

# Economy and Enterprise Overview and Scrutiny Committee

19 November 2012



## Housing Stock Options Appraisal Project

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Development**

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### **Purpose of the Report**

- 1 To provide Members of the Economy and Enterprise Overview and Scrutiny Committee with a further update in relation to the progress of the Stock Options Appraisal Project.

### **Background**

- 2 The Economy and Enterprise Overview and Scrutiny Committee has received regular update reports on the progress of the Stock Options Appraisal project during 2011/12. In addition, at a special meeting of the Committee arranged for the 28 September 2011 Members were given the opportunity to respond/comment upon the progress to date and potential options with the comments made by Members at this meeting being fed into the consultation exercise.
- 3 The most recent update was provided to Committee on the 6 July 2012 updating Members on the revised option appraisal's governance arrangements to ensure that all stakeholders are provided with a variety of opportunities to contribute to the direction, engagement and outcomes of the option appraisal project. At the same time the projects Communication and Consultation Strategy was reviewed to ensure that groups that are not directly involved in the project or with their local housing management organisation are regularly updated on progress in appraising options and provided with opportunities to engage with the appraisal of options.

### **Current position**

- 4 A report will go to the Council's Cabinet on 12 December 2012 that sets out the findings of the option appraisal, outcomes of consultation and makes a recommendation on the most suitable option for the future of the housing stock.
- 5 The council is committed to engaging and consulting with a variety of stakeholders throughout the stock option appraisal process to inform its decision making. The council has identified key stakeholders as being tenants and leaseholders, staff, Board members, Councillors and other local partners.

6 The Council has implemented a comprehensive Communication and Consultation Strategy and a Tenant Empowerment Statement and all key stakeholder groups have been actively engaged in the identification, appraisal and selection of options for consideration by the council.

7 Extensive consultation on the future of Council owned housing was undertaken with all stakeholder groups throughout 2011 and 2012. This work has enabled the formulation of a shared vision for council housing and has defined and prioritised a set of eight key objectives that options must achieve. The vision is:

*“To ensure long term investment in council housing, neighbourhoods and housing services in County Durham. Investment should drive positive social and economic change; create opportunities for a better quality of life; contribute to the generation of wealth and the growth of thriving communities in vibrant villages, towns and the city.”*

8 The vision will be delivered through eight key objectives. Tenants have prioritised the importance of the objectives as:

- Bringing long term funding to support the improvement and repair of high quality, affordable homes.
- Protecting tenant’s rights.
- Delivering a good return of new social housing.
- Local presence and management of housing services.
- Meeting regeneration needs.
- Achieving comparable quality between council owned homes and those of other Registered Providers (RPs).
- Improving communication between the owning organisation and tenants.
- Strengthening customer involvement in services.

9 Consultation has also highlighted multiple organisational, cultural and social issues that stakeholders have asked the council to consider when selecting options. Key issues include:

- The continued delivery and maintenance of improvement programmes is of paramount importance. Tenants also wish to see more investment in the improvement and diversification of services (to manage imminent welfare reform) protection of key rights and fairness in the services they receive for the rents they pay.

- All stakeholder groups displayed a strong sense of local identity. Dale & Valley Homes, Durham City Homes and East Durham Homes are well established as successful local brands and are intrinsically linked to ideas of localism. Throughout consultation stakeholders have expressed a preference for the council to preserve these familiar and trusted brands when selecting options.
- All stakeholder groups were very clear that no one area should be disadvantaged when the council makes its final decision on the future of its housing stock. The council should consider implications for the whole of the housing stock when identifying the best option or options for the future of its homes, if it is to demonstrate fairness in its decision making.
- Throughout consultation, stakeholders consistently showed a high degree of anxiety that transfer of the housing stock to an existing Registered Provider may see the dissolution of existing brands and a reduction in the quality of local services. Stakeholder concerns about the implications of transfer to an existing RP varied from a loss of employment security and the removal of local accountability structures to the redirection of much needed investment from County Durham to other areas of the country.
- Stakeholders asked that the option appraisal seek a future for council housing that is about more than home improvement programmes. Options should make the quality of homes, neighbourhoods and services consistent; simplify complicated ownership and management issues prevalent in social housing in the area; and seek to transform the economy in County Durham. Employment and training opportunities should be created and safeguarded; new affordable homes should be built to meet local needs (particularly for older people); and services that support communities and families in managing welfare reform and its implications should be strengthened and diversified.
- The council must be sure that options are deliverable i.e. they must be able to achieve stakeholder support. The council must consider cultural, political and organisational issues when appraising options and balance these with financial viability.

## **Next steps**

- 10 The findings of consultation on options for the future ownership, financing and management of council homes will be combined with the outcomes of detailed financial analysis of the Housing Revenue Account Business Plan. A final report on the conclusions of the stock option appraisal will be submitted to the council's Cabinet on the 12 December 2012.
- 11 Governance arrangements and the Communication and Consultation Strategy will be reviewed to ensure that all stakeholder groups continue to be provided with a variety of opportunities to be involved in delivering the council's preferred option for the future of its homes.
- 12 The Economy and Enterprise Overview and Scrutiny Committee will continue to receive further updates in relation to progress in implementing the council's preferred option for the future of its homes.

## **Conclusion**

- 13 The option appraisal process has progressed significantly since the project was considered by Overview and Scrutiny Committee in July 2012 and will be completed by December 2012.
- 14 The project has engaged with stakeholders across County Durham and will continue to engage as it implements the preferred option for the future of council housing. This will help the Council to ensure that its final decision on the future of its homes is informed by the views of its communities.

## **Recommendations**

- 15 That the Members of the Economy and Enterprise Overview and Scrutiny Committee comment upon progress in the option appraisal, outcomes of consultation on the future ownership, financing and management of the council's housing stock.
- 16 That the Economy and Enterprise Overview and Scrutiny Committee receive a further progress update in relation to the Stock Options Appraisal project at a future meeting.

## **Background Paper(s)**

Housing Stock Options Appraisal report (Economy and Enterprise Overview and Scrutiny Committee) 6 July 2012.

Information provided in member's seminar on 4 October 2012.

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## **Appendix 1: Implications**

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**Finance** - The stock options appraisal project will be funded from the housing revenue account.

**Staffing** - The project will be managed by Marie Roe, Housing Stock Options Appraisal Manager.

**Risk** - The Authority is running a significant risk of poor quality homes and services if it does not identify an appropriate solution for the long term financing of improvements to its stock.

**Equality and Diversity** - One of the stock options appraisal project's key objectives will be to address inequality in the quality of housing.

**Accommodation** - None.

**Crime and Disorder** - Crime and disorder reduction targets will be reflected in the stock option appraisal's objectives.

**Human Rights** - None.

**Consultation** - Extensive consultation is to be undertaken with key stakeholders.

**Procurement** - An independent Tenant Adviser has been appointed via the procurement process for the duration of the project.

**Disability Issues** - Appropriate opportunities for all stakeholders to contribute to the stock options appraisal will be provided.

**Legal Implications** - Significant legal implications for the Council in terms of the future management and ownership of its housing stock.