

## CABINET ITEM COVERING SHEET PROFORMA

**AGENDA ITEM**

**REPORT TO CABINET**

**13 FEBRUARY 2014**

**REPORT OF ENVIRONMENT  
SELECT COMMITTEE**

### **CABINET DECISION**

**HOUSING AND COMMUNITY SAFETY – Lead Cabinet Member – Councillor Nelson**

#### **REVIEW OF THE PERFORMANCE OF HOUSING PROVIDERS**

1. Summary

The attached report presents the Environment Select Committee findings following the Scrutiny Review of the Performance of Housing Providers.

The main issues and overall aim of this review was to determine the performance of Registered Providers (Erimus Housing and Tristar Homes Limited) following the 2007 and 2010 housing stock transfers specifically in relation to 'promises' made to tenants in the Council's pre-ballot Offer Documents. Examples of 'promises' included: repairing and improving homes, rent guarantees, housing management service improvements, enhanced tenant and resident involvement opportunities, and broader regeneration. The Committee also considered the impact of the current economic climate on the 'promises' made to tenants.

2. Recommendations

The Committee recommend that:

1. further monitoring of the promises is undertaken by the Committee and senior officers of Tristar Homes provide regular updates of progress against the promises.
2. work is undertaken to improve the communication arrangements between councillors and all social housing providers.

3. Reasons for the Recommendations/Decision(s)

1. The Committee has been positively reassured that the promises are either being met or are being surpassed and therefore recommendations for Tristar Homes have not yet been identified.
2. The Committee learned of the advanced discussions for a merger between the Vela Group (incorporating Tristar Homes and Housing Hartlepool) and the Fabrick Group (incorporating Tees Valley Housing and Erimus Housing). 'Thirteen' will be the name of the new group. The establishment of the Vela Group at the time of stock transfer brought better economies of scale to deliver tenant promises including investment work, service improvement, and new build. Further economies of scale are expected with the new merger. This will however reduce the total number of staff with potential

redundancies of approximately 100 across the two current groups and their four operating landlords.

3. The Committee is therefore intent to invite Cath Purdy to future meetings to monitor the promises in light of the merger to form Thirteen.
4. One area which was highlighted throughout the scrutiny review relates to general communication between councillors and all social housing providers. The Committee is keen to improve Member awareness and cover automatic invitations to walkabouts in their wards, potentially the sharing of information relating to the type of complaints received by the Registered Providers and the subsequent action they may have taken, and two-way communication between Council scrutiny and individual Registered Provider tenant scrutiny regarding reviews and findings.

#### 4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

**Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.**

**AGENDA ITEM**

**REPORT TO CABINET**

**13 FEBRUARY 2014**

**REPORT OF ENVIRONMENT SELECT  
COMMITTEE**

**CABINET DECISION**

**REVIEW OF THE PERFORMANCE OF HOUSING PROVIDERS**

**SUMMARY**

The attached report presents the Environment Select Committee findings following the Scrutiny Review of the Performance of Housing Providers.

The main issues and overall aim of this review was to determine the performance of Registered Providers (Erimus Housing and Tristar Homes Limited) following the 2007 and 2010 housing stock transfers specifically in relation to 'promises' made to tenants in the Council's pre-ballot Offer Documents. Examples of 'promises' included: repairing and improving homes, rent guarantees, housing management service improvements, enhanced tenant and resident involvement opportunities, and broader regeneration. The Committee also considered the impact of the current economic climate on the 'promises' made to tenants.

**RECOMMENDATIONS**

The Committee recommend that:

1. further monitoring of the promises is undertaken by the Committee and senior officers of Tristar Homes provide regular updates of progress against the promises.
2. work is undertaken to improve the communication arrangements between councillors and all social housing providers.

**DETAIL**

1. Stockton Council has previously completed two stock transfers; a Small Scale Voluntary Stock Transfer (SSVT) to Erimus Housing in the summer of 2007 and a Large Scale Voluntary Stock Transfer (LSVT) to Tristar Homes in December 2010.
2. the Council working in partnership with tenant representatives and the preferred 'new landlord' drafted an 'Offer Document'. The 'Offer Document' contained a series of tenant promises which detailed what improvements would be made and what services tenants would receive.
3. The Committee undertook a series of evidence gathering sessions to determine how Tristar Homes was performing against the promises that were made at the outset of stock transfer. Such promises were to be delivered in the first five years of the transfer and as such the review was taken at the midpoint of Tristar's promise period. Erimus were also examined but the promise period had run between 2007 and 2012.

4. the Committee met the Chief Executives and senior managers of the housing providers as well as undertook site visits to see what changes, if any, were being delivered. The level of investment that Erimus and more recently Tristar have utilised is delivering what was unavailable to Stockton Council so validating the decision taken to transfer the housing stock.
5. The Committee also met representatives of Tristar's resident filled scrutiny panel who undertake a valuable role on behalf of the residents of Tristar Homes and have brought about further improvements in addition to what is already being provided. This gave the select committee added confidence in the delivery of the 'promises'.
6. Value of investment anticipated via the transfer for repairs and improvements (including ongoing repairs) in the first 5 years is £140m (of which £103m would be spent on bringing homes up to the 'Tristar Standard'). Over 30 years it is expected to be in excess of £600m.
7. The Committee was positively reassured that the promises were either being met or surpassed and therefore recommendations pertaining to the offer promises were thought to be unnecessary.
8. Currently within the Vela Group (the parent group), there are two operating landlords Tristar Homes and Housing Hartlepool. During this review a proposed merger between Fabrick Housing Group (formed by the operating landlords Tees Valley Housing and Erimus Housing) and Vela Group has developed. The establishment of a new parent group (due to be called 'Thirteen') would create one of the region's largest groups, with more than 32,000 homes.
9. It was felt that the merger would produce economies of scale and help the combined group counter the potential increased costs associated with welfare reform, such as rises in rent arrears. It did mean however that there would be a reduction in the total number of staff with a potential of approximately 100 redundancies across the 4 housing associations. Members were informed that the merger would affect back office and management and not the direct service provision tenants enjoy. This, the Committee intend to monitor during the remainder of the promise period.

#### **FINANCIAL IMPLICATIONS**

10. None

#### **LEGAL IMPLICATIONS**

11. None

#### **RISK ASSESSMENT**

12. This review of the performance of housing providers is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

#### **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

13. Environment and Housing – Improve our housing

#### **EQUALITIES IMPACT ASSESSMENT**

14. This report is not subject to an Equalities Impact Assessment because it relates to an external agency.

## CONSULTATION INCLUDING WARD/COUNCILLORS

15. A Member's survey was undertaken to gather views about housing stock transfers.

**Name of Contact Officer:** Graham Birtle  
**Post Title:** Scrutiny Officer  
**Telephone No.** 01642 526187  
**Email Address:** graham.birtle@stockton.gov.uk

Education related?

No

Background Papers

None

Ward(s) and Ward Councillors:

Not ward specific

Property

None