who would have to be convinced of the benefits of it); and the tenants (who would have to vote for it).



5

EVIDENCE
GATHERING AND
ENGAGEMENT



“ The Commission gathered evidence in several ways ... ”

The Commission gathered evidence in several ways: we made a number of study visits to other housing organisations; we held a series of public hearings across our own Borough; we had a programme of engagement with residents and more limited engagement with staff; and we received training, technical briefings and a series of reports from the Programme Team and advisers.

Study visits

Our study visits, carried out between 21 April and 28 September, took us to a number of housing organisations representing different models of ownership and management.

Barnet Council – a London Borough which has retained ownership of its stock of 14,000 homes – including 4,000 leaseholders' homes – and where management is carried out by an ALMO, Barnet Homes. The Conservative council may now be considering making a bid to transfer its stock in order to ensure continuing investment and the chance to build new homes.

The ALMO is run by Board that includes resident members and has a resident-led scrutiny body – the Performance Advisory Group – that holds the organisation to account on behalf of residents. A lot of community development work is done in partnership with voluntary organisations through local Resident Hubs.

Catalyst Housing Association – a housing association based in Ealing with some 21,000 homes in London and the south east of England including ten sheltered housing schemes in West London.

Each sheltered scheme has a dedicated manager five days a week looking after the health and wellbeing of the residents and making weekly visits to older and more vulnerable residents in the local community.

Hammersmith United Charities (HUC) – a local non-profit making charity set up to provide sheltered almshouse accommodation for the elderly poor of the former Metropolitan Borough of Hammersmith. HUC manage two schemes in the west of the present Borough, employing specially trained staff to support older people living independent lives. HUC also has another arm that provides grants to relieve need, hardship or distress to build a stronger community.



Kensington and Chelsea Tenant Management Organisation (TMO) – a tenant management organisation, which since 1996 has had responsibility for managing the Council's 10,000 homes in the Royal Borough of Kensington and Chelsea. The TMO registered as an ALMO in order to deliver the Decent Homes programme and has 5,000 members.

The TMO has brought most repairs services in-house and operates from a service hub with its own contact centre.

There is a strong theme of partnership between staff and residents – residents feel a sense of being in control of decisions through the TMO Board, while staff development and the creation of local employment opportunities are key organisational values.

Phoenix Community Housing – a 'community gateway' housing association, which took ownership of 6,500 homes, including 1,700 leaseholders' homes – in the London Borough of Lewisham in 2007.

At Phoenix residents can become shareholding members of the association, giving them a membership vote, the power to elect the seven resident members of the Board and the right to stand for election to the Board. The present Chair and Vice-Chair are both residents.

Phoenix has its offices in a new purpose-built building on the site of a former pub – a community hub, which also houses the repairs team, the local credit union, a community training kitchen and a café.

Poplar Housing and Regeneration Community Association (HARCA) – a community-based stock transfer housing association which started taking the transfer of council homes from the London Borough of Tower Hamlets in 1996 and now owns and manages some 9,000 homes.

During our visit, and subsequently when we took evidence from the association at our public hearings, we were impressed by the emphasis placed by the HARCA on the quality of neighbourhoods and the role of local residents as community leaders and leaders of the organisation.

Shepherds Bush Housing Group (SBHG) – a traditional housing association that was established in 1968 to help tackle homelessness and now owns and manages 5,000 homes across west London, 3,000 of them in Hammersmith & Fulham.

Having a portfolio mainly of street properties, SBHG also provides management and maintenances for a number of private landlords, runs a furniture recycling business and operates a handyman service.

A third of SBHG's Board are tenants and scrutiny is carried out by Residents Voice, an independent body of ten tenants and two leaseholders.



Wandsworth Borough Council – a London Borough which has retained ownership of its stock of over 32,000 homes and, having accumulated a healthy level of reserves on their HRA, is well placed to fund ongoing investment.

The Council has a number of major regeneration projects under way, including some modernisation of existing homes, some redevelopment and some schemes that will produce higher densities on existing estates.

Watford Community Housing Trust (WCHT) – a 'community gateway' housing association which owns 5,000 homes following a transfer from Watford Borough Council in 2008.

42% of residents are shareholding members who can vote at General Meetings, elect the five resident members of the Board and stand for election. There is also a Leadership Team of nine residents who act as an advisory body.

WCHT have a new build programme that aims to provide 500 new affordable homes by 2017 and has a strong community focus working in partnership with other local organisations through community hubs.

The Public Hearings

A programme of nine public hearings was organised, each on a different theme, with a roster of witnesses from within and beyond the Borough being invited to give evidence and answer questions. The hearings were held at community venues across the Borough to offer residents every opportunity to attend.

The aims of the public hearings were first, to make the Commission's work visible and transparent, second, to give the Commission access to a wide field of knowledge and experience and third, to ensure that the issues having a bearing on the Options Appraisal could be opened up for public examination and challenge.

Each of the hearings was video-recorded and transcribed, with both formats being posted on the Commission's website.



The Public Hearings

The main messages from each of the hearings, along with summaries of some of the key points made to us, are shown over the next six pages.

Housing Services and Customer Services

14 May 2015 in Hammersmith Town Hall

Housing services should focus on each locality and the needs of the people living in that area.

Services are more likely to meet needs and aspirations if they are based on knowing who their users are. Customer profiling leads to better targeting and customer satisfaction, offers better value for money and encourages innovation in service design.

Focusing services on customers has to become the norm and part of the culture in housing organisations. This involves recognising and supporting residents as both leaders and customers.

Customers prefer to have a single point of access to services, ease of contact and continuity of communications with individual members of staff. This points towards the use of local 'hubs' and a visible local presence. But – how do you do this across a stock as dispersed and diverse as the Council's?



Regeneration and New Housing Supply

3 June 2015 in St John's Church, Fulham

Plans for regeneration and new homes should involve residents from the very beginning and offer community benefits.

Some of the stock may be expensive to maintain, some may need to be modernised or redesigned. There may be a need for an estate planning/ stock appraisal approach – looking at the future of individual estates and stock types – and having a set of criteria for proposing regeneration.

Regeneration may enable new types of housing to be provided to meet needs that cannot be met by the current stock. There are shortages of affordable housing, of housing for older people, the vulnerable, disabled and larger families, and of intermediate housing tenures accessible to younger people.

Wherever it happens, regeneration should be a positive process with positive outcomes for residents and their communities. This requires leadership, inclusiveness and empowerment, so that residents can feel in control of what happens. Confidence can be built with 'quick wins' that improve quality of place.

The funding of regeneration is never straightforward – a matter of timing, partnership, creativity and the assembly of funding packages.



Tenants' Rights and Security of Tenure

6 June 2015 in Hammersmith Town Hall

It's important that both secure (council) and assured (housing association) tenancies can offer the same rights.

Tenants' security of tenure is critical to their sense of well-being, but the Council has to consider how it can meet housing need if its finite stock is tied into tenancies for life.

All of the key tenancy rights that come with a secure tenancy can be offered under an assured tenancy. There is an argument that an assured tenant has the additional protection that their tenancy is contractual and its terms cannot be changed without their specific consent.



Meeting Investment Needs

9 June 2015 in White City Community Centre

We have a lot of older housing stock and not enough money has been spent on it in the past – we need to find new funding.

As the stock ages, its investment needs become continuous, while lifestyles and aspirations will tend to drive standards, and the cost of meeting them, ever higher.

The standard of investment will depend on what the business plan (HRA or transfer) can afford. The present Government's new proposals for social housing are likely to mean a lower standard of investment.

Councils and housing associations face different types of restrictions on borrowing but in general housing associations have much greater freedom to borrow.



Rents and Service Charges

*18 June 2015 in
Queen Caroline Estate Residents' Hall*

Rent levels have, at least for the next four years, been taken under central Government control, but this money is vital to pay for services, improvements and new developments.

Rents and service charges have to be seen from both sides of the landlord/resident relationship, but central Government pressure to reduce public spending affects both sides. Although a 1% rent reduction will benefit some, the overall package of reform will squeeze both residents' ability to pay and landlords' ability to invest.

There is no major difference between council and housing association rents and service charges nor in their approach to rent and rent arrears collection.



Repairs, Maintenance and Estate Services

*25 June 2015 in
Tudor Rose Community Centre, Fulham Court*

Estate services and systems for repairs and maintenance should be better co-ordinated around residents' needs.

Issues with current repairs services appear to stem from three main causes: communications/co-ordination, the learning curve of the main Mitie contract and the legacy of underinvestment.

A case was made to involve residents' representatives to help improve repairs and maintenance. Rethinking performance indicators would be another way of putting residents at the centre of service improvement.



Resident Involvement

2 July 2015 in Clem Attlee Residents' Hall

Involving residents is essential – it gives value for money and leads to higher levels of satisfaction.

There was strong evidence from our witnesses of the value of resident involvement, from a value for money point of view and in terms of developing a customer-focused culture.

There were valuable lessons about how to build successful resident involvement but also important caveats about constraints and obstacles.

If there is to be a major change, such as a stock transfer, it will be necessary to build a high level of awareness and involvement.



Ownership and Management Models

7 July 2015 in Munden Street Residents' Hall

We must have a clear vision of the future in the ownership and management of our housing – and encourage residents to be leaders.

Whichever ownership and management model is chosen, there must be a clear vision of the future that is wider than just housing.

Because residents have such a key stake in the future they should be encouraged and supported to be leaders.



Implementing Change

11 July 2015 in
Charecroft Estate Community Centre

We need to change the way our housing is run to secure it for the future – staying as we are is not an option.

There needs to be a clear sense of direction to guide change – which reinforces the need for vision.

Continuity and sticking to agreed principles are more important than ever in a time of uncertainty.

Communications and transparency are essential to be able to take everyone – residents, members, staff and partners – with you.



Website and communications

The Commission launched its own website straight after the General Election in May. The website was updated on a weekly basis with a fast-moving programme of news and events, giving access to documents, questions and answers, blogs and full transcriptions and videos of the Commission's public hearings. Over a period of less than six months the website had 19,000 'hits'.

Monthly Residents' Commission newsletters were sent to more than 17,000 households across the Borough, and there was a regular e-newsletter for subscribers.

Resident engagement and feedback

Our programme of resident engagement included 29 personal visits by our Chair, Keith Hill, to

meet with Tenants' and Residents' Associations (TRAs) across the Borough to explain the role of the Commission and find out about residents' local concerns.



Members of the Commission took part in 19 estate engagement events mainly on estates where no TRA yet exists, alongside the Council's Resident Involvement team, TPAS, as the Independent Tenants' and Leaseholders' Adviser, and the Council's contractors.

The Commission was represented both at the Tenants' Conference in March, attended by over 300 tenants, and the Leaseholders' Conference in May, attended by over 80 leaseholders. Both conferences heard keynote speeches on the Commission and its work.

In August, we designed and commissioned our own residents survey, carried out on our behalf by NEMS Market Research Ltd, who conducted 750 telephone interviews. This was supplemented by 50 doorstep interviews carried out by TPAS using the same survey questionnaire.



“ Over a period of less than six months the website had 19,000 'hits'. ”

Staff briefings and involvement

Throughout the Commission's programme, TPAS provided staff with monthly briefings across all four housing offices. Attended by more than 100 members of staff, the briefings have been an opportunity to involve staff in the Options Appraisal process and include their views as an important contribution to our understanding and our thinking.

Training, briefings and technical reports

Members of the Commission requested two specific training events, one being delivered by TPAS on housing law and regulation and one being delivered by Capita on housing finance.

The Commission received detailed briefings on the scope, methodology and findings of the stock condition survey, the workings of the financial appraisal, and a number of presentations, including one on the demographics of the Borough and one on sheltered housing.

Numerous reports and research papers were provided on issues relevant to the Options Appraisal including policy papers on the future of social housing, best practice in regeneration, approaches of resident involvement and models of ownership and management.

Commission closed meetings and workshops

From the end of March through to the end of October we held 15 closed meetings to plan and review our work.

Following the public hearings we held a series of workshops with officers and advisers to consider the evidence in detail. Two separate evening sessions were devoted to reviewing governance models and options, there were two sessions to take us through the outcome of the financial appraisal and separate workshops were held on regeneration and new homes, on housing services and the Blueprint and on engagement and communications.



6

OUR FINDINGS



“ ...without proper levels of investment the condition of the stock will gradually deteriorate... ”

Safeguarding, ownership and resident control

We established that in the present climate there are real threats to land and homes in the Council's ownership:

- there is the latent threat of land values and the pressure of the London housing market in the sense that Council stock could be said to be 'trapping' development potential and keeping it from being realised;
- there is the imminent threat that without proper levels of investment the condition of the stock will gradually deteriorate against a spiral of increasingly unaffordable maintenance costs;
- then there is the threat in the wake of the recently published Housing and Planning Bill that the Council will be forced to sell a significant proportion of its stock to help pay the cost of the extended Right to Buy for housing association tenants.

While the Council remains the landlord these threats to its stock of homes will remain. But does this mean that existing residents' homes are under threat?

Council tenants have Secure tenancies, but as their landlord the Council determines what goes into the tenancy agreement and may vary the agreement, following a process of consultation, without necessarily having to take any objections from tenants on board.

As the owner of HRA land (and the homes which stand on it), the Council also determines whether the land can, or should, be disposed of.

We looked at whether there might be ways of restraining the Council's discretion over the future disposal of land, but we are satisfied that this is not legally possible as it would mean fettering the discretion of the Council in the future.

We considered whether the land (as opposed to the dwellings) could be placed in some kind of trust – a community land trust, for example – such that the power of disposal was vested in a group of trustees bound by a deed of trust, but we are satisfied that this would necessarily be thwarted on the same grounds.

We also looked at whether the Council could offer contractual terms to tenants as an 'overlay' to their tenancy agreement, such that certain actions to end the tenancy would require the tenant's consent; again we are clear that this would fall foul of the argument about fettering a future Council's discretion.



Thus while there may be no immediate threat to residents' homes – other perhaps than the threat posed by inadequate investment – there is no protection for existing residents against a future administration taking steps to dispose of land and homes for redevelopment. And there is an emerging threat to the existing stock of council homes in the draft Housing and Planning Bill, requiring the sale of high value void properties, with the sale proceeds to be paid to central Government.

With a change of ownership these threats are either greatly reduced or disappear.

Homes that are in the HRA and are occupied may only be disposed of (i.e. sold) either to the occupant, under the Right to Buy or, as part of a stock transfer, to a 'Private Registered Provider', referred to throughout this report as a housing association.

Housing associations vary in many respects – size, geographical focus, aims and values, types of tenure

offered, charitable/non-charitable, special needs/general needs etc. In the context of our investigations, however, there are two over-riding areas of distinction.

First, for the purposes of a stock transfer the housing association can either be an existing organisation that takes ownership of the stock as an addition to its existing portfolio (potentially creating a new subsidiary to preserve the geographical identity of the transferring stock), or it can be a brand new organisation specifically created for the purpose of taking the stock.

In the case of Hammersmith & Fulham, with more than 17,000 homes, only a very large existing housing association would have the capacity to take on such an expansion in one go.

By contrast, as a new 'stand-alone' association, an organisation of that size would automatically be a major player on a number of fronts in the Borough and a significant housing provider in London.

Second, there are different models of housing association governance. These models vary in the rules governing eligibility for membership and the composition of the Board, and in the separation of powers between those that are held by the general membership and those that can be exercised by the Board.

In the traditional model of a stand-alone stock transfer association the rules of membership tend to give the local authority a 'golden share' such that no major rule change can be passed without the council's agreement. The Board, meanwhile, is composed of one third tenants, one third local authority (council) nominees and one third independents.



There are other models, however, in which membership, i.e. custodianship of the association's rules, is only open to residents. These include the 'community gateway' model, which provides for devolution of control over their housing to the residents in local communities, and the 'mutual' model, in which membership may be open to tenants and employees.

Equally, the composition of the Board does not have to be structured by 'classes' of directors (e.g. tenants, local authority nominees etc) but may be based on a combination of skills and experience.

“ Here, the best fit without a doubt is the 'community gateway' model. ”

Thus in the 'mutual' model adopted by Rochdale Boroughwide Homes, there are no guaranteed places for residents on the Board, which is made up of executives and non-executives. Residents' elected representatives, however, alongside staff and stakeholder representatives, appoint (and remove) the Board and hold it to account through a Representative Body.

Given our remit, our interest has been particularly drawn to those models of ownership that first, provide for the safeguarding of residents' homes and second, give residents greater local control over their homes.

Here, the best fit without a doubt is the 'community gateway' model. This model incorporates the following key elements:



- **first, membership is only open to residents. This places the organisation's rules under the custodianship of residents;**
- **second, the organisation's rules include the concept of 'local community areas' such that where residents in a given area wish to do so, the option of devolved control to the community area level can be pursued;**
- **third, the model offers flexibility to choose between the 'thirds' basis of Board membership, the more 'professionalised' Board, accountable to a representative body, or a hybrid structure of governance that might be better suited to our circumstances**

It will of course be for the Council and residents to develop a local model of 'community' ownership that is right for this Borough, should a transfer proposal go ahead. In our view there is the scope to develop something ground-breaking that could extend the range of the ownership and governance options that are currently available.

HOUSING SERVICES AND THE BLUEPRINT

We have seen it as an integral part of our work, in looking at options for the future of the Council's housing, to consider what kind of organisation will be needed to run it in the future. What models and standards of service delivery will be expected in the future and what will this mean for the approach, values, leadership, culture and design of the organisation of the future? What will it mean for the 'customer experience' and what will it mean for staff?

To find answers to these questions, one of our workstreams has been the development of a 'Blueprint' for a new housing organisation. This has involved

“ In our later hearings there was a consistently repeated theme of the importance of vision, clear leadership and strong governance. ”

identifying the principles, values and approach to service delivery that should characterise a modern, customer-focused, performance-driven housing organisation.

Developing the Blueprint has meant looking at the evidence from our public hearings and study visits of what makes a successful housing organisation, talking to staff and residents about local needs and aspirations, finding out what people in different organisations have said about the future direction of housing services and learning from the latest research.

Three key points emerged from our very first public hearing, on housing and customer services:

- **Services should be designed around knowing who customers are**
- **Services should be readily accessible and easy to use**
- **The organisation's culture should be centred on people, being the best at providing services to people (residents) and being the best place for people (staff) to work**



“ Meanwhile at a local level we noted the successful use of community hubs to provide access to a range of local services alongside community activities. ”

In our later hearings there was a consistently repeated theme of the importance of vision, clear leadership and strong governance.

Our study visits gave us valuable insights into what could be achieved by building close working relationships between staff and residents at different levels in an organisation. We also noted a tendency for previously outsourced services, such as repairs, to be brought in-house.

We saw a number of good examples of how morale, motivation and success depended on inspiring and committed leadership. Meanwhile at a local level we noted the successful use of community hubs to provide access to a range of local services alongside community activities.

Organisations with a simple focus on people's housing, their well-being and the quality of their surroundings seemed to have both flexibility and a kind of agility, allowing them to respond and make changes quickly.

It was also clear to us that, to be progressive, housing organisations need to use different 'channels' of contact to get good intelligence about residents as customers. Using the right 'channels' means that housing services can be designed around customer needs while also leading to customers being able to access services on their own terms.

Building on these insights and some elements of technical work and research, the Blueprint is intended to represent a better way of working for the future.

This work is to be published separately as a supplement to our main report. It includes a description of the purpose of the Blueprint, design principles for the organisation, the role of its leadership, its organisational culture and structure, the way service delivery would be organised and how front-line services would be supported by technology.

A good sense of the Blueprint can be gained from the six core design principles that would provide the basis for developing the organisation, its structure and its approach to service delivery.

The Blueprint: core design principles

- 1.** People-focused delivery in the foreground with technology supporting in the background
- 2.** Good knowledge about residents, homes and communities to enable the service to be proactive and preventive rather than just responsive
- 3.** Resident self-management to be supported wherever this is what residents want and where it will be effective
- 4.** Ease of access to services including online access wherever this can improve customer experience
- 5.** A focus on the distinctiveness of different estates and neighbourhoods across the Borough and their different service and investment needs
- 6.** Connectivity –the new organisation's role in helping residents to connect with organisations, services, opportunities and each other for mutual benefit

It is quite clear to us that designing an organisation for the future means being up to speed with, if not ahead of, changes in lifestyle and technology. Equally, we recognise that every housing organisation, as in other sectors, is under intense pressure to drive down costs and find new ways of delivering value. This will be a balancing act in which residents need to be closely involved from the beginning.

Resident involvement

By contrast with some of the housing organisations we visited and heard from, resident involvement in Hammersmith & Fulham is relatively under-developed.

A new structure is being put in place, resources (a new team) are being provided for development, and the engagement events that have taken place this year alongside our work as a Commission have led to some new TRAs being formed.

But in many other organisations residents already take on a much more prominent role, ranging from Board

“ ...a more effective and responsible role for social landlords would be to see how they can support local communities. ”

membership to serving on scrutiny and monitoring panels to taking the lead with their own community projects.

We saw and heard about a range of models – the TMO in Kensington and Chelsea, which has been providing services to all council housing in the Borough for nearly twenty years; Rochdale Boroughwide Housing's Representative Body, which sets policy and appoints (and can remove) the Board; Poplar HARCA's Estate Boards, which shape local services and the development and regeneration of local areas.

We heard about the dramatic turnaround in performance and morale achieved at AmicusHorizon through resident involvement – and the significant cost savings achieved, along with improved levels of customer satisfaction.

We were also struck by some of the concerns expressed by people from different organisations about issues such as representativeness, cliques, sustainability, the potential isolation of residents in street properties, the potential impact of fixed term tenancies and of course the time commitment.

Our attention was drawn to a research report published by Family Mosaic early in the summer, called 'Changing Places'. This highlights some of the difficulties in sustaining traditional resident involvement, drawing on the association's own experiences over a period of years.



The report asks whether housing organisations should consider doing more to help residents get involved on their own terms, rather than the landlord's, such as through online access – and whether a more effective and responsible role for social landlords would be to see how they can support local communities (i.e. not just their own residents) to do what's important to them (i.e. not just housing issues).

In parallel with our work the Council's Resident Involvement team has been looking to populate the new Resident Involvement structure and raise awareness of the opportunities for residents to become more involved. They have encountered some interest, but also some diffidence, possibly as the result of people feeling intimidated by the idea of formal structures.

The highly dispersed nature of the Council's homes across the Borough may mean that many residents' focus and priorities are centred on their immediate locality. And whereas residents on estates may be drawn together around estate issues it may be more difficult for residents in street properties, for example, to develop their own local groups.

Looking to the future we think there are some important links to be made between the ideas contained in the Blueprint and the need to have residents more actively shaping and improving the services they receive and the organisation that delivers them.

Sheltered housing

The Council's 22 sheltered housing schemes were built to meet a set of housing needs that has changed significantly since their construction.



These schemes are mostly in good condition and popular. It is however questionable whether in the medium term they represent an adequate and appropriate provision to address the needs of the Borough's population of older people, especially in the context of an ageing population. The housing needs of older people are highlighted in the Council's Housing Strategy, which points to estimates that over the next 20 years there could be a 40% increase in the Borough's population of over 65s, with the sharpest increase in the proportion of over 85s.

We are aware that a review of services for older people is about to be undertaken jointly with Adult Social Care and that a number of other initiatives are in the pipeline, including a programme of needs assessments, the development of a new extra care scheme and some major works improvements to existing schemes.

“ ... over the next 20 years there could be a 40% increase in the Borough's population of over 65s, with the sharpest increase in the proportion of over 85s. ”

Current issues in sheltered housing include a call from residents for a return to the higher pre 2012 levels of on-site staffing with the re-introduction of individual Scheme Managers. This would of course raise financial and resourcing issues.

There is a separate issue of how support can be provided to older people living in the wider community and the extent to which existing or new sheltered schemes could operate as service 'hubs'.

An increasing population of older people by definition means a growing diversity of needs, calling for a wider variety of housing options and new models of care and support. There may be scope for new types of specialist

“ And there may be options, within a new type of housing organisation, for sheltered housing to have its own form of governance and management structure. ”

provision, such as housing with extra care, Lifetime Homes, shared ownership and innovative models for a range of needs, in future plans for new homes.

And there may be options, within a new type of housing organisation, for sheltered housing to have its own form of governance and management structure.

Leaseholders

To a great extent our work as a Residents' Commission has emphasised the unity of interests between tenants and leaseholders living in the Council's homes.

This is without doubt partly due to our resident membership having been made up of both tenants and leaseholders, who have worked together closely as a team.

The unity of interests between tenants and leaseholders lies in the fact that all share the same landlord, many share the same built environment and, to a greater or lesser extent, the same services. A number of TRAs have tenants and leaseholders working alongside each other as active members.



“ A number of TRAs have tenants and leaseholders working alongside each other as active members. ”

Leaseholders make up more than a quarter of the population of residents of the Council's housing. This figure masks the fact that up to 40% are believed to be non-resident and sub-letting, which can have implications for the management of some properties and estates and for communications.

And there are certain respects in which the interests and concerns of tenants and leaseholders are clearly different, service charges and contributions to maintenance costs being a prime example.

However it is fair to say that the issue for leaseholders that received more comment and discussion than any other was whether or not leaseholders would have a vote if there were to be a ballot on a stock transfer proposal.

While it is clear that, as residents, leaseholders have an interest in the future ownership of the stock, it remains the case that the Secretary of State may only take account of the votes of tenants in a transfer ballot.

We feel it is not for us to offer a hard and fast view on this issue at this stage but if a transfer proposal goes forward we would urge the Council to consider the best way of involving leaseholders in the process and enabling them to give their views.

AFFORDABILITY AND SECURITY OF TENURE

Rents and Service charges

From the outset one of our key messages was that we would look at how to *'Protect tenants' rights and keep rents and service charges at levels residents can afford'*.

Whenever the possibility of a housing stock transfer is raised, initial anxieties are always that a transfer to a housing association means a hike in rents and service charges and the withdrawal of secure tenancy rights. Of course were this so, it would undoubtedly have derailed the majority of the tenant ballots that have produced 'yes' votes up and down the country over the last twenty-five years.

The reality is that in the early transfers up to the 1990s it was normal for a fixed term rent guarantee to be put in place for transferring tenants and it became standard practice, in the document presenting the 'offer' to tenants, to show what rents would be in the first five years following transfer. Since then rents in local authorities and housing associations have moved

“ Since then rents in local authorities and housing associations have moved towards convergence under central Government guidelines and thus the issue of rent differentials has to a large extent been defused. ”

towards convergence under central Government guidelines and thus the issue of rent differentials has to a large extent been defused.

But then in July 2015, the Government announced that rents for council and housing association tenants would be reduced by 1% per year from 2016 to 2020. This effectively puts rent levels beyond the control of social landlords of either hue at least for the time being.

We are aware that under proposals in the recent Housing and Planning Bill tenants in social housing who have high incomes will be required to pay higher levels of rent than other tenants. Councils will be required to pay this additional income to central Government, whereas housing associations will be able to keep it.

Service charges for both council and housing association tenants are expected to reflect the cost of the services provided.

On the question of how leaseholder service charges might be affected by a stock transfer, we noted that,

where leaseholders are concerned, a statutory cap on leaseholder charges for works of £15,000 in any five year period was introduced in 2014 to protect leaseholders against unreasonable service charges that could lead to hardship.

Tenancy rights and security of tenure

On the arcane subject of tenancy law, we had the benefit of being advised by Ian Doolittle, of Trowers & Hamlin LLP. Ian, who has provided legal advice on more than 80 option appraisal/ stock transfer processes and is seen as the country's top legal expert on such matters, gave evidence to two of our public hearings and briefed us further at closed workshops on legal matters.

On tenancy matters his advice can be summarised as follows:

- **Council tenants have Secure tenancies; housing association tenants have Assured tenancies. These have different legal definitions – and it is mainly because a stock transfer involves tenants in surrendering one tenancy type for another that there is a legal requirement for tenants to vote in a ballot.**
- **In practice it is normal for the Assured tenancy being offered in a transfer proposal to have broadly equivalent provisions – rights and obligations – to those in a Secure tenancy. There are subtle differences, but perhaps the most significant of these is the fact that an Assured tenancy provides rights under contract, where a Secure tenancy provides rights under statute.**
- **This means that whereas a council landlord can vary the Secure tenancy agreement provided it has**



complied with the tenant's Right to Consultation and paid due regard to tenants' views, a housing association landlord can only vary an Assured tenancy agreement if the tenant, individually, agrees to the change.

We have concluded, therefore, that an Assured tenancy could offer greater protection to a tenant than a Secure tenancy.

We also see opportunities, in the process of drawing up a new Assured tenancy agreement, to consider what conditions of tenancy tenants would like to see strengthened or relaxed, and whether any additional rights – for example a second right of succession – should be included as part of the 'offer'.

Stock condition and investment standards

Here our findings are principally derived from the stock condition survey carried out by Savills (UK) Ltd.

The stock condition survey follows an established set of professional conventions: it is a snapshot in time; it is a sample survey (just under 12%); it assesses investment requirements to keep the stock at a certain standard for the period – in our case, 40 years; it makes provision for expenditure that cannot be predicted with accuracy.

It is not an asset management study – i.e. that would assess the cost-effectiveness of replacing parts of the stock, or certain stock types – and it does not consider other strategic questions such as methods of procurement or the added value that may be delivered through the investment programme. Nor, in its raw form, does the survey include any scenario planning, such as the impact on responsive repairs costs, or on the achievement of lettable standards,



of failing, or being unable, to deliver investment when it is needed.

Nonetheless it is the bricks-and-mortar platform for the financial modelling in the Options Appraisal – the source of the huge numbers that will inevitably set the parameters for the Commission's recommendation and Council's decision.

The survey has told us that the stock is by and large in reasonable condition for its age, having benefitted from previous investment such as the Decent Homes programme carried out by the ALMO, H&F Homes Ltd, between 2004 and 2011.

The spread of investment required over the next 40 years is split between the following headings:

- **Future Major Works** – initial catch-up repairs and future replacement of building elements at the end of their lifespan
- **Revenue** – day-to-day responsive repairs, repairs to void properties, cyclical maintenance and disabled adaptations
- **Related Assets** – garage sites, footpaths, play areas, drains, lighting, shops and community halls etc

- **Contingencies/Exceptional Extensives** – a range of potential works in respect of building defects or failures, asbestos, structural works and complex works especially in respect of high rise blocks
- **Improvements** – a limited provision to upgrade insulation

The total figure, just over £1.4 billion (or an average of £3,000 per home per year), is profiled over the 40 years to reflect when investment is needed. This is largely driven year to year by Future Major Works, i.e. the replacement of building elements – windows, roofs, heating systems, bathrooms, kitchens etc – at the end of their lifespan.

As the chart below (from Ills' Stock Condition Survey report) shows, the three main peaks of investment are in

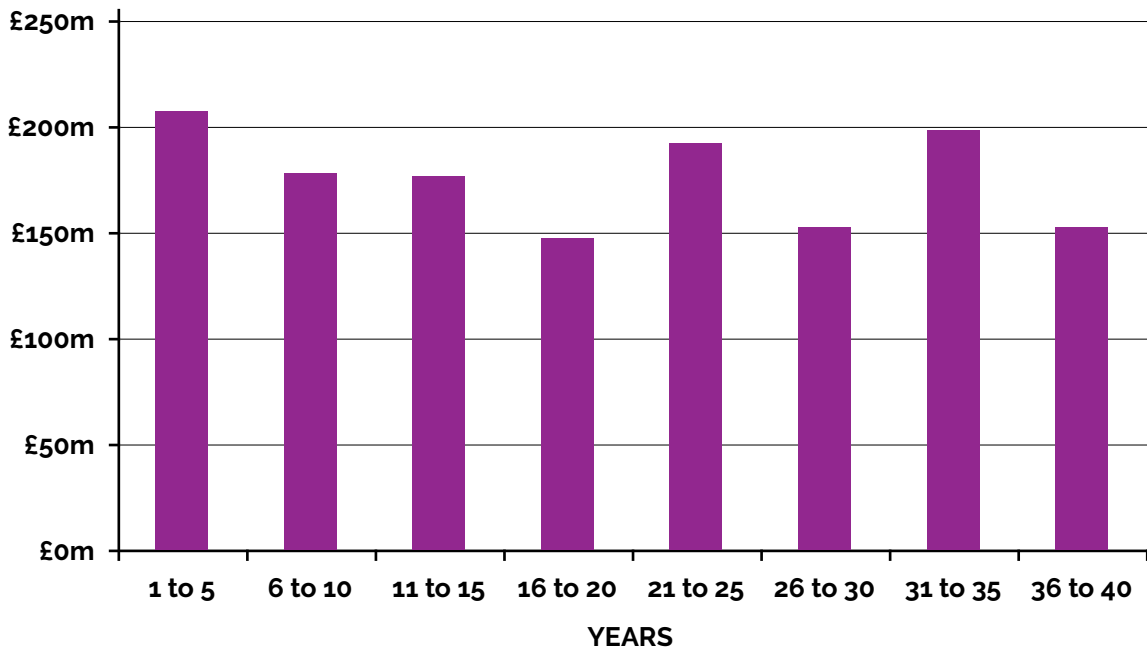
the next five years, in years 21 to 25 and then again in years 31 to 35. Significant investment is however required continuously throughout the 40 year period.

We feel that in order to be able to discuss stock condition and investment issues with residents at a local level, it will be necessary to define the standard of accommodation that this level of investment will deliver.

Furthermore there has to be a concern that, if investment cannot be delivered on time, there will be an impact on other budgets – and a point could potentially be reached at which some stock becomes uneconomic to maintain.

These issues are explored further in section 7 of the report.

40 year investment (all categories)



Regeneration and new housing supply

In the Council's Housing Strategy, the Residents' Commission's proposed role sits under the heading 'Regenerating places and increasing affordable housing supply'.

Our remit called on us to explore the options for investment not only in existing homes, but also in new homes. Our second public hearing took us straight into the question of regeneration, opening up what is often a sensitive debate but helping us to look carefully at examples of how it can be done well.

There were some very clear messages:

- **Have an overall strategy that sets out what you are aiming to achieve for the Borough**
- **Understand what – and where – the housing needs are that you are aiming to meet**
- **Develop some clear criteria for considering estate regeneration – popularity, cost/value, opportunity sites, resident support**
- **Talk to local residents at the earliest possible stage about their area and how it might be improved, whether**

“ Talk to local residents at the earliest possible stage about their area and how it might be improved... ”

there is scope for any new housing and how they can be involved and take control of what happens

- **Successful regeneration should deliver wider benefits than just new or improved housing – it should lead to improvements in health, education and employment**

More than once we found ourselves discussing the emotive effects of the word 'regeneration'. In parts of London it has been associated with unaffordability, gentrification and people losing their homes.

But there are many examples of successful projects with good outcomes that receive less attention. That they do not get the same headlines as the projects where conflict breaks out may partly be because successful regeneration is a lengthy and painstaking process involving the careful building of trust over a period of time.



Much of the antagonism directed at controversial regeneration projects tends to centre on a narrative of winners and losers: existing residents having to make way for high value homes for the wealthy or for overseas investors.

Perhaps this is how development driven primarily by external commercial interests and the extraction of profit has come to contaminate the concept of regeneration.

But in our discussions we have focused instead on how regeneration through a new social housing organisation can deliver a range of other benefits:

- **To local areas where there is a need for some better building design, better quality living space and new types of housing to meet local need**
- **To communities who need better facilities and services and a boost to local economic activity**
- **To individual households who need better housing for their future and the future of their families**
- **To the organisation itself and its staff, who will gain from having, and being able to express, a social purpose as part of its ethos and vision**

- **To the Borough, through the positive impacts of neighbourhood renewal on the local economy and environment and the opportunity to maintain and increase a high quality supply of affordable housing, partly funded through land value and cross-subsidy**

Engagement and communications

As a Residents' Commission, looking to represent the interests and views of residents, engagement and communication have been integral to our approach and a major part of our programme of work.

In addition to our website and monthly newsletters we have provided a range of opportunities for engagement and communication, including our public hearings around the Borough, the Chair and other members of the Commission attending TRA meetings, estate events, residents' conferences and other Borough-wide forums; we have invited written evidence, carried out a sample survey and there has been a pro-active engagement programme by TPAS, the Independent Tenants' and Leaseholders' Adviser. Reports on these activities are included in the Technical Options Appraisal report.

Despite all this activity it has not been surprising that levels of engagement in the Options Appraisal process have been relatively modest. The subject and language are quite abstract, the impact on individual residents is neither immediate nor specific and there was little prior evidence of a widespread appetite among residents to engage with housing issues.

It also needs to be recognised that there are barriers to engagement for many residents: significant numbers speak in first languages other than English; the higher than average levels



of disability and poor health among residents of council housing may affect levels of participation; and across such a large population there will be a range of specific communication needs and preferences.

We are clear that this is a key area of work for the Council, which has given its commitment to working with residents and to giving residents meaningful ownership of the future of their homes. There are many reasons to build on the activities and processes started during the Options Appraisal and pave the way for new forms of engagement:

- **building a membership base is important to give residents collective control over the organisation running their homes**
- **having resident leaders and residents involved in governance will secure the organisation's values and priorities, provide personal development opportunities and strengthen decision-making**
- **knowing who your customers are is fundamental business intelligence for designing services that meet customer needs and preferences**
- **resident input into services through customer feedback is essential to improve organisational performance**
- **residents at a local level need to be able to trust the organisation to respond to community priorities and make good investment decisions**
- **any proposal to transfer council homes to another landlord requires a very high level of engagement and consultation leading up to a ballot**

Work is already under way to develop and populate the new resident

“...residents at a local level need to be able to trust the organisation to respond to community priorities and make good investment decisions.”

involvement structure. We hope that the programme of engagement that has begun with the Residents' Commission will gain a new momentum with the release of our report.

The consultation requirements associated with a transfer proposal, and the impetus to achieve a high level of awareness and participation leading up to a ballot, will provide plenty of opportunities to boost engagement, improve communications and encourage residents to take part in discussing the services and investment 'offer'.

Some of the ideas we have discussed include developing an identifiable 'persona' and set of values for the new organisation, recruiting local 'champions' to promote engagement in each locality and tailoring messages to respond to the issues in each locality and for different interest groups in the resident population.

It will also be critical to engage and communicate effectively with staff. The prospect of change gives rise to as many questions for staff as it does for residents, and the process of developing a new organisation and a new future for housing services needs to take full advantage of the knowledge, expertise and commitment of members of staff.

7

THE FINANCIAL APPRAISAL



“ ...only a stock transfer can deliver the element of our remit concerned with the provision, on any scale, of new homes. ”

Introduction: the 'base' business plans

The financial appraisal sits at the heart of the Options Appraisal and is pivotal to establishing the viability of the base retention and transfer options.

This viability test involves the construction of two business plans – one for the Housing Revenue Account (HRA), the base retention option, and one for a new landlord organisation, the base transfer option.

Each business plan has to demonstrate how the investment and maintenance costs identified by the stock condition survey (along with all the other costs of running the housing service) can be met over the business plan period.

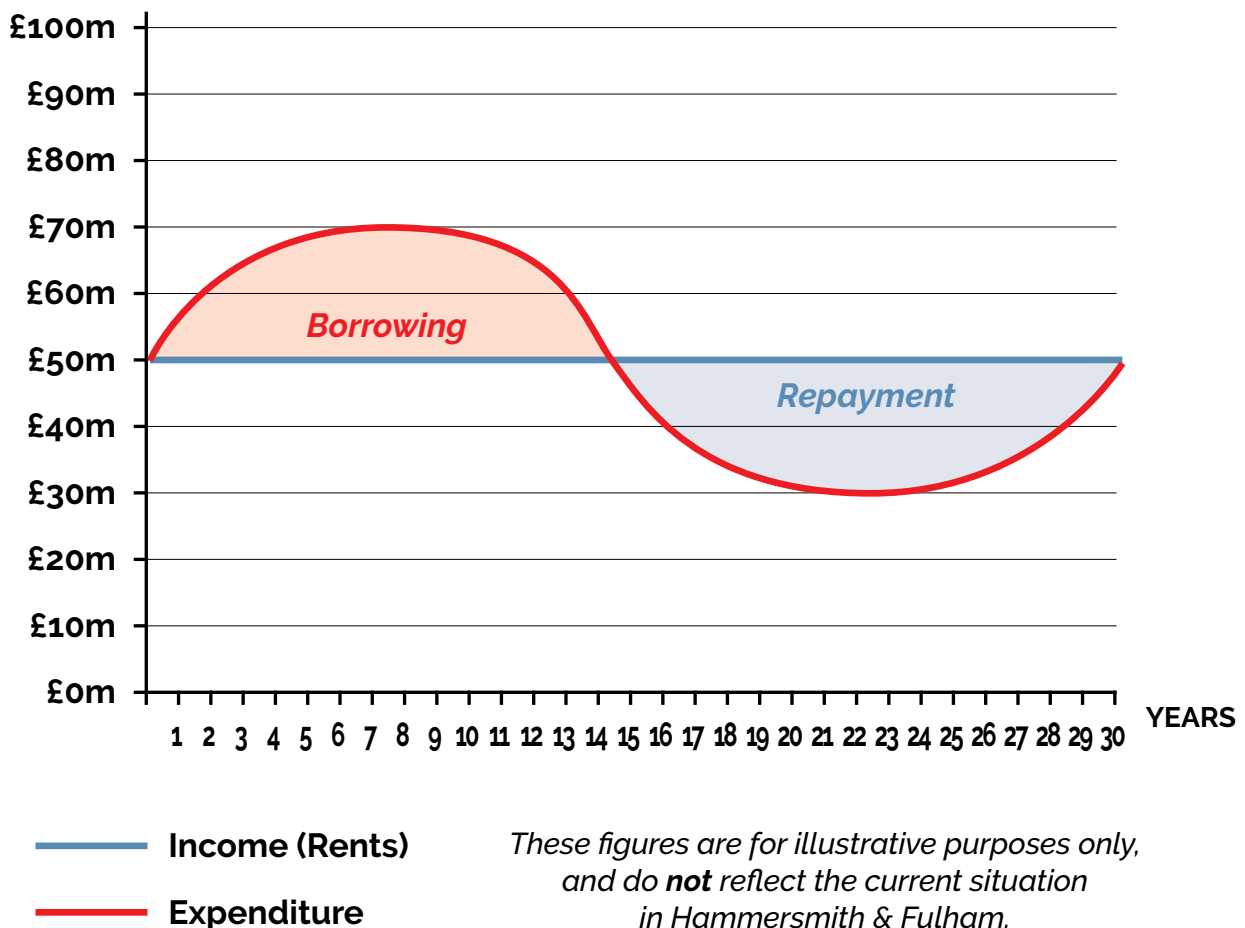
In the years when costs are greater than income (primarily from rents and service charges), money has to be borrowed to cover the shortfall. These loans are repaid in later years when

costs are less than income.

Over a business plan period of, say, 30 years, it is normal for costs to exceed income in the early years but for income to exceed costs later on, enabling loans to be repaid by the end of the period.

Stock condition survey information is the main driver of costs on the expenditure side of the business plan; if higher levels of investment are required to deliver a higher standard of accommodation this inevitably leads to higher costs.

However, there are also pressures on income. Income is mainly from rents which, in line with policy, have risen ahead of inflation (the CPI measure) over recent years. This changed with the July budget announcement that rents charged by councils and housing associations are to be reduced by 1% a year for the next four years.



“ Other policy changes in the recently published Housing and Planning Bill will have significant impacts on business planning. ”

Other policy changes in the recently published Housing and Planning Bill will have significant impacts on business planning. These include requirements for 'high earners' to pay higher rents and for councils to sell off their higher value properties as they become empty. These latter provisions are to be introduced as a form of 'levy' on the HRA, meaning that the Council must pay any income that is assumed to arise from these measures directly to government each year.

Modelling the HRA Business Plan

Borrowing is one of the most critical elements in any housing organisation's business plan. Borrowing provides the money for peak periods of investment but can then be repaid when income from rents and service charges is greater than expenditure.

Under the retention option, new borrowing required to cover investment costs is artificially limited by the action of the HRA debt cap that has been set for the Council by central Government.

The modelling for the appraisal undertaken by Capita is based on the investment requirements of the stock condition survey and takes account of the rent reductions introduced by the summer budget. It shows that in Hammersmith & Fulham additional borrowing of more than £67 million would be required during the next 10-15 years over and above the level of the debt cap. This borrowing figure reflects the fact that the investment needs of the stock in those years (indicated by the stock condition survey) and the effect of the rent reductions in the July budget combine to create a business plan shortfall.

“ Staying within the debt cap would therefore mean cutting or postponing at least £67 million of services and investment over the next ten years ”



Staying within the debt cap would therefore mean cutting or postponing at least £67 million of services and investment over the next ten years – and in reality more than this, to avoid using contingency funds that have been set aside for unforeseen circumstances.

We understand that even though there would be choices about investment priorities, a number of programmes already scheduled over the next ten years would have to be cancelled or deferred, equivalent to:

- **Window and door replacements to 4,000 homes**
- **Roof renewals for blocks containing 2,400 homes**
- **4,000 new heating systems**
- **1,600 electrical rewires**
- **1,600 new kitchens**
- **1,000 new bathrooms**

Although these programmes would eventually be delivered, the timing would have to be determined not by need but by when funding became available.

If the investment identified by the stock condition survey does not happen when it should, the stock will start to deteriorate physically, with the consequence of an increasing demand for, and cost of, responsive repairs.

Over time falling standards of accommodation and amenity will increase the risk of dwellings becoming unlettable. Homes that are unlettable will not yield a rental income and, if they are of a high value, under the Housing and Planning Bill they may need to be sold anyway as they become vacant.

The impact of the introduction of forced void sales is one of a number of factors that could make the viability of the HRA business plan significantly worse. Initial conjecture is that even though void sales would mean some reduction in management and maintenance costs this would not compensate for the loss of rental income.

The Council may get no benefit from the receipts from void sales other than the ability to repay some of the outstanding debt associated with the sold properties. There would also be fewer social rented properties to meet housing need in the Borough. This would have a knock-on effect on costs elsewhere in the Council, for example increasing the cost of housing homeless people by having to use more expensive accommodation, potentially outside the Borough.

The rate of vacancies – and thus the timing of the impact of void sales – could be affected by other policy measures, such as welfare reforms limiting entitlement to benefits, the requirement for higher earners to pay higher rents and the introduction of fixed term tenancies, should the latter idea be taken forward by the present Government. Another factor that could put pressure on the business plan include the possibility that in 2021 rents do not resume their pre-budget movement in line with the mechanism agreed with residents of CPI+1% + £1.



“ The base retention option cannot deliver the level of investment determined by the stock condition survey in the years when it is needed.”

There are further risks to the business plan associated with the scheme at West Kensington and Gibbs Green, arising from the costs of buying back sold properties and the flow of receipts from phase completions.

In summary therefore, the base retention option cannot deliver the level of investment determined by the stock condition survey in the years when it is needed. This points towards an inevitable deterioration in the condition of residents' homes and the Council's estate as a whole, and a number of other potentially serious consequences.

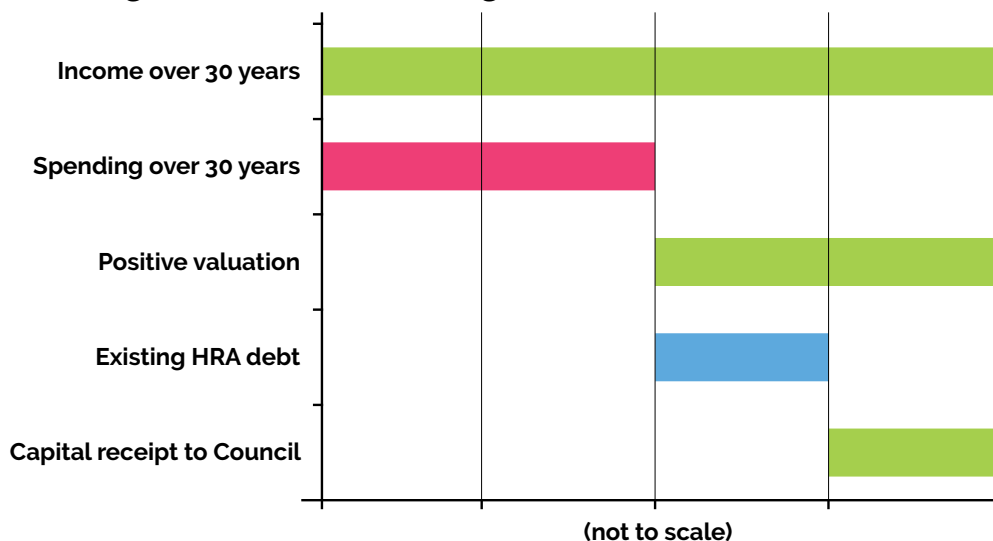
Modelling a Stock Transfer Business Plan

In a stock transfer the organisation that becomes the new owner is expected to start life without having to take on any of the Council's residual HRA debt..

The level of residual HRA debt on the stock at the point of transfer is the difference between the HRA debt at that time and the price paid for the stock by the new organisation. The price paid is based on a valuation which calculates the difference between the total income produced by the stock over 30 years and the total spending required over the same period.

If total income is greater than total spending, there is a positive valuation and the new organisation would have to borrow this amount to pay the Council for the stock. The Council would be expected use this payment to repay as much of the HRA debt as it can. If the valuation figure is greater than the debt on the HRA (Fig. 1), there would be a capital receipt to the Council equal to the amount over and above the total HRA debt.

Fig 1: Positive Valuation greater than HRA debt



If the valuation figure is less than the debt on the HRA (Fig. 2), then for the transfer to go ahead, the difference, i.e. the outstanding debt, needs to be cleared, by either being written off by central Government or somehow absorbed by the Council and/or the new organisation.

If the total income figure is less than the total spending figure, there is a negative valuation (Fig 3). This leaves the whole of the debt on the HRA needing to be cleared, again, by either being written off by central

Government or absorbed by the Council and/or the new organisation. Moreover, the new organisation could be said to have a housing stock that has been overvalued.

In Hammersmith & Fulham's case, the fact that the West Kensington and Gibbs Green estates are sold means that they cannot be included in a whole stock transfer. Thus even if it were to transfer the rest of its stock, the Council would have to keep its HRA, so that it can continue to account for these estates. However this also means that

Fig 2: Positive Valuation less than HRA debt

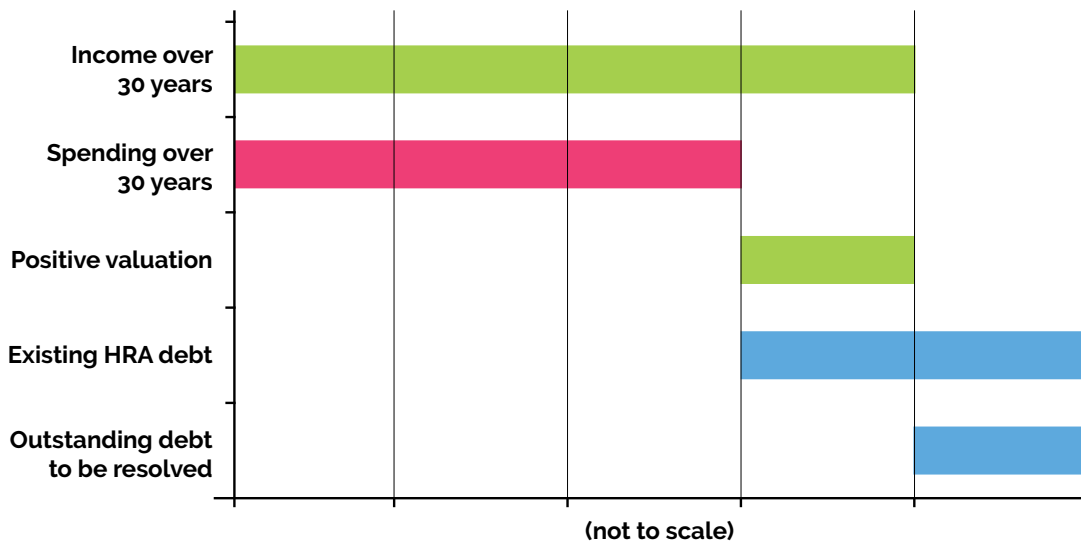
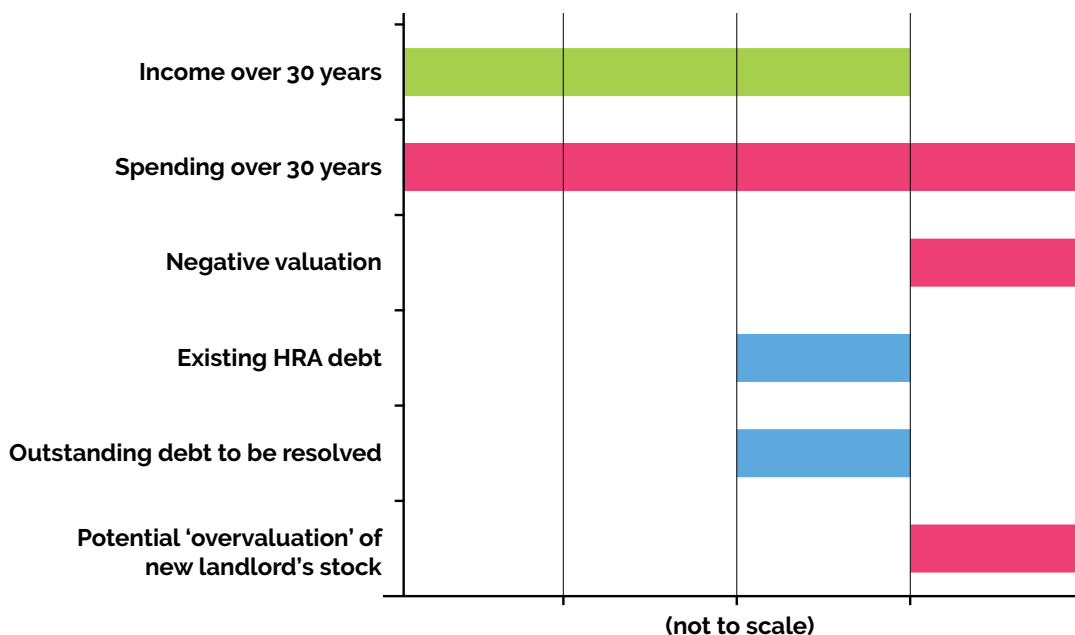


Fig 3: Negative Valuation



a proportion of HRA debt – estimated at around £12 million – would remain with the Council as a debt against the residual HRA for these estates.

Capita's modelling shows that after the replacement homes have been provided the residual HRA for West Kensington and Gibbs Green would be viable as a separate business plan without coming near to breaching the HRA debt cap.

The financial appraisal has established that in Hammersmith & Fulham, excluding the West Kensington and Gibbs Green estates, but otherwise using the same figures as in the HRA model for costs (based on the stock condition survey) and income (taking account of rent reductions), the valuation of the Council's stock is negative by £16.5 million.

Notwithstanding this negative valuation, the modelling by Capita shows that the investment that the new organisation would have to deliver could still be funded in a stock transfer business plan – provided, of course, that the organisation starts out by being debt-free.

As explained in section 5 above, the current debt on the HRA is £205 million.

“ The modelling by Capita shows that the investment that the new organisation would have to deliver could still be funded in a stock transfer business plan – provided, of course, that the organisation starts out by being debt-free. ”

It is estimated that by April 2017, which is possibly the earliest date a transfer could take place, this figure will have risen to £220 million as the result of additional borrowing for investment over the next eighteen months. £12 million of this would remain with the residual HRA for West Kensington and Gibbs Green. This means that the

“ This means that the amount of outstanding debt to be cleared to enable a transfer to proceed would therefore be £208 million. ”

amount of outstanding debt to be cleared to enable a transfer to proceed would therefore be £208 million.

Outstanding debt

The likelihood of the Council being able to make a successful application to transfer the stock is dependent on finding a way to resolve this level of outstanding debt.

It was not uncommon, prior to the introduction of HRA self-financing in 2012, for stock transfers to need debt write-off by central Government. The



latest three transfers also benefited from such a settlement. However there is no precedent for a situation like this, in which more than half of the debt write-off required can be attributed to the effects of the rent reductions announced in the July budget.

Nonetheless a number of arguments can be advanced that factors such as the longer term economic and wider regeneration benefits of a stock transfer support the case for a debt write-off. Such arguments have previously been accepted by central Government.

Should the Council decide to accept our recommendations and pursue a transfer application these arguments will need to be well made.

The Technical Options Appraisal report and the detailed financial appraisal report prepared by Capita provide details of the types of benefits, and technical mitigations that might be used to reduce or offset the estimated level of outstanding debt.

Rather than reproduce or attempt to summarise these aspects of what may become a set of highly complex calculations and negotiations, we will simply highlight what we understand to be the key principle that would come into play – namely, what might be described as the principle of greatest benefit.

In simple terms, if it can be demonstrated that a stock transfer would in the long term yield the greatest benefit – to the Council, the Government and ultimately the taxpayer – i.e. from an economic point of view, then the writing off of outstanding debt may be justified.

“ at least 500 new homes in the first five years following transfer would need to be proposed. ”

New homes

It is our understanding that one of the important elements in any assessment of the benefits that could be delivered by transfer would be the ability for new homes to be delivered.

In the light of the figure for outstanding debt and taking account of the various mitigations and other benefits that might be put forward, we have reached the view that the building of at least 500 new homes in the first five years following transfer would need to be proposed.

We believe that the mix of homes to be built should reflect the changing demographic needs of the Borough and that the mix of tenures to be offered should include affordable home ownership opportunities for local people. We fully expect that this will involve the operation of a cross-subsidy mechanism that takes advantage of the high land values in the Borough.

It has become quite clear to us, given the restrictions on Council borrowing under the HRA debt cap, that only a stock transfer can deliver the element of our remit concerned with the provision, on any scale, of new homes. We are moreover convinced that the new housing organisation, in partnership with the Council, would be well placed to contribute significant numbers of new homes for the Borough in the longer term.

8

A WIDER
PERSPECTIVE



“...a new social landlord for the Borough, under the control of local people, would be a dynamic strategic partner...”

Findings from the Residents Survey

Towards the end of our programme of engagement our Residents Survey aimed to capture a cross-section of residents' views on some of the key issues we had been asked to consider.

“ 80% of respondents were satisfied or very satisfied with where they live, while 68% were satisfied or very satisfied with the quality (physical condition) of their home. ”

The survey consisted of telephone-based interviews with 750 residents, supplemented by a further 50 face-to-face interviews, giving a total sample of 800, or around 5% of the resident population.

From the telephone survey the headline findings were as follows:

- **80% of respondents were satisfied or very satisfied with where they live, while 68% were satisfied or very satisfied with the quality (physical condition) of their home.**
- **79% of respondents felt it was important to be able to have more control or influence over the future of their housing and the services they receive.**
- **40% of respondents thought that provided they and other residents were fully consulted, the area or estate where they lived could be improved by modernisation or redevelopment – perhaps unsurprisingly this figure is an average of the responses of older people, who were less likely to**

be in favour of modernisation or redevelopment, and younger people (especially the 31-40 age group), who were more likely to be in favour.

- **59% of respondents were satisfied or very satisfied with the quality of the housing services provided by the Council as their landlord. This is a lower figure than expected and would be regarded as a matter for concern by comparison with other social landlords if it were to be replicated in annual STAR survey returns.**

Figures returned from the face-to-face interviews, albeit this was a very small sample, largely corroborated the results of the telephone survey, including the headline figures quoted here. The main difference was in responses to the question of whether, provided residents were fully consulted, the area or estate where they lived could be improved by modernisation or redevelopment. In the face-to-face interviews 76% answered 'yes' to this question.

Given the relatively small sample, we have sought to avoid placing too much emphasis on the results of the survey, even though 5% is generally seen as statistically valid.

However, the headline figures that perhaps most drew our attention were the overall levels of satisfaction expressed by respondents with where they lived.

These satisfaction levels, which were mostly attributed by respondents to the quality of their local area, seem to us to signify a high degree of local attachment and an appreciation of the general quality of urban environment in the Borough – not just the physical environment, but the Borough as a place to live.

Hammersmith & Fulham: a wider perspective

Notwithstanding the picture that has emerged from the response to our survey it is still clear that some parts of the Borough harbour levels of need, vulnerability and deprivation as severe as anywhere in London.

The gradual and progressive deepening of inequality within the capital, and the expected impact of continuing pressure on welfare, health and local government budgets represent threats to the quality of life in the Borough, especially for those most in need and most vulnerable.

To maintain quality of life for all residents, to bring innovation into meeting needs and delivering services, and to express and implement a positive vision of development and renewal, we see an important role for a new organisation that has a clear identity with, and focus on, the Borough.

Starting out with an asset base of over 17,000 homes plus the land they are on, a new social landlord for the Borough, under the control of local people, would be a dynamic strategic partner both for the Council and for the Mayor of London, having the potential to create new employment and training opportunities as part of a forward-looking development and regeneration programme.

In the new climate for social housing there is an emphasis on increasing housing supply and providing support for different types of home ownership while continuing to meet the needs of the vulnerable. The new organisation could be designed from the outset with these new purposes in mind but, guided by values set by its own residents, remain centred on the principles of localism and customer-focused services.



Some of the photographs that illustrate this report show many of the homes and estates that make up the Council's housing stock. In every case their appearance testifies to the quality of place that residents value so highly.

We have been made aware through our work of the very real threat that now hangs over the quality and functionality of these homes. Without a clear, properly resourced and deliverable investment plan the physical condition of residents' homes and estates will soon begin to deteriorate, in some cases to an irrecoverable extent.

A new housing organisation for the Borough, with the ownership, management and financing of these homes and estates as its primary focus and responsibility, would be in a position to ensure that this does not happen. But we also believe, as we have tried to suggest in this section of our report, that the new organisation would also have the scope, the capacity and the will to do so much more for the Borough and its residents.



9

CONCLUSIONS & NEXT STEPS



“ In other words, if residents are not up for this, it won't happen. ”

From our many meetings, study visits, public hearings, engagement events and other evidence-gathering activities, we have reached a clear consensus view about the way forward for council housing in Hammersmith & Fulham.

This view is underpinned by the various detailed studies, assessments and evaluations documented in the Technical Options Appraisal report and its various appendices. In terms of our strategic oversight of the Options Appraisal, we have taken confidence from the fact that there has been a convergence between the findings of the technical appraisal and our more wide-ranging and at times impressionistic review of the options.

Although our conclusions represent a solid consensus, we have touched in our discussions on a great many detailed issues that may need further consideration in the light of the Council's decision. These include the following:

- **The balance between the commercial and social purposes of a new 'social landlord'**
- **Opportunities to deliver estate regeneration that will also offer community and economic benefits**
- **Criteria for the regeneration of estates and the value of residents' charters**
- **Use of digital technology and 'channel shifting' to provide service intelligence**
- **Options for infill and redesign on existing estates**

- **Policy and action on void properties**
- **Numbers of new homes to meet different needs in different parts of the Borough**
- **Approach to, and models of, resident involvement**
- **Strategic value and potential impact of fixed term tenancies**
- **Options to enhance tenancy conditions, such as rights of succession**
- **Options for sheltered and other types of supported housing**
- **Housing services for people with disabilities**
- **Leaseholder involvement and test of opinion**
- **Housing needs of young people and pathways into home ownership**
- **The name and branding of the new organisation**



Our conclusions are summarised in the sequence of numbered paragraphs below:

1. Safeguarding

In order to safeguard the homes presently owned by the Council for the future, they need to be in the ownership, and under the management, of a new organisation, rooted in the Borough, with a clear focus on the business of housing and on providing quality services to residents, free from political cross-currents and wider public responsibilities.

2. Residents as custodians

To be sure of keeping its focus, the organisation and its values need themselves to be under the ownership – that is, the legal safekeeping – of residents through a membership-based constitution, such that any significant change to the organisation's aims, values or rules would have to be approved by the membership of residents.

3. Resident support

Our experience as a Commission has made it clear to us that to achieve this sense of ownership there is work to be done to raise the awareness and promote the engagement of residents. Of course, any proposal to transfer the Council's homes to a new organisation will need the support of residents and, specifically, a majority of tenants voting in favour in a ballot. In other words, if residents are not up for this, it won't happen.

4. Local community focus

We believe that residents are most likely to engage with personal and local issues – their home, their locality, their quality of life. Talking with residents

about creating a new organisation to own and run their homes means exploring what a new organisation could offer to residents as individual households and also what it could offer to their communities.

5. A sense of security

The offer to residents needs to be first of all an offer of security: for tenants through the terms of their tenancy agreement, and for all residents perhaps through a Residents' Charter. But there is another level of security in our proposal in that, as members, residents would themselves have ownership of the organisation, having the power to approve or reject changes in its rules and the way it is run.

“ On another, Borough-wide, level it is clear that a new organisation with over 17,000 homes would be a major local player with significant resources at its disposal. ”

6. 'Gateway' model

At a local, community level, the offer can go further. A 'community gateway' model provides for residents in local communities to take full control over their homes. This may not be an option that everyone would want to pursue, but the new organisation would at the very least have to operate at a community level, working with residents on raising service standards, making informed investment choices, supporting community initiatives and taking steps to improve things like energy costs, local jobs and training opportunities, and health and well-being.

7. Local leadership

On another, Borough-wide, level it is clear that a new organisation with over 17,000 homes would be a major local player with significant resources at its disposal: it would have the ability to drive up standards of accommodation and service delivery; to innovate and develop new partnerships; to use its purchasing power to deliver local social and economic benefits; to influence and build capacity in other sectors; to provide local leadership and promote fairness, social justice and inclusion.

“ the debt cap is a dead hand on the standard of its accommodation ”

8. Extra resources

Of course safeguarding is not just a question of ownership; it is also a question of stewardship. It is clear from the stock condition survey and financial modelling that meeting the investment needs of the housing stock, especially if there is to be any prospect of raising standards and keeping pace with lifestyle aspirations over the next generation, cannot be achieved without finding extra resources. If the Council retains ownership, the debt cap is a dead hand on the standard of its accommodation; if access to private borrowing is to be secured through a stock transfer, the problem of the outstanding debt on the HRA needs to be resolved.

9. New homes

But in addition to safeguarding and looking at the investment needs of existing homes, there has always been another important aspect to our remit,



namely, how to maximise investment in new homes. And on the assumption that there is considerable scope to provide new homes, we believe that this is where realistic opportunities to address the investment gap can be found. In simple terms, by using land currently in the HRA for the building of new homes, the value generated by market and sub-market sales can provide both new affordable homes and the resources to help meet the investment and modernisation needs of existing homes.

10. Stewardship

Arguably the option to deploy land value to release the resources for investment is available to the owner of the land, be it the Council or a new organisation. But the stewardship role, in which business decisions are grounded in a clear set of values and a focus on residents' interests, may sit more comfortably with the kind of organisation described above than with the local authority with its diversity of functions and wider strategic responsibilities. Indeed it may be that in its strategic role the Council can derive greater efficiency and better delivery outcomes from working with a strong external partner than by doing things itself.

11. Regeneration

If the development of new homes represents a positive and imaginative approach to safeguarding existing homes, it also potentially offers a new meaning to the term regeneration. Exploring the possibilities to build new homes may give rise to opportunities to remodel and improve estates – or to replace parts of them that don't work or are unpopular.

“...any plans for renewal, remodelling or replacement would have to emerge from discussions with residents, would have to have their support and would have to be under their control.”

12. Resident control

But whereas in the past the idea of regeneration has been seen as a threat, the principle of working with residents at a local level, being in the DNA of the new organisation, would mean that any plans for renewal, remodelling or replacement would have to emerge from discussions with residents, would have to have their support and would have to be under their control. And this provides an echo and reminder of the fundamental aim that led to the establishment of this Commission – to give residents ‘... ownership of the land their homes are on.’



Next steps

With this report we hope that we have satisfactorily completed the set of tasks the Council initially asked us to undertake, and that in doing so we have properly reflected the best interests of residents in our conclusions and recommendations.

Our recommendations outline some of the key next steps we think the Council should take to implement the best option for the future of council housing. These are mainly concerned with the delivery of a large scale voluntary transfer and include liaising with central Government, preparing a major engagement and communications programme, scoping the financial and resource requirements and embarking on a service transformation programme.

Should the Council decide to accept our recommendations then in our view it is essential that the momentum our

work has helped to build should not be lost through unnecessary prevarication or delay.





We are mindful of, and have drawn attention to, the fast-moving winds of the new policy climate. The implications of the recently published Housing and Planning Bill are not yet fully understood and the all-important Comprehensive Spending Review has not yet been published.

To be in the best position to understand and manage the impact of these and future changes it is in our view imperative to continue make progress with 'the change we need' in housing. The benefits of doing so – in terms of resident engagement, service transformation, financial planning and organisational capacity-building – will yield major gains for the Council, residents and staff whatever the outcome of the next leg of the journey.

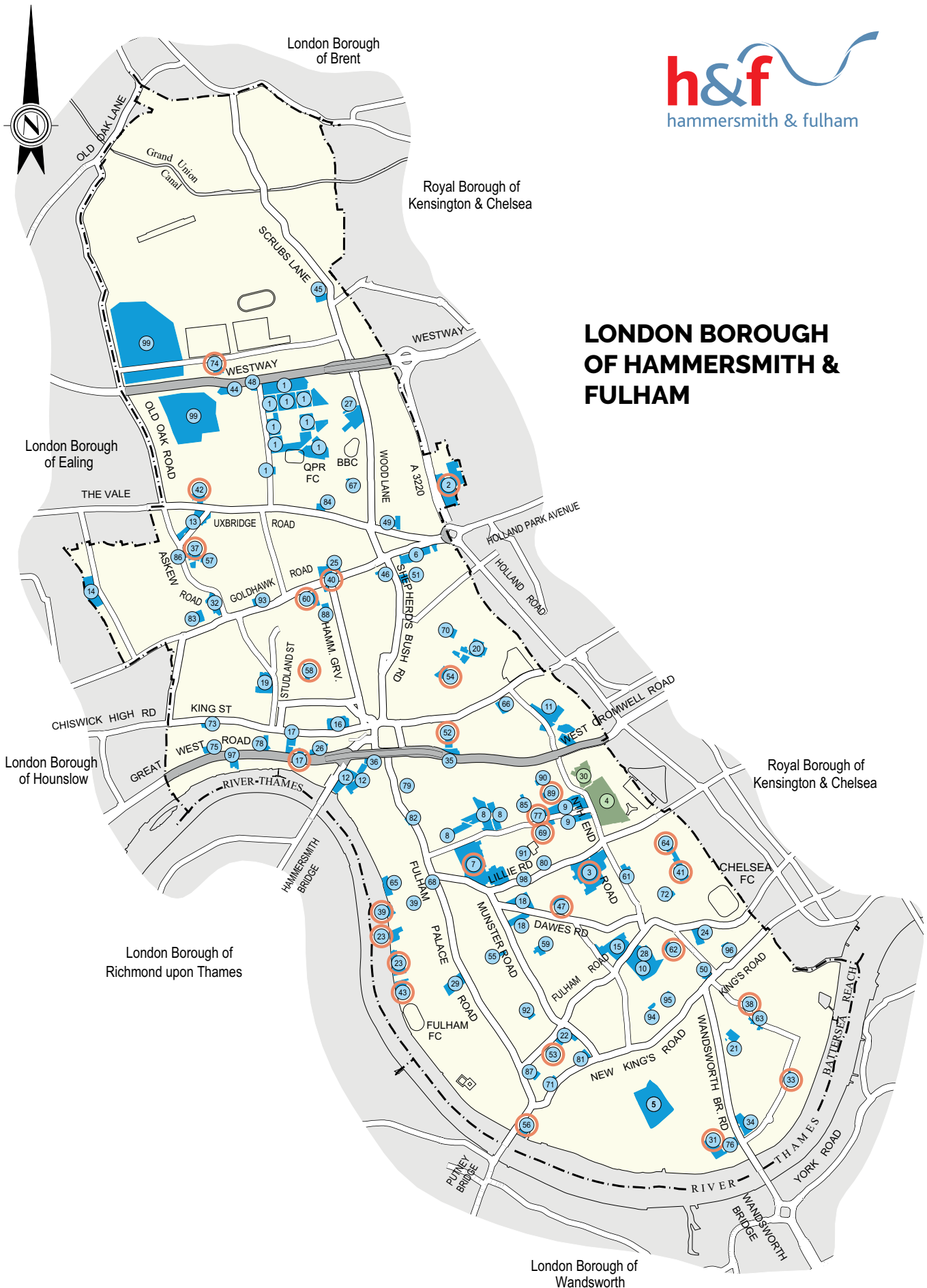


- | | | |
|---|----------------------------------|--|
| 1. White City Estate | 46. Sulgrave Gardens Estate | 91. Musard Road |
| 2. Edward Woods Estate | 47. Rocque & Maton | 92. Burnfoot Avenue |
| 3. Clem Atlee Estate | 48. Creighton Close | 93. The Grange, Goldhawk Road |
| 4. West Kensington Estate | 49. Aldine Court | 94. Alex Gossip House |
| 5. Sullivan Court | 50. Broxholme House | 95. Cyril Thatcher House/
Eric MacDonald House/
Richard Knight |
| 6. Charecroft Estate | 51. Charcroft Court | 96. Dan Leno Walk |
| 7. Brecon Estate | 52. Waterhouse Close | 97. Mylne Close Estate |
| 8. Margravine | 53. Ethel Rankin Court | 98. Lintaine Close |
| 9. Maystar | 54. Planetree Court | 99. Wormholt Estate |
| 10. Fulham Court | 55. Wyfold Road | |
| 11. Lytton Estate | 56. Swanbank Court | |
| 12. Queen Caroline Estate | 57. Hadyn Park Court | |
| 13. Becklow Gardens | 58. Banim Street | |
| 14. Emlyn Gardens Estate | 59. St Peters Terrace | |
| 15. Lancaster Court | 60. Underwood House | |
| 16. Ashcroft Square Estate | 61. Da Palma Court | |
| 17. Riverside Gardens | 62. Barclay Road | |
| 18. Aintree Estate | 63. Stanford Court | |
| 19. Flora Gardens Estate | 64. Viking Court | |
| 20. Springvale | 65. Rainville | |
| 21. Bulow | 66. Munden Street | |
| 22. Arthur Henderson/
William Banfield | 67. Frithville Gardens | |
| 23. Blakes Wharf | 68. Cobbs Hall | |
| 24. Walham Green Court | 69. Browning Court | |
| 25. William Church Estate | 70. Bradford & Burnand
Houses | |
| 26. Aspen Gardens | 71. Bearcroft House | |
| 27. Wood Lane Estate | 72. Farm Lane | |
| 28. Barclay Close | 73. Standish House | |
| 29. Robert Owen House | 74. Rosewood Square
Estate | |
| 30. Gibbs Green Estate | 75. Chisholm Court | |
| 31. Philpot Square | 76. Carnwath House | |
| 32. Kelmscott Gardens | 77. Verker Road 50 | |
| 33. Watermeadow Close | 78. Marryat Court Estate | |
| 34. Townmead Estate | 79. Yeldham House | |
| 35. Linacre Court | 80. Lillie Mansions | |
| 36. College Court | 81. Laurel Bank Gardens | |
| 37. Malvern Court | 82. Keir Hardie House | |
| 38. Manor Court | 83. Ashchurch Park Villas | |
| 39. Crabtree/Wheatsheaf
Wharf | 84. Arlington House | |
| 40. Verulam House | 85. Robert Gentry House | |
| 41. Seagrave Road | 86. Hadyn Park Road
67-105 | |
| 42. Askham Court | 87. Burlington Place | |
| 43. Etemit Wharf Estate | 88. Benbow Court | |
| 44. Wengham/Hayter/
Orwell | 89. Vereker Road 25 | |
| 45. Woodman Mews Estate | 90. Vereker Road 1 | |

KEY

-  LBHF Housing Estates
-  West Kensington and Gibbs Green Estates
-  Sheltered Housing
-  Borough Boundary

This map does not show approximately 2,200 dispersed street properties that also form part of the LBHF housing stock



LONDON BOROUGH OF HAMMERSMITH & FULHAM

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NOT TO SCALE
Drawing No. 88600/167/4/A
October 2015

APPENDIX A

Retention and Transfer: a table of comparisons

Stock Retention	Issue/ criterion	Stock Transfer
More control could be offered than the current level – for example through TMOs or estate boards. But ultimately options are limited by the nature of council ownership. Councillors would always have the final say in a democratic organisation.	Opportunities for resident control	More control could be offered than the current level. The resident-led (or strongly resident influenced) board of a new housing association would have the final say on the options for control on offer to tenants and leaseholders.
Principle of “not fettering future discretion” applies. Any single political administration at the council could offer greater safeguards – but these could always be revoked or revised by any future political administration.	Ability to safeguard residents’ homes and estates	Greater safeguards could be both offered and maintained as these issues would come under the direct control of the resident led (or strongly resident influenced) board of a new housing association.
Provided through the statutory Secure tenancies offered by local authorities. Councils have both defined and limited grounds for possession. Tenancy agreement may be varied following consultation.	Security of tenure	Provided through the contractual framework of Assured tenancies as supplemented by any additional terms offered to tenants voting in a ballot. The Council would safeguard the ‘offer’. Tenancy agreement may only be varied with tenant’s consent.
For all practical purposes, both rents and benefit thresholds are set by central Government. Previously the Council had some discretion here, but that was removed by the Chancellor’s summer 2015 budget for at least the next four years.	Affordability for residents	Rent levels and benefit levels are set by central Government. Housing associations have had to follow central Government/ HCA requirements on rent levels for many years now and there is no evidence that this will change in the future.

Stock Retention	Issue/ criterion	Stock Transfer
<p>Councils are democratic bodies and most council tenants and leaseholders are also local electors. Accountability for housing decisions is via the council's Cabinet of elected Councillors. Regulation is through the HCA and, to an extent, the Council's auditors.</p>	<p>Accountability and regulation</p>	<p>The ultimate regulators would be the HCA who set standards and ensure compliance. Within the housing association, the board is likely to have a direct line of accountability to residents – for example through an open membership arrangement.</p>
<p>Subject to standards required of public bodies. No direct input by tenants and leaseholders to council policy making on housing.</p>	<p>Policy and operational standards (for example, housing service standards, complaints and equality and diversity)</p>	<p>At the national level, subject to the operational standards set by the HCA/GLA under their statutory powers. The resident-led (or strongly resident influenced) board of the housing association would direct these standards and policies.</p>
<p>Subject to the financial capacity of the HRA. The 2015 rent reductions mean that a potentially significant element of capital expenditure must be deferred, or a programme of substantial reductions in management costs would have to be implemented to avoid the Council breaching its HRA debt cap.</p>	<p>Investment and timing of investment</p>	<p>Subject to the financial capacity of the housing association business plan and supported by bank lending. There is no equivalent to the HRA debt cap to artificially limit expenditure. But borrowing always has to be affordable and paid back.</p>
<p>To March 2015, the 40 year HRA business plan was tight, but viable. Now it is subject to a number of negative influences including rent reductions that would mean deferring investment and future loss of stock or funds from the compulsory sale of high value voids.</p>	<p>Financial viability (of business plan)</p>	<p>The housing association's business plan would be set around the net income generated by the housing stock over 30-40 years and so would automatically pick up all planned and necessary expenditure. Plans would be scrutinised by the regulators and by funders.</p>

Stock Retention	Issue/ criterion	Stock Transfer
<p>HRA is ring fenced so only HRA resources can be spent on local authority housing. Previously, some central Government programmes have supplemented this, but none are on offer at present.</p>	<p>Access to other sources of funding</p>	<p>The vast majority of housing associations are not-for-profit and many are charities or have charitable aims and objectives. They can therefore bid for and access external funding to support specific projects. However this capacity is relatively small scale.</p>
<p>Some small scale new build programmes are in place. Borrowing to build new council homes is always subject to the HRA debt cap.</p>	<p>Ability to deliver new housing</p>	<p>Any new housing association would include in its business plan the borrowing it needed to deliver ambitious but affordable new housing programmes. This borrowing would be limited by the ability of the properties to generate rent and/or sales, but not by a mechanism equivalent to the HRA debt cap.</p>
<p>The position has improved of late, but the Council could do more to engage and communicate with tenants and leaseholders. All communications need to be in line with the Council's corporate brand identity.</p>	<p>Ability to engage and communicate effectively</p>	<p>Some regulatory guidance around these issues, but policy on engagement and communication is almost entirely in the hands of the resident-led (or strongly resident influenced) board.</p>
<p>Although theoretically independent, UK local government is a creature of statute and is also often subject to close central Government control.</p>	<p>Organisational independence</p>	<p>Housing associations are independent bodies – although the Office for National Statistics is currently reviewing how their borrowing should be classified.</p>
<p>The housing service is part of a larger democratically-controlled organisation. Some non-housing services contribute to housing management and so charge costs to the HRA.</p>	<p>Corporate impacts on the Council</p>	<p>A housing transfer would mean some council staff transferring to a new not for profit landlord and others providing services to it contractually. The Council would have to bear some loss of recharges to its General Fund and other costs if HRA debt is repaid earlier than planned.</p>

Stock Retention	Issue/ criterion	Stock Transfer
<p>Council tenants and leaseholders are also council tax payers. For the most part, the ring-fenced nature of the HRA means that HRA financial matters don't impact on council tax payers.</p>	<p>Impact on council tax payers</p>	<p>Transferring tenants and leaseholders would still be council tax payers. Some of the costs of a transfer would be borne by the council's General Fund. Longer term, council tax payers may benefit from increased levels of new housing in the Borough and more employment opportunities locally.</p>
<p>The impact of both tighter HRA finances and the enforced sale of voids probably means a gradual reduction in staffing levels. Housing will also be affected by the wider reductions in staffing as the Council continues to implement nationally imposed cuts.</p>	<p>Impact on current housing staff</p>	<p>Most council housing staff would transfer to the new housing association. Those providing services through contractors would probably not be affected if contracts are also transferred.</p>
<p>Very much as in the present arrangements. A future retention option in itself neither boosts nor limits the Council's ability to innovate or build new partnerships.</p>	<p>Scope for innovation, partnership, wider impacts on local economy and new service solutions</p>	<p>Increased capacity for innovation and partnership – including any new housing association partnering with the Council itself. Greater levels of affordable housing would impact on the wider community. A new housing association with over 17,000 units would be a major player in the Borough and in London.</p>
<p>Incoming political administrations can set the tone for organisational culture throughout the council. Councils are large organisations and this affects their ability to be flexible and agile.</p>	<p>Organisational culture, agility and flexibility</p>	<p>Opportunity to review and focus on a new organisational culture. The resident-led (or strongly resident influenced) board would set the strategy for this alongside any new executive team that is put in place.</p>

APPENDIX B

Members of the Commission

**The Right Honourable
Keith Hill (Chair)**

Peter Bevington

Shirley Cupit

Joanne Drew

Paul Ekudo

John Ghazi Quick

Mathias Kulubya

Anthony Mason

Andy Robson

Sofia Saraiva

Kim Shearer

Anthony Wood

Lorna Wynter

APPENDIX C

Acknowledgments

We would like first to thank the tenants, leaseholders and freeholders across the Borough who have engaged with the Commission: who told us your views, priorities and concerns; attended public hearings; hosted meetings and coffee mornings at community halls; responded to our residents survey and patiently waited for us to deliberate as custodians of residents' interests. We would also like to thank all those members of staff who have contributed to our work through staff briefings, at our workshops and in helping us to organise events.

Second we would like to thank the Council, councillors and officers responsible for establishing the Commission and giving us the level of independence and support that we have received over the last nine months, with particular gratitude to the stalwart members of the Programme Team: **Charles Hyde, Dorothy Sturzaker, Ayesha Ovaisi** and **Labab Lubab**.

Third we would like to thank the Housing Organisations who hosted study visits for the Commission; namely,

Barnet Homes

Catalyst Housing Group

Hammersmith United Charities

Kensington & Chelsea TMO

Phoenix Community Housing

Poplar HARCA

Shepherds Bush Housing Group

Wandsworth Council

Watford Community Housing Trust

Fourth we would like to thank the residents and officers who gave evidence to our public hearings and to the external speakers who fed us a wealth of insight from beyond the Borough; namely,

Andrew Brown, Acquisitions & New Business Manager, Octavia Housing

Babu Bhattacharjee, Director for Neighbourhoods & Communities, Poplar Harca

Brendan Sarsfield, Chief Executive, Family Mosaic

Cheryl Gale, Chief Executive, London Plus Credit Union

Clarissa Stoneham, Financial Capability & Inclusion Manager, H&F Citizens Advice Bureau

Greg Wheeler, Director, Savills (UK) Ltd

Ian Doolittle, Partner - Housing, Trowers & Hamblins LLP

Jim Ripley, Chief Executive, Phoenix Community Housing

John D'Souza, Partnering Manager, Mitie Property Services (UK) Limited

Kate Dodsworth, Executive Director, People and Strategy, AmicusHorizon

Lee Page, Tenant Management Initiatives Manager, Southwark Council

Mark Brayford, Head of Development & Renewal, Genesis Housing Association

Martyn Watkins, Director of Housing Division, Capita Property & Infrastructure Ltd

Paul Doe, Chief Executive, Shepherds Bush Housing Group

Pete Redman, Managing Director, Policy and Research, TradeRisks Ltd and former Chair of Ducane Housing Association

Rowann Limond, Director of Finance, Brent Housing Partnership

Scott Dorling, Partner, Trowers & Hamblins LLP

Simon Messenger, Contract Director, Pinnacle Housing Ltd

Stephen Howlett, Chief Executive, Peabody Group

Tina Barnard, Chief Executive, Watford Community Housing Trust

Finally, but by no means least, we would like to thank the external advisers who have offered expert, considered opinion throughout the Commission's work; namely, **Capita Property & Infrastructure Ltd, Savills (UK) Ltd, SKV Communications Ltd, TPAS UK Ltd, Trowers & Hamblins LLP.**

APPENDIX D

Commission papers

In addition to the agendas and minutes of the Residents' Commission's meetings, notes of Commission workshops and transcriptions of the public hearings represent a public archive of our work that can be accessed through our website at www.hf-residents-commission.org.uk.

Also archived and accessible via the website are our monthly newsletters, the various submissions we received from a number of organisations and individuals and various other key documents including the following:

Residents' Commission Core Documents

Terms Of Reference

Glossary of key terms

Communications and Consultation Strategy

Residents survey questionnaire

Some of the reports considered by the Residents' Commission

LBHF reports

The Council's Housing Strategy – Delivering the Change We Need – Housing Department 2015

Improving the Customer Experience – Housing & Regeneration Department, Borough Forum, June 2014

Stock Options Appraisal Report, 2003

Report on the Reintegration of H&F Homes to the Council, 2011

Government publications

Draft Welfare Reform and Work Bill – DWP July 2015, link to Parliament page

Pay to Stay consultation – DCLG October 2015

Draft Housing & Planning Bill – DCLG, 13 October 2015, link to Parliament page

Housing Association and other publications

Social & Economic Regeneration Impact report 2014-2015 – Genesis Housing Association

Community Investment Impact Report 2015 – Peabody

Success, Satisfaction and Scrutiny Report – AmicusHorizon

Changing places: how can we make resident involvement relevant? – Family Mosaic

Housing Associations of 2020: Distinctive by Design – PWC November 2014

Impacts of Housing Stock Transfers in Urban Britain – Joseph Rowntree Foundation

21st Century Public Servant – University of Birmingham

What you need to know about the proposal to extend the right to buy – National Housing Federation

Community Land Trusts Briefing 2015 – TPAS

'Redefining density' joint report 2015 – Savills with London First



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