

Review of the Performance of Housing Providers

Environment Select Committee

15 July 2013

Background and scene setting

“We want people to be proud of our Borough. We want them to feel that this is a place where strong leadership and genuine care are making a real difference. Which is why we are working with people from across communities to keep our streets clean, our parks and green spaces carefully tended and housing in the area affordable and desirable.

We take our responsibility to the environment seriously and do all we can to protect it for future generations. We intend to make our Borough a better place to live, and a more attractive place to do business.

We’re on with it.”

Background and scene setting

Today's meeting will include:

1. A stock transfer 'look back'
2. An opportunity to watch the pre-ballot DVD (hand delivered to all tenants before the Large Scale Stock Transfer ballot)
3. A presentation summarising the broader context and changing housing landscape which Registered Providers are now operating

Stock transfer

The Council has completed 2 previous stock transfers:

Small scale stock transfer (SSVT) – 146 units of accommodation to Erimus Housing in 2007

Large scale stock transfer (LSVT) – 10,392 properties to Tristar Homes (as part of the Vela Group) late 2010

Stock transfer – the process

In both transfers the Council undertook the *same* prescribed process, signed off by the CLG/HCA and approved by **Cabinet/Council**:

1. Option Appraisal undertaken – assessment of investment options against pre-agreed objectives*
2. Once decision to transfer was agreed – process of landlord selection then undertaken*
3. Once the ‘preferred landlord’ was chosen – an ‘Offer Document’ was developed in partnership with them*
4. ‘Offer Document’ issued to all Council tenants – followed by an independent ballot of tenants*
5. Following a positive ballot result – stock transfer concluded*

* Tenants were integral at each key stage



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Stock transfer – the key influences

SSVT:

- Housing stock in a very poor condition
- 2 schemes did not have self-contained WC or bathing facilities
- Cost of meeting decent homes and retaining until 2011 = £1.3m. This did not address the stock re-modeling issues
- Demand for some accommodation was non existent / high voids
- Stock had a ‘negative’ valuation of -£2.336m and the Council was not in a position to offer a ‘dowry’

LSVT:

- Whilst 87% of stock did meet the decent homes standard, the standard was inconsistent and did not address tenant aspirations (doors and windows)
- No monies for external environmental improvements which were high priorities for tenants
- Investment needs calculated as £50m over 5 years (£81 over 30 years)
- Lack of funding to address ‘unsustainable housing’ stock



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Stock transfer – priorities for tenants

Examples of the tenant ‘promises’

Both transfers

- Stock investment (improving and repairing homes)
- Keeping rents and service charges affordable
- Providing quality housing services (housing management and ASB)
- Maintaining tenants rights
- The external environment

Plus SSVT:

- Services for older people (warden service and adaptations)

Plus LSVT:

- Improvements to high rise and medium blocks (communal areas/lifts etc)
- Opportunities for tenant involvement



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Tenant ‘promises’

- A series of ‘promises’ were detailed in each of the Offer Documents (to reflect costed tenant priorities)
- The Offer Document generally covers a ‘5 year’ period
- As time goes by the Offer Document/‘promises’ have less weight due to contractual changes that are agreed with tenants or because of statutory changes
- There have been occasions when due to changing circumstances the Council has agreed to re-consider an Offer Document ‘promise’



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