



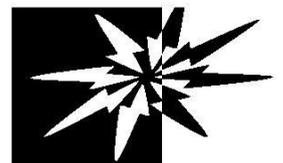
Future Housing Delivery

Homes for Haringey

Our paper to the Future Housing Options Delivery Panel



Homes for Haringey



Haringey Council



Future Housing Delivery

Homes for Haringey –

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Homes for Haringey Ltd

February 2015

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Introduction

This is intended as a discussion paper so that Homes for Haringey can engage with the Panel's thinking. We don't expect to have addressed all the Panel's concerns, but hope we will have raised some issues that are new and have the chance to address any that we have missed.

The form of the paper is to set out:

- **why we think that there is real advantage for the Council and its residents in retaining a dedicated housing company;**
- **the arguments against retaining a housing company, or this housing company, and our responses;**
- **what Homes for Haringey is doing and might do;**
- **how we plan to deliver a wider role;**
- **how we fit with Haringey's Corporate Plan and strategies.**

There are two preliminary points we want to make.

First, we have deliberately avoided the description 'arms-length management organisation'. Homes for Haringey is currently the Council's housing company. If the Council wants to change the role or scope of its housing company it can do so, but it will always start from here.

The 'ALMO' label reflects what can be seen as a historic injustice ('Whitehall made us give up control before they would pay for Decent Homes work'), and gets in the way of looking at what Homes for Haringey actually is and does for the Council today.

Second, although we are conscious that the Panel is considering transferring property from the council to another housing body, we have not looked at that in this paper. We are, of course, happy to address any questions the panel may have.

Our reasons for leaving this issue out of this paper are that it raises a number of difficult and contentious issues which are bound to trouble the Council; we do not think it helpful to the debate or to us to lead that debate, and it is not part of our constitution.

In addition any significant transfer of property will have an immediate impact on the service and role of Homes for Haringey, and each different form and quantum of transfer would have a different effect. This paper would be confusing and dreadfully long if we tried to deal with all those options.

**We are an
Investors in
People Gold
employer.**

**Britain's Top
Employer award**

2014

2013

2012

2011

2010

**2014
International
Safety Award**



Why keep Homes for Haringey?

The legislative framework means the Council is almost bound to need a housing company if it seriously wants to address wider housing need in Haringey:

- Council owned property can only be secure with the right to buy let at target rents set by Whitehall; effectively it can only be financed through HRA borrowing which is subject to a cap; HRA borrowing capacity is substantially committed to Tottenham redevelopment and the building of new socially rented council housing.
- Homes for Haringey can develop, own and operate housing at social, intermediate, sub-market, local housing allowance rents and at market rents; it can raise other money without being subject to any cap – it can even make a profit for the Council on sub-lending prudential borrowing. 

Tenancies and rents	
Homes for Haringey	Council
<ul style="list-style-type: none"> • Freer to raise finance • Commercial borrowing rates • Renting at assured tenancies but free to give long-life tenancies and to mirror secure tenancies • Rent can be at social, intermediate, local housing allowance or market level • Can set own allocation policies responding to Council • No right to buy necessary 	<ul style="list-style-type: none"> • Can only borrow to HRA cap • Public sector borrowing requirement rates • All housing, if rented, is secure at social rent • Possibility of shared ownership • Subject to right to buy • Strictly subject to allocations policy

If we want a company why not start with the one you've got?

- There is always a cost in setting up a new body; modifying an existing one is easier and cheaper; stopping and starting again means unwinding arrangements. Homes for Haringey is wholly controlled by the Council and there is no limit to the changes it can make to its membership, capacity and constitution to align with the Council's needs.
- Homes for Haringey has demonstrated its capacity to smoothly change; taking on 200 staff and a challenging homelessness service in September, moving quickly to set up an apprentice academy and a lettings agency, and implement robust changes in management of the repairs service; we do what the Council wants – and fast.
- A common management structure makes it easy to spread overheads and on-costs of new ventures as marginal costs; skill is easy to share. 

Delivering Haringey's objectives – the private rented lettings agency	
Homes for Haringey	Council
<ul style="list-style-type: none"> • Ready to go – robust business model • Free to trade and run commercially • Swifter to act • The skills to run and deliver in the private rented sector • Able to spread overheads and keep them low • Relationship with the market – leaseholder and Homefinder landlords 	<ul style="list-style-type: none"> • Would need to set up subsidiary to trade and operate • Tight operating restrictions • Not able to trade • Has to show all costs recovered in full at a fair rate • Cannot make a profit • Decision-making process longer • Terms and conditions inflexible • More costly – higher overheads

ALMO of the Year
at the UK National
Housing Awards
2012



Homes for Haringey Board – the skills and experience we add

- Resident and service perspective
- Vast range of management and leadership experience
- Legal
- Finance
- Experience running major council services
- Links to council decision-making
- Business and commercial skills
- Resident engagement
- Service knowledge across the business
- Scrutiny and business improvement
- Council corporate planning
- Running an effective Board
- Housing association directorship
- Management consultancy
- Communications
- Senior political leadership
- Voluntary sector leadership

Focus

- There is always a tension between a council’s need to keep control of those things it is responsible for on the one hand, and the need to get economies of scale and expertise on the other. Some authorities still run waste collections, most don’t. No authority writes and operates all its software. A controlled subsidiary can deliver the advantages of control while accessing expertise.
- We have clarity around staff and management roles and structure ourselves appropriately. We focus our management and recruitment on the competencies required to run housing services.
- Residents are at the core of decision-making.
- We recruit a top team to run a housing organisation to match the best housing associations.

Take savings as an example:

- Meet the Council’s savings target every year since 2006
- Highest and most consistent deliverer of savings across the Council while also improving services
- £3.2 million in 2014/15 saved from the Management Fee – delivered through working efficiently
- Council’s Medium Term Financial Strategy savings – most confidence in housing
- We have reduced the cost of repairs from nearly £17.02 million in 2013-14 to a projected £16.5 million in 2014-15. We have also delivered the service with a reduced number of operatives – down from 176 to 138.

Trust

The fact that we have one owner, and one contractual relationship, makes us very responsive. We worry when we get it wrong, and work quickly and hard to put things right.

It matters to us because our future depends on demonstrating high levels of performance. We have proven our responsiveness over the years and are operating more strongly than ever.

Average time to repair an empty property in 2014-15

14 days

Average time to repair an empty property in 2013-14

40 days

We’ve reduced rent loss from empty properties from 1.35% in 2012-13 to 0.83% by December 2014 = £354,145 additional net income



What can Homes for Haringey do?

Our Lettings Agency will:

- Provide a trusted, reliable and effective alternative in the private rented sector
- Help join up the way we provide private rented housing across income groups – providing good quality housing for homeless people as well as for the wider market
- Be run as a commercially viable business, to compete with the best in the market
- Be a link to our enforcement action against the bad or incompetent landlords in the Borough (if you can't manage, we can do it for you)

We manage housing well, so are off and running in expanding our offer into the private rented sector through a new lettings and management agency.



We have established our repairs service as a commercially sound, responsive and effective operation, so have the potential to actively trade and offer services more widely in the community and to other landlords.



We can sell our repairs service:

- to housing associations
- to landlords
- to home owners
- We have our tenants to validate quality – if it's not good enough for them it's not good enough for us.
- We can manage our assets effectively – and better – given greater freedoms to manage.
- We plan and manage the assets to achieve the best outcomes for residents, freer from public sector borrowing requirement and council restrictions.
- We can run planned maintenance better with forward fixed budgets – get more 'bang for our buck' by running over longer than annual cycles.

We know we can do more across our stock:

- Roof conversions
- Small garage sites
- Drying areas
- Infill sites
- Modular buildings – maybe 25 possible units off Oakfield Road (to pick from many)

We know where the opportunities are and what do:

- Piggy-back on major works contracts making EU procurements unnecessary
- Lever-in private finance or prudential borrowing
- Use our property management and temporary housing experience
- Apply strong economies of scale

We manage large contracts to improve and refurbish housing estates, so think that we should extend these skills into building new homes on available land and space on those very estates.



We have brought together expertise in providing housing and support for older people. Through Homes for Haringey there is vast potential to do more with a fairly under-developed part of the service.



We have ideas and workable solutions such as:

- Partner with small housing providers (such as Hornsey Housing Trust) who have assets and stock to support our aspirations to develop new homes and who bring new management skills to the table;
- Work with older owner-occupiers and their families to develop options when they need supported housing or care;
- Target some of the plans to build on council-owned land to be suitable and attractive for older people to move from their large family homes



We know that we have some very expensive to maintain properties and that when they are empty, we sometimes spend a great deal of money getting them in order and ready to let. We intend to introduce a 'stock viability model' to assess whether there is a better solution for such a property when empty. This will make sure that, whatever we do, our resources are spent on providing good, affordable homes for our tenants – perhaps, in some cases, selling one property and using the money to build or acquire a new and better home.



- **Managing our assets from start to finish means that we can achieve the best results for residents.**
- **We bring back empty properties from the private sector through compulsory purchase or close working with owners. Our joined up approach is capable of doing more.**
- **Freer to make the best investment decisions, we are able to bring poor homes up to standard, make best use of the stock, and recycle our money into new homes.**

- **In less than a year since start up, we have successfully introduced the Building Lives Academy to Haringey, and are on track to have 50 apprentices trained and into work. We have worked with our Decent Homes partners, Mulalley and Keepmoat, to provide training and real jobs at the end of the process, We have also signed up six apprentices in our own Haringey Repairs Service. This will expand into new build and regeneration contracts across the Council.**
- **Project 2020 has proved its value in establishing the kind of skills and confidence amongst young people in Northumberland Park which has led them to jobs, away from crime and to a more cohesive community. We can do more, in more places, and explore new ways to bring in funding and activity – such as developing a social enterprise model.**

Our employment, community development, environmental and community safety work all complement our housing role. It is entirely relevant that we should set up apprenticeship schemes, run projects to divert young people into work and training, develop partnerships with local schools on our estates and run services to support the most vulnerable in the Borough.

We want to do more of this, and to explore imaginative ways to lever-in funding and capacity to do this well. Being a good partner helps, but potential around social enterprises and commercial activity is there for us to explore.



We know it's not financially sensible to house homeless people expensively in private rented accommodation, where landlords charge very high and unaffordable rents. Relying on the private rented sector is a growing London problem as there are not enough social and affordable homes available. We intend to find our own financially sustainable solutions by acquiring homes to let at a rent affordable for people who are homeless and rely welfare benefits. We also intend to be imaginative about how we use our own housing stock, including empty homes which have been empty.



- **We have taken on a new range of services, turning over around £40 million, managing 200 new staff and running one of the most challenging aspects of council services.**
- **There is a lot to do, but we have made a great start, with a minimum of fuss, improving, innovating and collaborating with others across the Council and partnerships.**
- **We are holding firm the number of homeless families, delivering efficiencies and savings while most other London boroughs are seeing costs and numbers soar.**

We've reduced rent arrears from **8.2%** in April 2013 to **6.6%** in January 2015 = **£1,312,420** additional net income

Number of people we helped get back into work since **April 2014:**
50

Customer Service Excellence award	
2014	
2013	
2012	
2011	
2010	



Why not get rid of Homes for Haringey?

Is it possible to outsource the service or a range of services?

Private sector

Pinnacle are good, for example. They collect the rent efficiently and produce good performance results on the basics. The relationship is contractual, inevitably motivated by profit and vulnerable to changes in how the business operates (take-over, financial difficulty, perhaps).

Housing associations

We know from our people, at Board and Executive level, that housing associations are not exclusive partners. They are important partners to any council but they will sometimes go elsewhere, take better offers, not do what you want, and decide not to talk to you any more.

New housing company

We are already a housing company – why start again?

Is it cheaper to do this ‘in-house’?

We are sceptical about the claims other boroughs make about savings. Beyond savings on some senior salaries and minimal governance costs, savings are small and are more than offset by the need to recreate management and governance structures within the Council.



- We have delivered savings, year on year, and have proved the value of recruiting a top team who know how to do this.
- We have taken on major service areas in homelessness and housing need, saving two senior roles and absorbing into the Managing Director’s span of leadership.
- We run a flat management structure, dedicated to service delivery and focused on outcomes. This is cost-effective and costs less than a traditional council set up.
- Our Board and governance arrangements add real value, providing oversight and direction at a minimal cost.
- We recruit our Executive Leadership Team at a level which can run a housing organisation. This means that the Managing Director is paid as if he was at strategic leadership level at the Council and the Executive Directors at senior assistant director level. This buys the correct level of expertise and pays for itself through performance.
- We are accredited as a national Top Employer.

The Council could do this itself – the DIY approach

- Our call response times far exceed those across the Council’s customer service centres – responding in seconds rather than minutes.
- We have driven millions of pounds worth of costs from our repairs service, by bringing in a commercially experienced director and running it as a business. Service quality has risen, with satisfaction levels among the highest in the sector.

Any council may think that housing is just another service. It is specialised, but no more than public health, education, or leisure. It can be done this way, but the housing focus will be lost in a ‘One Council, one way’ approach.



Decent Homes resident satisfaction	
2009/10	96%
2014/15	97.5%

We’ve reduced our average repair cost from **£175** to **£125**

We answer **97.6%** of all our calls



How might Homes for Haringey do it?

We have all the component parts in place to be a strong company, to do more and to do it well.

- We won't do anything to compromise our core housing service.
- We recognise the limit of our capacity.
- We know what is important – if residents rate us.
- We are only as good as the last repair.
- We are ambitious for the service – wanting to do more, but to do it to support the day job.

- We took on the management of homelessness, housing options, sheltered housing and the private rented sector. We have done this with confidence and sure-footedness because we have the relevant expertise and transferable skills. Leadership skills at Executive and Board level are breathing new life into the service.
- We set up the Building Lives Academy because our tenants need jobs to thrive and to live well.
- We set up Project 2020 to support our young people into work and away from crime and anti-social behaviour.
- We set up our lettings agency to support how we improve the private rented sector and to provide better options for local people.

We always build on the core. Any new venture needs to show at least two demonstrable benefits to the core service.



We would explore new relations with the outside world and be a positive force to delivering the wider Housing Strategy.



- We can do more to help the housing market to be shaped in a way the Council wants.
- We can increase the number of affordable homes being built, to hit strategic planning and housing targets.
- We can operate across tenures, have greater flexibility with rents, as policy dictates.
- We can hold land gifted by the Council to develop new market rented, shared ownership, and intermediate rented homes – to meet local demand at a quality and price which meets the Council's wishes.

- We can experiment and develop new initiatives to help the Council test what can be possible. We can take responsibility and blame for experiment – share the praise, too.
- Tell it like it is – but follow the Council's plan. Constructive and innovative partner – contributing to the wider Corporate Plan and vision.
- Work innovatively and honestly with residents – opening ourselves up for scrutiny and showing ourselves to be excellent listeners and learners.

We would consolidate our trusted partner role with the Council and residents.



We would develop a long-term plan for our more difficult investment decisions – providing planned, long-term and sustainable solutions for Broadwater Farm, Noel Park and Northumberland Park.



- We can fit better as part of the Council's regeneration aspirations, being the Housing Company for Haringey and a key player in improving priority areas.



7,000th home made decent in 2014.

97% of estates independently rated satisfactory or or better in January 2015



What have we missed out that we can help with?

- We have the appetite to do anything you want us to that's sensible – and we will tell you what we think.
- We promise that if we are not adding value we will tell you and we will do away with ourselves (humanely).
- We have the appetite and drive to be the best housing solution for Haringey. We care about doing this well and believe passionately that we are the right people to do so.
- We are local and dedicated to Haringey. We are driven by the need to offer the best service to Haringey residents and to make best local use of the resources we have available.
- We are bold in areas where we feel the current situation needs to improve. We know we need to do more to effectively involve residents; we know we need to encourage the Council to be clearer in what it delegates to us to deliver.
- We are on a clear path of improvement, with realistic expectations to be up with the best housing organisations in all that we do. If we ceased to exist, this would place at risk much of this progress. The benefits of continuity are strong and evident.
- We are a housing management organisation and we focus on our core business – managing housing, carrying out repairs, investing in homes, providing people with homes, supporting people in housing difficulty and improving the private rented sector. This is a big deal for Haringey.
- With this scale of business, there is bound to be something we have missed, so please do ask further questions if we can help you form a view.

You have said that you are interested in seeing what we do, visiting our staff and our sites.

This is to be welcomed and we have an open door – always keen to share our enthusiasm for doing things well and then better.

We think that a lot of what works is because we are a dedicated housing organisation – dedicated to residents, quality of service and to making Haringey as good as it can be. It is worth testing that view when you speak with our staff and to residents, and ask whether it would be better another way.

1,200
residents have
registered for
their free
online account



£250,000

funding secured to help
residents into employment







Homes for Haringey Ltd

w: homesforharingey.org

 @homes4haringey



Homes for Haringey



Haringey Council