

Options Evaluation – Future of Housing Review

	Arms length management HFH	In House management LBH	Large scale – voluntary transfer	Partial transfer(s)	Development Vehicles
Contribution to Council Aims and Objectives: 1. a.Funding to build new homes and b.ability to deliver the types of housing needed to establish a balance of affordable and market tenures in each area. 2. a.Funding to complete decent homes for all council homes b. Overall customer satisfaction rating. 3. No drop in the numbers of social or affordable homes	<p>Current HRA position will not allow building of new homes beyond current programme. Similarly it will not allow development of mixed tenures across borough.</p> <p>Deficit in Capital funding needed until year 17 on 'silver standard'</p> <p>Overall satisfaction rating is improving and confirmed by test of tenant opinion.</p> <p>Drop in numbers of social homes through right to buy and through compulsory disposal if agreed.</p>	<p>Current HRA position will not allow building of new homes beyond current programme. Similarly it will not allow development of mixed tenures across borough.</p> <p>Deficit in Capital funding needed until year 17 on 'silver standard'</p> <p>Drop in numbers of social homes through right to buy and through compulsory disposal if agreed.</p>	<p>Large scale voluntary transfer not feasible without significant debt write off and dowry at 'gold standard' Unlikely to be allowed by government. At silver standard will not allow new homes or delivery of balanced tenures.</p> <p>Decent homes may be achievable at 'silver standard' but funders and new landlords unlikely to be interested.</p> <p>Were it feasible there would be drop in number of social homes through Right to Buy only.</p>	<p>Partial transfer may be feasible at Noel Park, and possibly at Northumberland Park but doubtful. Other areas not yet modelled may demonstrate feasibility.</p> <p>Partial transfer will potentially allow new homes of mixed tenures in appropriate areas</p> <p>Would complete decent homes in relevant areas.</p> <p>Drop in numbers of decent homes through Right to Buy only.</p>	<p>Will deliver new homes and balance of market tenures in areas in vehicle.</p> <p>New homes will be better than Decent Homes standard.</p> <p>Housing management solution for existing stock and investment solution will also be required.</p> <p>In order to make schemes viable may be some pressure on stock numbers and potential change in tenure</p> <p>Newly built housing can be held in the development vehicle and let at social rents and is exempt from Right to Buy and may well remain so.</p>
Assessment of tenant views Test of tenant opinion Opportunity for tenant engagement and involvement	<p>Informal feedback appears supportive of HFH</p> <p>Test of tenant opinion recognises recent service improvement</p> <p>Existing opportunities for tenant involvement strong and can be enhanced</p>	<p>Tenants supportive of LB Haringey ownership informally and through test of opinion.</p> <p>Tenant governance may be diminished with return to Council structures. There would be no Board and may be loss of focus on role.</p>	<p>Informally tenants suspicious of transfer options</p> <p>Test of opinion says no sympathy with new landlord, particularly if not a local one.</p> <p>Opportunities for tenant governance and influence would be strong and could be enhanced.</p>	<p>Informally tenants suspicious of transfer options</p> <p>Test of opinion says no sympathy with new landlord, particularly if not a local one.</p> <p>Opportunities for tenant governance and influence would be strong and could be enhanced. Partial transfer may be to existing association which may reduce opportunity for influence.</p>	<p>Most likely to be a vacant transfer and no requirement for TOTO or ballot.</p> <p>Significant opportunity for consultation in design and quality of estate and environment but ongoing governance and influence likely to be limited. A number of options for ultimate ownership and management of housing.</p>
Optimise Housing Stock Condition for existing council homes. Number of properties meeting Decent Homes standard Ability of option to finance overall stock condition needs measured by extent of shortfall or surplus	<p>Will not deliver decent homes for whole stock.</p> <p>Ridge stock condition survey shows shortfall on 'silver standard' to year 17 and on 'gold' throughout 30 year plan.</p>	<p>Will not deliver decent homes for whole stock.</p> <p>Ridge stock condition survey shows shortfall on 'silver standard' to year 17 and on 'gold' throughout 30 year plan.</p>	<p>At 'silver' decent homes standard LSVT doubtful but might be achievable if DCLG has programme beyond 2016. However lenders and associations may not wish to consider transfer on so low a standard Would require debt write off and use of VAT shelter.</p> <p>To 'gold standard' full stock condition needs LSVT likely to be unachievable as write off and dowry too expensive.</p>	<p>Although partial transfer for all estates modelled currently showing negative valuations higher underlying values at Noel Park, and potential scope for savings make a partial transfer possible. Similar considerations may apply at Northumberland Park. This would achieve Decent Homes and beyond in those estates subject to transfer but would not deal with whole stock issues.</p>	<p>New housing and possibly some high quality refurbishments for areas included. Increase in values and potential disposals of market housing from intensification may produce resources that can be spent on HRA stock.</p>
Positive Financial Implications for HRA and General Fund Ability to reach or add a considerable impact towards producing a balanced HRA business plan over a 30 year period Ability to meet or help meet the Council's aspirations : Decent Homes Regeneration Estate Renewal New build Housing Affordable housing and protect properties from the right to buy	<p>No positive implications as such and no impact to eradicating capital funding deficit.</p> <p>Council cannot meet all its aspirations</p>	<p>Savings from transition to in house financial management estimated at £500,000. If pursue general fund company after dismantling HfH then additional cost implications</p> <p>Minimal positive implications as such and little impact to eradicating capital funding deficit.</p> <p>Council cannot meet all its aspirations</p>	<p>Had option been viable would have removed all costs and closed HRA. Service fully funded to meet its aspirations. General fund implications would have depended on the deal. But LSVT appears unlikely.</p>	<p>A transfer for Noel Park or Northumberland Avenue would fully fund estates. Helps reduce capital funding deficit. Noel Park will not improve HRA position as reduces 30 year position.</p> <p>General fund position will depend on deals struck.</p>	<p>Possible receipt from vehicle may improve position as may disposal of market housing developed in estate renewal process.</p> <p>General fund implications will depend on scale and type of vehicle. Approach will fund regeneration and new build at least in part.</p>
Maximise Service Performance	<p>Performance benchmarking recognises considerable improvement albeit from a low</p>	<p>All data sets are better than when Council last directly managed service. However culture and ethos</p>	<p>Benchmarking demonstrates high quality performance by housing associations and transfer organisations</p>	<p>Benchmarking demonstrates high quality performance by housing associations and transfer organisations</p>	<p>Generally development vehicles are less likely to be housing management vehicles. If the vehicle develops and owns new housing consideration will</p>

Appendix iii - Options by Criteria for assessment

	base. Latest data has 19/26 indicators improving. Improvement in last two years has been significant and trajectory continues upwards since last data set. Recently transferred services also improving. Momentum needs to continue	of Council has changed with regard to performance. Benchmarking confirms that high level performance in direct local authority management services is feasible. Future performance if service brought in house by LB Haringey is judgement call.			need to be given to management arrangements.
Offer opportunity for additional service delivery	Retaining HfH offers opportunity to commission further services in future. Services likely to be housing related and could include small scale development. If ALMO no longer exists then opportunity to commission additional services is lost. Currently taking over homelessness, private housing and lettings agency with some success. Also providing employment advice and guidance which can be expanded	No opportunity for commissioning additional services. Alternative opportunity is to better integrate with other Council services Housing service uniquely placed to look at improved services such as jobs and employment and this can be made to happen with in-house management also.	Yes probably again for housing related services.	Yes probably again for housing related services for those estates included in partial transfers.	Yes, including non housing regeneration e.g retail, commercial and economic development type activities, property management. Typically not suitable for the delivery of mainstream Council services.
Maximise contribution to regeneration	No – particularly given financial analysis. HfH could be given stronger role, either in co-ordination or in delivery of new housing. Integration of structures is likely to strengthen regeneration delivery.	No – particularly given financial analysis. Choice of option alone will not maximise contribution to regeneration. Integration of structures is likely to strengthen regeneration delivery.	If transfer financially feasible then this would have allowed contribution to regeneration. However this might have inhibited practicality of regeneration and a successful ballot may be less likely where plans for estate renewal in place. Financial position makes large scale voluntary transfer unlikely to be feasible	A successful transfer in Noel Park or Northumberland Park would fully fund repairs to existing stock and would allow contribution to regeneration and new build. However, new landlord effect on regeneration in Northumberland Park should be borne in mind. Successful ballot may be less likely where plans for regeneration in place.	Yes. Development vehicle, whether for housing alone or including commercial, retail, employment will certainly significantly increase contribution to regeneration across all potential indicators.
Optimise accountability control and influence 1. Of the Council (inc financial influence and procurement risk) 2. Of tenants	Partial Ownership but not direct management. Board membership and financial influence provide considerable control. No procurement risk. Significant degree of accountability to tenants Election turnout for tenant Board members very high	Yes Direct ownership and management. Direct financial control and no procurement risk. Tenant accountability and influence is at Council discretion	No. Ownership transfers and Council influence would be through Board membership and establishing documents. Council's financial influence is largely limited to development funding and land transfer conditions. Some degree of procurement risk if chose an existing association Tenant accountability and control could be significant and depending on model chosen can be very high.	No. Ownership transfers and Council influence would be through Board membership and establishing documents. Council's financial influence is largely limited to development funding and land transfer conditions. Some degree of procurement risk if chose an existing association Tenant accountability and control could be significant and depending on model chosen can be very high.	No. Ownership will tend to transfer – although ownership of new and refurbished housing may vary. Council control is dependent on contractual and company set up documents.. Although typical 50:50 structure with open book approach will allow Council considerable say if applicable. Council financial influence will vary dependent on nature of vehicle and structure of deals. Higher degree of procurement risk. Tenant accountability and control likely to be very limited although this will vary dependent on extent and nature of private sector involvement and housing management arrangements.
Deliver value for money/ efficiencies	Yes HfH saved £3.2 million in 2014/15, and £2million previous year. Has achieved Council savings every year since established.	Yes. Council savings programme will continue. Savings available as a result of coming back in house will be £500k plus	In long term RP would continue savings through general efficiencies. In short term any prospect of making a transfer viable would require significant savings to be driven out.	In long term RP would continue savings through general efficiencies. In short term any prospect of making a partial transfer viable would require significant savings to be driven out. There may be some additional efficiencies in the HRA through reduction in service provision.	Yes. Should deliver good vfm and efficiencies subject to overall vehicle procurement, and to viability of development appraisals if delivered at suitable scale and depending on ration of Council to private sector funding. A new company will have to be viable on its own and overall viability could depend on equity model,