

Appendix vii -Summary of Site Visits

The independent adviser visited a number of local authorities and associations on Haringey's behalf. The steering group attended a selected group of examples, all of which had been included in this programme of visits apart from Sunderland.

WATMOS

WATMOS is a housing association owned by tenant management organisations, that was established when Walsall MBC transferred its' housing stock. Eight tenant management organisations formed, and now own, a landlord housing association which is a registered provider. Legally, it is an industrial and provident society. The board of the association is composed of representatives of the TMO Review Group together with four independent members, in whose selection the TMOs have a role.

WATMOS owns the stock and then has a management agreement with the constituent TMOs to manage the stock on its behalf. This, almost circular, structure protects the ethos of tenant management.

Tenants elect the TMO, estate committee, who appoint staff and nominate the Board member representative. They then shape their own services such as cleaning, grounds maintenance and caretaking. Support services, together with Capital Programme Management, investment and allocations are provided centrally. In 2012 three TMOs in LB Lambeth joined the structure, as they were too small to create their own registered provider. This took place with the support of the London Borough of Lambeth. Performance and satisfaction levels are rising.

While on transfer all the properties had investment needs, the condition of the stock was better than average for the Borough, having already had a share of investment, so this is not necessarily a vehicle for dealing with poor quality stock or regeneration. Growth in stock numbers does not conform to the ethos of the association so there will be little new development. This is a high cost solution, management costs are in the top 10% of housing organisations.

Rochdale Boroughwide Housing

The context of Rochdale Boroughwide Housing arises from a housing organisation with a record of extensive tenant involvement, influenced by the co-operative movement, with estate committees and a strong Tenants Federation. Rochdale was part of the first round of ALMOs and had completed Decent Homes by 2006. After a period of turbulence a new solution was sought that would look to the longer term and deal with the financial pressures, particularly the maintaining of the housing standards and allow targeted regeneration. A Commission was established under the leadership of Professor Ian Cole, which recommended that a housing association based on mutual principles was the right solution.

£95 million debt was written off on a stock of 13,800 and transfer was pursued on the basis of an organisation co-owned by its tenants and employees. As a result of the transfer, the Decent Homes standard has been maintained and double glazing and new kitchens and bathrooms installed where appropriate. One hundred new affordable homes are under development and the association is working with the Council to maximise wider benefits such as employment and training.

Legally Rochdale Boroughwide Homes is a Community Benefit society, wholly owned by its 4,000 members, of whom 3,500 are tenants and the rest employees

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The members' representative body is elected by the membership, and has 15 tenants, 8 employees, 3 representatives from the TMOs and 2 Council representatives. Although none have yet been appointed, there is provision to appoint 3 external independent persons to the Board. The task of the representative body is to lead on the vision and direction of the organisation and approve the corporate strategy. They also appoint the non executive Directors to the Board. The Board itself is composed of six independent, non executives with relevant skills and experience; the Chief Executive and Finance Director and two Councillors. The Council's ability to nominate ends on 5th anniversary of transfer, but this is compensated for by two additional representatives on the representative body, which is where the influence is intended to be exercised.

It appears that the Council believes the transfer was the right move and is satisfied with the results. Tenants bought into the concept from an early stage; starting with those tenants on the Commission and corroborated by an early test of tenant opinion. The solution draws on Rochdales' heritage as birthplace of the co-operative movement and this choice of option was not solely about finances but about involvement.

Salford MBC

Historically Salford's original Arms Length Management Organisation failed to achieve Decent Homes with that body of stock that the Council retained. Previously, the Council had transferred 15,000 homes to CityWest homes, established a PFI scheme, dealt with some properties under the Housing Market Renewal Fund and carried out some estate renewal through partnerships with the private sector. In 2010/2011 a new ALMO was established which obtained Decent Homes money, and the HRA was balancing, although not well resourced.

When self financing came in, it was clear that there was no effective 30 year plan and no ability to borrow as the HRA borrowing was at its maximum permitted level. Following an options review by consultants, work was undertaken with the customer panel facilitated by TPAS to consider the recommendations. The customer panel recommended a test of tenant opinion, to ascertain what tenants felt was important, and to indicate if tenants would consider a transfer if the needs of the housing stock could not otherwise be met. This gave the authority a mandate to pursue transfer, and a project Board was set up to lead through the process. Following some turbulent politics the Council backed the approach to transfer. When the proposal was put to a tenant ballot, the proposal for transfer won 64% to 36% on a 54% turnout. The new body will be a housing association with a typical board split, one third each of tenants, councillors and independent members. Like Rochdale, Salford has aspirations to mutual ownership, and this will be considered in time. The new association Salix Homes went live in March 2015

In the interests of effective regeneration, there are some houses where the Council has retained a right to bring the properties back, if they are needed for regeneration or redevelopment.

LB Waltham Forest

In 2012 Waltham Forest resolved to retain its ALMO, Ascham Homes, seeing it as a modern ALMO and giving it more responsibility. It had already been given allocations and responsibility for selective licensing. However, in 2014 in light of the continuing challenging financial agenda for local authorities it was deemed right that there should be a further review. The self financing regime

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changes had changed the Council's ambitions as it now sees its role as building housing for sale or rent through new options and is looking at a special purpose vehicle. This has been significantly driven by changes in the area, as values are rising and Waltham Forest is seeing the benefits of economic growth. It is also particularly challenged by the rise in homelessness. The Council's interests now are not solely about low income homes but about new tenures and rents.

The ALMO had achieved Decent Homes except for two schemes with regeneration potential. There is a small amount of borrowing headroom which is helping fund the Council's ambitions. The Council is very much pursuing a mixed economy approach, and has previously had a Housing Action Trust which ultimately became a housing association and is now part of Peabody. Stock has previously been transferred to London and Quadrant Housing Association. Performance had been strong since the new regime of the ALMO in 2010.

At the time of visiting a full review was being carried out considering essentially four options; retaining the ALMO, LSVT, Ascham Homes as a special purpose vehicle or in house management. There was little apparent desire on the part of members or tenants to transfer. Subsequent to the visits to Waltham Forest the Council decided to bring the stock back into direct Council management.

LB Greenwich

LB Greenwich had always retained in house management, and had never had arms length management. Through a test of tenant opinion they were confident that members and tenants wanted to stay part of Greenwich. However, they had worked with housing associations, and the private sector to regenerate estates. The Council Housing Revenue Account was healthy and had significant borrowing capacity, and regeneration and improvements could be substantially internally funded. Much of the headroom has now been used and they are revisiting stock condition surveys and business plans to prioritise what now needs to be done. The housing stock is largely in good condition.

Performance is good, and the organisation is being continuously improved through good management.

The Council is doing small amounts of new build and through RTB receipts is enabling associations to do so also. The Council has its own housing company Meridian Homestart which is building properties at affordable rents. At the time of visiting consideration was being given to converting this to a Community Benefit society to enable it to use RTB receipts.

The Council is committed to stock retention. It looked at arms length management organisations, but was never convinced that it could get better service than from direct management.

LB Westminster

LB Westminster has an extremely healthy housing revenue account with substantial reserves. As a first round ALMO the Council had achieved Decent Homes by 2006/07, and has maintained it. From 2009/10 onwards it has been looking at regeneration of estates, particularly around density and poor design. Some of the stock is costly and ageing. There is a specific commitment and policies devoted to the regeneration of five sites.

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The ALMO performs well, had a new agreement in 2012, and there is no agenda to either return to in house management or to transfer. A recent review by consultants Altair, suggests that the costs are high but the services can be afforded. The HRA 30 year business plan is never below break even.

Significant efforts are being made to develop new housing, and the ALMO is playing a full part in this.

The right to buy is not a significant issue for Westminster as the values are just too expensive. However, homelessness is and temporary accommodation is currently a major challenge.

In the past Westminster has done partial housing transfers, such as Waterson and Elgin Community Homes.

LB Lewisham

LB Lewisham has taken a range of different solutions to achieve Decent Homes. It has transferred a significant number of properties including establishing a Community Gateway housing association, Phoenix. It has also done PFI schemes and could definitely be said to have a mixed economy. Regeneration has been done in partnership with housing associations and there is a Tenant Management Organisation in existence. Regeneration has been done on a principal of 'worst first' and 'internals first' and has been based not so much on decent homes *per se* but on considerations of density, design and place.

Currently has 13,500 tenants and 5,000 leaseholders managed by Lewisham Homes. The self financing arrangements were reasonably favourable to Lewisham, who had a large amount written off and significant headroom. The capacity in the HRA and projected surpluses were large at the time of visiting.

500 new homes will be built in the next four years. The Council is looking to build for sale as well as social housing.

Values are rising, as elsewhere in London, and there is a strong logic to holding on to land and property.

When visited consideration was being given to Lewisham Homes registering as a Registered provider, so that the ALMO could act as a development agent. The management agreement expires in 2016 and it is likely that the ALMO will continue as a 'super-ALMO' with additional functions. As a general principle, members prefer specialist providers, the ALMO has been better than the previous service, and they take a fairly pragmatic view around which there is considerable consensus.

LB Newham

Arms length management organisation was brought back in house in 2011, after being set up in 2005 to get Decent Homes funding. This was always likely to be the case, and in Newham's view was the right thing to do as they were able to make significant savings and maintain customer satisfaction. Decent homes work was done, but Newham have concerns that this has not led to a fundamental refurbishment of stock based on condition. Decent Homes was not an asset management based approach.

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Generally speaking Newham prefer to retain services in house. As far as savings are concerned the general fund was under pressure and there was an imperative that the HRA should not be left as it was.

HRA is in 'rude good health' with £5 million surpluses. Performance is good and arrears are at the lowest ever. There are 16,000 Council tenants and more than 6,000 leaseholders. There is an ongoing series of reviews of services and performance improvement initiatives.

Newham have a clear priority to diversify the tenures of the borough, and are looking to develop affordable rent products, shared equity, and through Red Door Ventures, new private rented sector properties. The Council's social stock is dropping and social housing will increasingly be provided by registered providers.

Significant regeneration has taken place. There are two prime regeneration estates which are in progress. Carpenters Estate, where at the time of visiting there was not yet a clear solution, and Canning Town/Custom House which was being done in partnership with various developers.

A further review of assets was underway, with a particular view to increasing densities to meet the needs of Newham's young and growing population.

The housing waiting list has 14,000 people on it and the demand for temporary accommodation through homeless applications is one of the biggest in London. Local Space is a housing association established by Newham to provide temporary accommodation. The Council was considering using borrowing headroom to help fund this.

Broadly, at the time of visiting Newham had sufficient money to do what it wants, with a sound 30 year business plan, and a growing surplus. The general fund is under pressure from the Homelessness costs. There are opportunities from land holdings.

Newham has massively cut back on resident involvement, with members taking the view that it is for them to seek out views. They do carry out empirical surveys but resident consultation structures have been much reduced. There is no longer funding for tenants associations although they will consult focus groups of residents, and a panel of residents and leaseholders.

LB Enfield

LB Enfield brought their ALMO back in house. Although it was performing well relations with the Council and with members in particular were not strong. Despite reasonably strong tenant support the ALMO was brought in house and the last two years of the Decent Homes programme funded by the Council itself, all the DCLG and GLA money having been used up. The ALMO was good at driving performance but had less corporate influence, however it has raised the profile of housing politically

The Council has 11,000 tenants and 4,500 leaseholders. Several estate renewal schemes are on the go, and more are planned, but these are built into the business plan and will be funded through the HRA. Housing services in Enfield are low cost and traditionally have been. Staff were relaxed about the transfer back in house, many having a long term commitment to and experience of Enfield.

A number of multi storey blocks are being refurbished through British Gas and Eco schemes.

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New build is being approached on a scheme by scheme basis. Enfield are using special purpose vehicles to develop new housing producing a mix of affordable and private rented housing. They are considering a special purpose vehicle buying units for temporary accommodation.

To ensure appropriate governance on the HRA Business Plan, they have set up a Housing Board. Chaired by the Cabinet member this includes tenants, leaseholders, independents and senior officers. This is apparently a serious and effective working group which concentrates on performance and key issues.

LB Islington

Islington's housing stock (33,000) was managed by an Arms Length Management Organisation, which performed well on measurable indicators. It was brought back to in house management, principally as a result of a desire to do so on the part of members. Decent homes was effectively delivered, and the housing stock is in pretty good condition. The HRA is healthy, and currently the debt is being restructured to release significant capacity.

However, in common with a number of authorities visited, Islington has tried most of the options for improving and managing housing, including PFI, transfer, and disposal. At present they are establishing a general fund housing company to deliver new homes. While they have some estates that would benefit from renewal the key to this is intensifying the density, and at present these schemes are not viable, and the Council is unlikely to spend direct resources, expecting such schemes to be cost neutral overall.

Red Door Housing Company (LB Newham)

Red Door is a commercial vehicle with no social purpose, which will only deliver affordable housing as a requirement of planning policy. Its 'raison d'être' is to build private rented accommodation in response to the political and practical concerns about this sector in Newham. It is a major political priority and the Council is wholly supportive of the company seeing it as a major driver. A limited company, wholly owned by the LB Newham, it operates outside the HRA receiving loans from the Council general fund. The Council has security based on the assets, and will make a return based on the loan note which it receives. Funding works on a scheme by scheme basis and each one has to be viable. The first scheme of 36 units is underway. Management, maintenance and rent collection services were being tendered in spring 2015.