

South Derbyshire District Council

Housing Options Study Consultation & Empowerment Strategy

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1. INTRODUCTION TO OPTIONS

Context

The Council cannot operate without setting its housing service within the national housing context, and has to take account of the strategic, operational and financial requirements and regulations that seek to challenge services provided by Councils.

Best Value (and the emerging Comprehensive Performance Assessment framework) has transformed housing and the expectations of its stakeholders. Housing will clearly play a significant role for District Councils under Comprehensive Performance Assessment where Councils have no Social Services or Education functions.

The Council will be aware of the following priorities that have been identified by the Government as requiring attention and action by all Council landlords:

- Delivery of a clearer division between the enabling role and the landlord role.
- Clearance of the backlog of renovation and improvement, identified as £19bn, nationally, and the need for better energy efficiency.
- Adoption of a 30-year maintenance strategy delivering better value for money in asset management over the longer term, and to meet Decent Homes Standards targets by 2004 and fully comply by 2010.
- Delivery of rent reform, with greater consistency, and equity in the level of rent and service charges paid.
- Delivery of reform to the lettings process.
- Changes to Supported Housing schemes, including sheltered housing, under the new Supporting People arrangements.

In addition to these priorities there are a number of other national drivers to reviewing stock options, which may or may not apply to individual authorities

- The extent of work required to the housing stock, to keep it maintained and to meet the decent homes standard may not be fundable through borrowing approvals, use of receipts and the Major Repairs Allowance alone.
- Revenue pressures on the HRA forcing efficiency savings, driven by reducing (in real terms) subsidy allowances and continued pressure from Right to Buy sales.
- The need to meet high levels of housing need unable to be met via traditional public sector funding routes.
- The potential for receiving capital receipts from the sale of housing stock, which may ease pressure on the General Fund.
- Tenant pressure for repairs, high levels of statutory disrepair and service dissatisfaction.
- The programme of HRA Business Plan, Tenant Compact, Best Value reviews and Best Value Performance Indicators creates a regime in which an authority is encouraged to take a realistic view of financial and other pressures and the solutions available.
- The Government's public sector borrowing targets.

Strategic Role for Local Housing Authorities

Councils are being encouraged to separate their strategic and statutory functions from the housing management role. This can be achieved through the transfer of stock or the establishment of an arms length management organisation (ALMO) as well as through the increased separation of the Council's dual function as strategic enabler and landlord where stock is retained. The Council has recently moved on this policy item, by re-locating the strategic and enabling role, outside of the housing (landlord) service.

The Decent Homes Standard replaces the current fitness standard as the basic level of quality which public sector housing must attain. All Council housing must meet the standard by 2010 with an interim target for 2004. The stock condition survey has indicated that 24% of the stock failed the Decent Home Standard (as at 1 April 2002).

The introduction of Comprehensive Performance Assessments for Councils and the removal of the Best Value 5 year timescale to allow longer term more cross cutting reviews to take place will ensure the improvement of public sector housing. The Council is making final preparations on its initial self-assessment, of which Decent Homes is the housing landlord service focus. Early indications are that the Council has sufficient money to deal with non-decency, but that operating procedures and arrangements, for doing so requires development.

To respond to the differences in rent levels and rent setting mechanisms the concept of rent restructuring and convergence has been established and by 2012 all Councils should have rent levels which reflect more closely value of the property and the average weekly wage for the area, taking into account the number of bedrooms in each property. The rent levels are expected, within defined increase or decrease parameters, to move towards a target rent figure and at 2012 or before, to match those of registered social landlords in the area for similar properties.

Service charges are to be brought in line with RSL's within the increase/decrease parameters available within rent restructuring and convergence guidance. Although practices differ amongst different local authorities many, including South Derbyshire do not separate out service charges, dealing with them as part of the wider rent pooling issue. The Council needs to address this issue as a matter of priority.

The Government has made a commitment to introducing a single form of tenure for social housing (with a shorthold version). It is envisaged that local authorities and RSL's will use a single tenancy agreement with common rights and responsibilities for all social housing tenants. This initiative parallels the rent convergence policy and is consistent with the Government's objective of removing anomalies and inconsistencies in the social housing sector.

The approach taken to consultation as part of this next phase of the option appraisal work needs to embody these principals, allowing the Council to take a broad view of the options debate and hence draw a conclusion as to next steps.

2. METHODOLOGY AND APPROACH TO THE NEXT STEPS OF THE STOCK OPTIONS REVIEW

The Council previously commissioned Pennington Consulting to undertake an initial option appraisal. This included:

- (a) The assessment of the Council's ability to retain its stock over the next 30 years, both in terms of capital investment in the stock and the provision of 'good' services. This has to be seen in the wider context of the range of Government initiatives and policy issues described above, and
- (b) The relative merits of the other available options, and
- (c) The establishment of a Business Plan Working Group, in acknowledgement that its commitment to tenants can best be demonstrated by considering honestly all the options open to improve stock and ensure excellence of service delivery.

In many ways the very consideration of alternatives, irrespective of which option is finally chosen is an indication of how far forward the Council has moved, not just as a landlord but particularly as a strategic enabler. This is a crucial step to take but bodes well for the Council in its enabling role for the future – showing it as a Council that is ready and able to move forward to face the challenges of 21st century strategic leadership.

The initial appraisal report has been presented to elected members, with formal consideration being timetabled for the July meeting of Housing and Community Services Committee. Prior to member's formal consideration, the report will be presented informally to staff and members of TACT. In addition, officers have met with both the Regional Government Office and the Community Housing Task Force.

The 'technical' parts of the option appraisal work that has been conducted to date has involved a financial appraisal of each option, including retention and an evaluation of how best each option meets a range of objectives.

To ensure that the initial appraisal work reflected local circumstances and issues, the Business Plan Working Group was established, consisting of both members and tenants. The Working Group established objectives for the housing service in the future, which were used to inform the Business Plan for 2002, and against which to test the options available to the Council for its stock. The Group has generally met each month since November 2001 to discuss national housing policy and changing expectations, the options available to the Council for its stock, to visit other organisations that had previously been through the appraisal process, to set objectives for the housing service and to test these against the options available.

The Working Group set out its own summary report to the Council as part of the formal reporting process in March 2003. This report recommended that the Council should explore the options further with tenants and members before any final recommendations on future arrangements was made.

The Council has to date conducted a very open and inclusive process, albeit that the number of individuals involved has been relatively small. There is now a need to engage with tenants and members to set objectives for the housing service for the future, examine the other available options in an inclusive manner, to evaluate how these options might meet objectives and to weigh up the relative advantages and disadvantages of each option.

This process will inevitably be very similar to the journey that the Business Plan Working Group has been through. The results from the process will need to be compared to the technical appraisal in the March 2003 report, the objectives developed by the Business Plan Working Group and the appraisal against these objectives of each option.

This process needs to be supported through the provision of appropriate knowledge and understanding, through training, support, provision of advice and exposure to practical examples of how each option might work in practice.

The Government's Communities Plan has established a firm framework for undertaking option appraisals. Guidance from government has now been received on the process of stock option appraisal. The principals of an inclusive, robust and evidence based approach, which considers the importance of services, as well as stock investment, are central. The Council's approach to date has embodied these principles.

Government have stated that they require each local authority to have undertaken an option appraisal by 2005. Within this context, the option appraisal must be 'signed off' by the Regional Government Office in consultation with the Community Housing Task Force (CHTF), the agency set up by Government to assist local authorities through stock option appraisals. The CHTF have been involved in the process to date, as has the Council's external auditor, both of whom have expressed general satisfaction with the approach being taken.

The Council can expect that Government Office, CHTF, its external auditor and the Audit Commission will wish to scrutinise the next stages of the Council's approach to options appraisal. The appropriate involvement of tenants (in particular) within the appraisal process, the consideration of a 'vision' for housing and the proper consideration of the importance of services, as well as stock investment will be essential in order to secure Government Office sign off to the process.

3. THE OPTIONS

The Options explored by the Working Group were:

- To retain stock
- To establish an Arms Length Management Organisation (ALMO) either with or without additional resources
- To use the Private Finance Initiative (PFI)
- Stock Transfer – whole, partial, trickle transfer, to a new or existing Registered Social Landlord (RSL)¹
- Prudential Borrowing
- Selective intervention for some stock
- A mix of various options available to the Council

The non-economic assessment that was undertaken by the Working Group as part of the initial option appraisal work, demonstrated that the options could be ranked in the following order, with the one most likely to achieve the objectives presented first:

- ALMO with resources
- Stock transfer to existing RSL
- Stock transfer to new RSL
- ALMO without resources
- PFI
- Retention 'status quo'
- Mix of options
- Trickle transfer

Taking the first three options in the above list and considering economic issues, the following points need to be considered

ALMO resources would not by themselves be adequate to eliminate the resources deficit over the full 30 years although they would succeed in eliminating the deficit over the first 10 years. Given that the cash flow projection over the initial 10 years is only marginally in deficit, it must be questioned whether ALMO resources are a realistic option given the competing demands for resources from authorities facing serious problems in meeting the Decent Homes Standard. In addition the Council would need to radically improve its service standards, requiring a short term injection of extra revenue resources, so worsening the revenue position, in order to attain the necessary two star rating. It is concluded there that an ALMO option with resources is unlikely to be attainable.

Stock transfer is a tried and tested route for securing private sector resources and the projections indicate a positive valuation which would provide a receipt sufficient to both repay housing debt and also leave the authority with resources to fund additional capital expenditure. Stock transfer would be able to deliver the resources to deal with the long-term stock condition investment needs. Stock transfer to an existing RSL would be financially more beneficial by providing a higher capital receipt on account of lower set up costs and lower risk which would be reflected in the discount rate. In both cases the valuation projections indicate that a transfer would be fundable from a lender's perspective.

¹ Registered Social Landlords are often still referred to as Housing Associations

Stock retention - the "status quo" option - would leave the authority with a sizeable cash flow deficit over the long term but this could be reduced if the authority were to apply useable capital receipts and /or single capital pot resources towards capital expenditure needs. In any event present projections indicate that deficits would occur in both the revenue and capital accounts at around year 8 (2011). The Council would also need to undertake a substantial programme of investment in services, in order to meet tenant aspirations and avoid the potential for further negative external scrutiny.

It is clear that to split the Council's stock through PFI, partial or trickle transfer or using a mix of options would reduce it further in terms of absolute numbers, making it more difficult for the Council to achieve the required service improvements in a cost effective way.

It is therefore likely that the options most able to meet the objectives of the service are those that keep the stock together. Considering the deliverability of each option, the 'short list' of options becomes:

- Retention (with improvements)
- ALMO without resources
- Whole stock transfer probably to an existing RSL

Retention of Housing Stock - what the option is:

This apparently 'do little option' involves minimum change to the current arrangements. The Council would retain ownership and continue to manage of the properties. Tenant and staff relations would remain unchanged and current funding and investment arrangements would continue.

Although this can be seen as attractive in terms of being the option that involves minimal change and disruption it also places the Council at considerable risk of not meeting targets in terms of performance and service delivery improvements that invite sanctions for non-compliance. In the Council's case, it would require significant change and investment to present service delivery arrangements. In the longer term (presently year 8 onwards) the Council would be forced to either cut substantially revenue and capital expenditure, in order to balance the books or to implement the ALMO or transfer options.

The key facts in stock retention are:

- Tenants remain tenants of the Council, with no changes to their tenancy.
- Staff remain employees of the Council.
- Rent setting is carried out by the Council, subject to the rules of the rent-restructuring regime.
- Existing tenants groups would retain the same status and level of involvement.
- Right to buy will continue, unless there is a change in Government policy.
- Management and maintenance costs will increasingly be concentrated on a depleting housing stock, putting pressure on service provision and reducing economies of scale.
- The Council must meet the Decent Homes Standard targets to 2004 and 2010.
- Borrowing remains restricted.
- The Best Value regime and Comprehensive Performance Assessment will continue.
- Debt for properties remains with the Council.

- Without significant investment in services and the management arrangements there is little prospect of services to tenants being radically improved.

Establishment of an Arms Length Management Organisation (ALMO) without additional resources – what the option is:

This option involves establishing a not for profit company wholly owned by the Council to manage stock, making the split between the Council's strategic and landlord roles. The ALMO will have no housing assets of its own, and depends on the Council for its income under the service agreement that it has with the Council.

The Council would continue to own the stock and tenants would retain their current status. Any Council can establish an ALMO, but will not automatically be eligible for borrowing additional resources. The Council will establish a company, which must be demonstrated to be independent of Council control that will provide management services to the Council on the basis of an agreed contract and 'outputs'. The Council remains responsible for the Housing Revenue Account and continues to receive subsidy with borrowing remaining within the PSBR and therefore subject to the usual controls by Government, and makes payments to the ALMO for managing the properties. The ALMO has freedoms and flexibility within the overall financial budget provided by the Council to determine the best use of resources and will specifically wish to establish better service delivery and improved tenant involvement in decision making.

There is no requirement to ballot tenants, but they must be consulted on proposals to change management arrangements.

In the longer term, this option would require the Council to make the same savings to both revenue and capital, as outlined in the section above, for stock retention.

The Council would be unable to attain additional resources through the ALMO route in the short term in that there is not a clear need for them, so that the Council can meet the Decent Home Standard targets by 2010. The lack of services at the required two stars standard is also a bar to progress.

The key facts are:

- The Arms Length Management Organisation will manage the properties on behalf of the Council (subject to Secretary of State consent). An ALMO is a not-for-profit company owned by the Council.
- Properties are still owned by the Council.
- Tenants remain tenants of the Council, with no changes to their tenancy.
- Staff will be transferred to the new organisation.
- The Council will retain a strategic and enabling role.
- Rent setting is subject to the rules of the rent-restructuring regime.
- The ALMO does not have financial independence or freedoms on a par with an RSL. The Council still receives any subsidy from Government and the properties are still subject to Treasury pooling of resources and other controls.
- Existing tenants groups would retain the same status and level of involvement. Overall tenant involvement in decision making would increase as a function of tenants having a number of places on the Board.
- Right to Buy will continue, unless there is a change in Government policy.
- The properties must be improved to meet the Decent Homes Standard targets to 2004 and 2010.
- The Best Value regime and Comprehensive Performance Assessment will continue.

- A local Board, including tenants, must be established demonstrating that the company is managed independently of the Council.
- Debt remains with the Council.

Stock Transfer (whole, partial, trickle to new or existing RSL) – what the option is:

Under Treasury rules for managing the Public Sector Borrowing Requirement (PSBR), local authorities cannot borrow against the value of the housing asset whereas RSL's, operating outside the public sector, can. Transfer to an RSL therefore allows for the value in the asset (i.e. the value of the stock) to be released for investment.

Transfer of local authority stock can only be to a registered social landlord (RSL) i.e. a not-for-profit organisation registered and regulated by the Housing Corporation. Properties can be transferred to one or more new or existing RSL's, which must be independent of Council control.

If a Council transferred all of its stock it retains all of its statutory, strategic and enabling housing functions, but loses its landlord function, thus creating a clear split between the two functions.

Transfer is a way of improving stock condition through private investment. The first transfer was undertaken in 1988, and since then in excess of 150 authorities have transferred their homes, this has raised over £10 billion in private finance to pay for the stock and to fund catch-up repair programmes.

All transfers require consent from the Secretary of State, with an important consideration being the quality of consultation with tenants and the ability to demonstrate that the majority of the tenants are not opposed to the transfer. The accepted means of testing this is a ballot after the issue of a formal offer document to tenants setting out what will be provided with by the receiving landlord. Trickle transfer of vacant properties can take place without a ballot.

The price at which the stock is sold to the recipient landlord will be Tenanted Market Value. This is the accepted method for the valuation of Council housing on the basis of its value for existing and continuing use as social housing. The value is calculated using the Net Present Value of future rental income, less allowances for maintenance and management.

Rent restructuring requirements will constrain future rental income and will influence the Tenanted Market Value, although there may also be guarantees given by the receiving landlord about rent increases to be made, usually for five years following the transfer. The rent guarantee has to be sensible in line with target rents to avoid unreasonable increases following the expiry of the guarantee period, even if Government guidance would allow higher increases. Rents will increase in line with rent restructuring whether properties stay with the Council or transfer to an RSL, although by 2012 the gap between rents in the two sectors will be narrower.

The new landlord – a housing association or a local housing company – will be registered with the Housing Corporation, which will monitor performance, possibly provide funding, and regulate the RSL. The Council will wish to ensure that promises made to tenants at the time of the offer are kept, for example in terms of rents, tenancy terms and improvements to properties.

The key facts are:

- Transfer enables prudent borrowing by the RSL outside PSBR based on the value of an income stream sufficient to undertake all of the repair and improvement works required to the stock.
- The RSL is free from the liability of past debt for the stock (and Council debt might be cleared by the transfer).
- The RSL is able to make decisions about all the income from stock (rents and housing benefit payments) with no dependence on Government revenue subsidy.
- RSL's have the ability to attract social housing grant for new provision of homes.
- The Board would be wholly responsible for the direction and ethos of the organisation, subject to expectations of the Parent Company if it was a subsidiary. The Board typically consists of equal numbers of Council representatives, tenants and independent people.
- Transferring tenants will have protected rights (for example the Right to Buy) that new tenants of the RSL would not enjoy, and would expect services to improve and programmes of works to be delivered earlier than the Council would have been able to provide these. All properties must be made decent by 2010.
- Tenants would expect to benefit from greater involvement in the running of the homes where a local board was to be established, but might not have the same involvement where the properties were taken into an existing RSL's general portfolio.
- Staff would transfer to the RSL under employment rights (TUPE) protection, with the Council retaining its strategic and enabling role.
- The Council would receive a receipt from the transfer, part of which it may choose to use for additional social housing in the area or to provide an income into the General Fund.

4. APPROACH TO CONSULTATION

Like any good strategy, the Council's approach to consultation at this stage in the process, requires some clear objectives. There is a risk that the process could lack clarity and focus, attempting to be too ambitious, resulting in imprecise or inappropriate stakeholder feedback.

Experience suggests that is highly unlikely that the Council will achieve a situation where stakeholders who have not been involved to date will have sufficient understanding to clearly communicate that option 1 is better than option 2 and that this should be the Council's strategy. Rather it is more likely that wider stakeholders, that will be receiving information for the first time, will:

- Acknowledge that some options have no or limited merit and can be discarded;
- That of the remaining options there are pro's and con's to each of them, the emphasis upon which will differ from person to person and over time;
- That no option will be without some 'pain' – all will involve fundamental change;
- There is some feedback from consultees that one or more options are worthy of further exploration and consultation

At a practical level, feedback is typically achieved not through a 'positive' expression of "we need to do option 1" but rather the absence of active opposition to particular options and comments/questions which are seeking more information, clarification of empowerment through knowledge.

However, stakeholders that have been involved with the process to date will have already formed an initial view and may well be able to come a much clearer perspective at the end of this next stage. This would include elected members and the Business Plan Working Group and to a lesser degree TACT.

Based on these principals, it is proposed that the Council's consultation strategy should have the following objectives. The objectives differ for those stakeholders who have been involved to date and those, who haven't. The objectives are time limited and will apply in all likelihood up to the end of this next phase, which is timetabled to conclude in the autumn. There will be a need to keep the strategy, including its objectives under continual review, continually testing their continued relevance and the need to update them.

Objectives – New Stakeholders – Tenants and Staff.

- To provide nominated tenant representatives with sufficient knowledge and understanding so that they can properly assess the relative merits of each option.
- To provide all relevant staff with sufficient knowledge and understanding so that they can properly assess the relative merits of each option.
- Provide a forum through which all stakeholders can contribute to the debate and provision of informed advice to the Council.
- To communicate widely with tenants on the option appraisal.
- To gauge the nature and strength of opinion surrounding each option.
- Assist in the drawing of a conclusion, which will lead to one of the options being considered and consulted upon in more detail.

Objectives – Existing Stakeholders – Members, Business Plan Working Group, TACT.

- To equip all existing stakeholders with additional information, knowledge and understanding, so that they can advise the Council on the relative merits of each option.
- To develop partnership in the option appraisal process through the Business Plan Working Group.
- To assess the financial and operational consequences and risks of each option.
- To facilitate a clear recommendation on which of the options should be subject to further detailed consultation and engagement.

Proposed Timetable

The Council will need to be mindful of two, somewhat competing drivers in terms of overall timetabling.

Clearly the Council will wish to consult thoroughly and properly with tenants, staff and Councillors. An outline process for undertaking this is described below. Inevitably the more inclusive and thorough this approach, the longer it takes and the more resources it consumes. There is a driver therefore that would see the initial consultation process as being a fairly lengthy affair.

Should the Council pursue any of the options other than stock retention these are all controlled by Government through an annual application process. The Council will wish to arrange the next stage of its consultation process in such a way that recognises this. The Government has stated that the closing date for the remaining, approved round of Arms Length Management Organisations (ALMO's) is 31 December 2003. This is a competitive process, with there being no guarantee of success. The deadline for receipt of applications for the 2004/05 stock transfer programme is expected to be the December 2003. This is not a competitive process. A further round of PFI is planned for later this year, although no firm dates have been released as of yet.

It is proposed to undertake this consultation process in such a way that the Council can, if it so chooses pursue one of the above options this year. However it is acknowledged that it is perfectly possible that the Council will be unable to form a view in time for this year's programmes. It should be borne in mind that even if the Council were to choose an alternative option such as ALMO or transfer, that a lengthy and intensive period (typically at least a year) of consultation would take place on that one option, prior to a final decision.

It is proposed that the consultation strategy will consist of the following interventions:

Business Plan Working Group

The existing Group will be asked to continue its work to look at the options and to develop its expertise. The group will focus on the 'technical' issues that were identified as requiring further examination, following the March 2003 report. These include:

- Appraisal of impact on staff, focusing on stock transfer and ALMO.
- Appraisal of impact on the Council, including the operational, financial, organisational and cultural aspects. Work to be led by the Chief Finance Officer.
- Update of the financial modelling and associated analysis
- Identification of the measures required to stay within existing financial resources and their impact, as part of a stock retention option.
- Population of the ODPM's cost generation model
- Development of the outline programme of works required to meet the Decent Homes Standard and other major maintenance requirements.

In addition the Group will continue to develop expertise in all of the options and will advise the Council on the process, consultation and conclusions. The group will be supported through appropriate training and access to expert advice.

The Group will also oversee the consultation process, providing advice and guidance to officers as to the nature and form of the consultation activities, review feedback and be the principle forum for evaluating the consultation process.

Training Sessions (Members, Tenants and Staff)

A series of seminar sessions will be conducted, geared to the needs of each audience.

Elected members have had access to a 'general' session in the past. It is proposed to conduct a number of follow on sessions with elected members, including:

- Meetings with political groups;
- A session for all elected members on the Council's strategic housing role
- A session for all elected members on service standards and in particular the Audit Commission's Assessing Excellence Framework
- A 'refresher' session on the options towards the end of the process, prior to a decision being made.

Housing and repairs and maintenance staff, including DSO staff and wardens would attend a half day long seminar, run a number of times to ensure service cover etc. Support staff who might be affected by any change, such as finance and legal staff would also be invited. These sessions are in addition to the briefing session that staff will have received prior to the July Committee meeting.

It is proposed to conduct two or three day long sessions with TACT and other Tenants Associations. The purpose of the sessions will be to inform people about the 'mechanics' of each option, the background policy as well as the actual pro's and con's of the options.

Objectives, priorities and service standards

In addition to the Business Plan Working Group meetings, a series of sessions would be delivered with members of the Group, TACT and the three existing Tenants Associations. The purpose of these sessions would be to look at and review the objectives and priorities for the service, which were developed as part of the previous stage of the option appraisal process. The exact nature and form of these sessions would be developed out of an initial session with the Business Planning Working Group.

To assist with the process of seeking the views of tenant representatives as to how each option meets the objectives, it is proposed to work with TACT and the tenants associations to undertake an appraisal of the options against the objectives.

Newsletters

The consultation process will be supported through, initially two newsletters which will both inform and seek feedback. Tenants will be invited to either write in or use the telephone helpline to provide feedback.

Open Seminars

A series of seminars for all tenants, similar in content to the training sessions will be conducted. Each session will cover the reasons for conducting an option appraisal, the background policy issues, the nature and form of each option and the findings of the option appraisal process so far. These sessions will take one of two forms, which are detailed below:

- a) A series of sessions at appropriate venues for tenants of sheltered schemes will be undertaken, focusing on the specific needs and requirements of sheltered housing tenants and the impact of each option on sheltered housing. These sessions will only be open to sheltered tenants.
- b) Using the newsletter, tenants would be invited to attend one of a number of day long seminar events. Interested tenants would need to register on the session. If required, shorter sessions could be conducted in the evening.

Site Visits

A series of further visits to examples of successful retention strategies, ALMO, PFI and transfer would be undertaken, focusing principally on members of the Business Plan Working Group, other interested elected members tenant representatives and staff. The purpose of the visits is to experience practical examples of such schemes and seek the views of people who have been through the process.

Help line

A free phone help line for tenants to seek information and to give feedback to the Council will be established. The helpline will be manned by trained housing staff. They will be provided with sufficient material and support so that they can evaluate progress and responses received.

Mobile Exhibition

A mobile exhibition would be undertaken, focusing on the more rural parts of the district as well as the main areas of population. The exhibition would typically be in an area for a day or half a day. The exhibition will be to allow an opportunity for tenants to seek information if they can't attend one of the seminars. The exhibition will be staffed by Council officers, who will be suitably briefed and supported.

The Press

At appropriate key stages during the process, press releases will be used.

Supporting Key Stakeholders

To assist housing staff, including wardens and DSO staff and elected members some quick reference guides will be produced on the options. A 'Pocket Guide' setting out the basis of each option, the process and the reasons why will be produced for each member of staff. These will assist staff in dealing with enquiries from tenants, particularly when on site. Copies of the guide can be left with tenants.

A more detailed guide will be produced for office based staff, particularly those resourcing the helpline.

Selection of RSL partner

One of the options open to the Council and which scored highly in the option appraisal work conducted to date, is the transfer of stock to a new subsidiary of an existing RSL. It is proposed to conduct the RSL selection process as part of the engagement strategy, so that tenants and members can obtain a real feel for what this option might entail and how such a partner RSL might work with the Council in practice. Conducting this process now also allows the Council to be completely transparent and ensure the highest standards of probity in respect of other site visits that members, tenants and the Business Planning Working Group may wish to conduct.

Such a selection process will in all likelihood need to comply with EU procurement rules and would be undertaken on the basis of 'no decision as to which option yet – it could be something other than transfer, but that we think that selecting a potential partner will assist the debate'

Independent Tenants Adviser (ITA)

Access to appropriate independent advice is a core part of the option engagement process and is a 'must do' in the recently published guidance on stock option appraisals. It is proposed to:

- Invite TACT to tender for and appoint an ITA.
- Involve the ITA in a supportive role – not duplicating or acting as a parallel track of information – within the overall engagement process

- Facilitating the ITA to provide independent advice as tenant representatives require it
- Developing the role of the ITA as the process develops and the option appraisal process becomes more focused.

Evaluation

Due to reasons described previously in this paper, the Council should not expect to achieve a high level of positive choice for one option at this stage from those stakeholders that have had little exposure to options, prior to this stage of the process. Therefore the use of formal opinion research has limited use at this stage.

The process of evaluation for new stakeholders will be through seeking feedback following delivery of the strategy. This may be expressed verbally, through the telephone helpline or by writing to the Council.

A conclusion as to the next steps will need to be drawn on the 'balance' of the feedback, by the Business Planning Working Group initially and in due course elected members. Both groups already have a good knowledge of the subject. They will have to use their knowledge of the subject and the use the feedback from tenants, staff and members to form a view as to the most appropriate option to consult further on.

