

# DUDLEY METROPOLITAN BOROUGH COUNCIL

## MEETING OF THE SELECT COMMITTEE ON THE ENVIRONMENT – 27 JULY 2004

### REPORT OF THE DIRECTOR OF HOUSING

#### OPTIONS APPRAISAL PROGRESS REPORT

##### **1.0 PURPOSE**

- 1.1 The purpose of the report is to provide members with a background to the Directorate's options appraisal and progress to date.
- 1.2 The progress of the project has previously been reported to The Working Group on Housing Repairs and Housing Improvement Options. The Group requested that reports be submitted at the end of each phase of the project.

##### **2.0 BACKGROUND**

- 2.1 The background to the directorate's options appraisal is influenced by two central Government requirements.
- 2.2 The first requirement is the Decent Homes Standard. This standard was established in 2000 with a target that all council and registered social landlord housing should meet the standard by 2010. A decent home is a home that is warm, weatherproof and has reasonably modern facilities. It is, however, a minimum standard and does not cover double-glazing, adaptations, community safety or environmental works.
- 2.3 The most recent survey of the Directorate's properties, conducted in April and May 2003, identified a total of 6920 homes (27% of its stock) as non-decent. The survey also, however, identified that approximately 17,000 existing decent homes would become non-decent by 2010 if investment was not carried out in these properties.
- 2.4 The second requirement is that all local authorities who still own and manage their housing must complete an appraisal by July 2005 that identifies how they will finance and meet the decent homes standard by 2010 and any other locally agreed objectives or priorities for Dudley's housing service. This requirement also applies to local authorities that have had a 'No' vote in the past.

- 2.5 The options for the delivery of the decent homes standard were set out in April 2000. The options are:
- Arms Length Management Organisation (ALMO)
  - Private Finance Initiative (PFI)
  - Stock transfer
  - Stock retention.
- 2.6 The first three options attract additional investment but the level of investment differs dependent on the option. The option of stock retention does not, however, attract any additional investment.
- 2.7 The options appraisal will be required to explore the costs and benefits of each of the four options and their ability to bring in sufficient resources to meet the decent homes standard and any other agreed objectives or priorities that tenants / leaseholders have identified before deciding on an option(s). It is expected that the process should look at mixed model solutions but only as part of an overarching strategy for the whole stock. The impact of any option on the council's overall objectives, including the financial impact on the General Fund, will also need to be considered.

### **Independent Tenants Advisor**

- 2.8 The Government's guidance requires that tenants and leaseholders are involved from the outset and help to define priorities, for example improvements to the stock and the delivery of the service. Tenants and leaseholders should be assisted by an Independent Tenant Advisor.
- 2.9 A tenant majority panel selected PEP, as their independent advisor, following a full tender procedure. PEP (Priority Estates Project) are an independent housing organisation with twenty-five years experience of working with landlords, tenants and leaseholders.
- 2.10 PEP are working with Dudley's tenants and leaseholders and providing:
- Advice and support to ensure that they understand the issues facing council housing in Dudley.
  - Independent and accurate advice about the various options available for the future of council housing in Dudley.
- 2.11 They are also involved in ensuring that any information sent to tenants and leaseholders from the Directorate about the options is clear and correct.

**3.0 LAUNCH OF USE YOUR VOICE, MAKE YOUR CHOICE**

- 3.1 It was felt that the term options appraisal would be meaningless to a majority of tenants & leaseholders and other stakeholders and that a different name should be considered. A piece of work was undertaken with the pupils at Jessons School, Eve Hill who came up with the title – ‘Use Your Voice, Make Your Choice.’
- 3.2 The project was officially launched in March’s Home Affairs. Articles included an introduction and outline of the process and the role of the Independent Tenants Advisor – PEP.
- 3.3 There was also a simultaneous launch with the directorate’s employees and Members. An individual letter was sent to all housing employees advising them of the project and promoting the Employee Review – a forum for employees to express their aspirations, priorities and concerns. Members were also sent a letter explaining about the project.

**4.0 PROJECT PHASES**

4.1 The project has been divided into three distinct phases.

Phase 1:	March – June 04	Identifying tenants / leaseholders priorities & aspirations. Raising tenants’ understanding of housing issues.
Phase 2:	July – September 04	Understanding the investment options and exploring whether they deliver what tenants and leaseholders want.
Phase 3:	October – February 05	Which options do tenants and leaseholders want to proceed with?

**5.0 PHASE 1: IDENTIFYING ASPIRATIONS & PRIORITIES**

5.1 The aim of the first phase running from March – June 04 was to identify tenants & leaseholders and other stakeholders priorities / aspirations for the future housing service in Dudley.

**Tenant & Leaseholders**

5.2 The independent Tenants Advisor attended the March meetings of the Area Housing Panels to introduce themselves, outline the process and to work with them to identify their aspirations and priorities for the future housing service in Dudley. They also attended the Area Forums in April to undertake the same process.

- 5.3 The involvement of a wide range of tenants and leaseholders in identifying aspirations and priorities is essential, but it is recognised that this had to be weighed up against the cost of using PEP for the whole exercise.
- 5.4 It was agreed that the aspirations / priorities exercise would be split between PEP and the directorate's Participation Development Officers (PDOs), Estate Management Officers (EMOs) and Sheltered Housing Co-ordinators. Training was provided by PEP for all officers involved in the process.
- 5.5 The aspirations / priorities exercise has been run at fifty seven Tenants & Residents' Associations, sheltered housing and estate based forums across the borough. These meetings were widely advertised in the relevant locality.
- 5.6 A series of meetings were organised specifically for leaseholders and two 'mop up' meetings were held on Saturday mornings for residents were who were unable to attend their local meeting.
- 5.7 PEP and Participation Development Officers have also been attending Dudley Borough Festival events including the Wordsley Festival, Celebrating Pensnett, and Fun Days.
- 5.8 The directorate undertook its three yearly survey earlier this year to gauge tenants opinions on the service it provides. Specific questions about the options appraisal process including a question on what improvements to their area, property or services they would most like to see were included. This information will be fed into the process.
- 5.9 A mapping exercise has also been carried out by the directorate to identify possible venues where hard to reach groups meet. Pep have used this information to make contact and leaflet / poster community centres, schools and places of worship, with the aim of ensuring that community groups / leaders are aware of the exercise and have the opportunity to get involved. This has resulted in contact with a number of community groups and the aspirations / priorities exercise being run with those groups. PEP have also been making contact with Black & Minority Ethnic (BME) tenants through a door knocking exercise.
- 5.10 An article has also been written for the Council for Voluntary Services (CVS) newsletter explaining the process and inserts sent to all the community groups on their mailing list.

## **Employee forums**

- 5.11 A series of eleven employee forums were held at the end of April / beginning of May to which all the directorate's employees were invited. A total of 612 housing employees attended these events.
- 5.12 The forums included presentations about the process and facilitated workshops where employees were asked to identify their concerns and aspirations / priorities for the future housing service.
- 5.13 The main concerns for employees were job security, changes to terms & conditions and the effect of a mixed model solution. Employee aspirations were more varied and included: better pay / levels of pay, a well funded and good quality repairs service and a desire for new build in the borough.
- 5.14 Employees were also requested to complete an internal communication survey about aspects of the options appraisal process and communication in general within the directorate. 488 questionnaires were completed. There were high levels of awareness of the options appraisal process and a significant number of employees felt that they were being adequately informed about the process. Manager feedback / team briefings, employee forums and core brief were identified as the three most preferred methods of communication.
- 5.15 It is intended to hold employee forums again in the second phase of the project.

## **Housing Strategy Conference**

- 5.16 The main theme of the Housing Strategy Conference in June was the options appraisal process. Our objective was to inform Members and our wider stakeholders – voluntary agencies, health, other directorates, registered social landlords - about the options appraisal process and to seek their views on the current and future housing service. Approximately 80 stakeholders took part in this exercise.
- 5.17 The results of the complete exercise will be reported to the Project Board and the area panels in July with the information being presented at both a borough and area level. It is intended that the identified aspirations / priorities will be costed during the second phase of the project.

## **6.0 COMMUNICATION & CONSULTATION STRATEGY**

6.1 A specific Consultation and Communication Strategy has been developed for the options appraisal process. This strategy recognises the need for extensive communication and consultation with a range of stakeholders throughout the process. A Communications Group has been established to oversee the strategy. This group meets monthly and has commented on articles for Home Affairs, the design of posters, media relations activity, promoting the communications process and initiatives to gain further tenant involvement.

### **Press Coverage**

6.2 A press conference was held in early April to launch the options appraisal process. This generated coverage in the Express & Star and Dudley News. There was further coverage later in the month. There has also been coverage on Radio WM, Beacon Radio and Saga FM.

### **Advertising**

6.3 A series of posters and leaflets have been designed to publicise the process. These have been distributed to area offices, the banking hall and housing benefit reception, the registry office, leisure centres and libraries.

6.4 We have also paid for adverts in the Express & Star, and local area papers (e.g. The Dudley News) to advertise the area forums and the two 'mop up' meetings. These meetings were also advertised on local buses.

### **Informing our own employees**

6.5 We have continued to keep our own employees informed through articles in Core Brief, Housing for the 21<sup>st</sup> Century (our quarterly employee magazine) and the use of message of the day.

### **Informing other directorates**

6.6 It is recognised that front line staff in other directorates have significant interaction with tenants and leaseholders and it was agreed that briefing sessions should be held to inform them about the process.

6.7 We have held a briefing session for housing benefits staff and have had contact with the banking hall staff. A letter explaining the process and a copy of Home Affairs – our tenants and leaseholders newsletter – has also been distributed to all home care staff. Home Affairs has also been sent to all schools with an accompanying letter explaining the process and asking whether the school was holding any appropriate events we could attend. We have continued to keep other directorate staff informed through the staff magazine.

- 6.8 The project team have also attended the five directorate Management Teams, and the Neighbourhood Managers Team to provide a briefing on the process and to discuss potential implications. A number of important issues were raised which will be included within the project process. We have also been asking other directorates how they can help us publicise and raise awareness of the process.

### **Internet / Intranet**

- 6.9 We have developed a separate section within our internet site which outlines the options appraisal process and provides information on the consultation process, the independent tenants advisor, the decent homes standard, and information on the available options. We have also made reports, agendas / minutes of the groups involved in the process available through the intranet and internet.

## **7.0 FINANCIAL ISSUES**

- 7.1 Work is currently being undertaken to establish the level of resources, and therefore the level of services, that would be deliverable under each of the options. We anticipate that this work will be completed by September 2004 and the results will feed into stakeholder consultation in the course of the autumn.

- 7.2 Subsequent work will be undertaken to evaluate the service deliverable under mixed option solutions to the extent that these are raised in stakeholder consultation.

## **8.0 PHASE TWO: UNDERSTANDING THE INVESTMENT OPTIONS**

- 8.1 The second phase of the project (July – September 04) will cover the different options available and what they can deliver in general terms. We will continue to use the existing communication and consultation mechanisms and also plan to set up a stall in area offices, estate offices, and the market squares to ensure that we engage as many tenants and leaseholders as possible in the process. These stalls will be staffed by a mixed team of tenants, employees, and PEP – the independent tenants advisor.

## **9.0 FINANCE**

- 9.1 There are no direct financial implications arising from the recommendations of the report.

## **10.0 EQUAL OPPORTUNITIES**

- 10.1 It is essential that the Options Appraisal process involves a wide range of stakeholders in the process including BME tenants, leaseholders and hard to reach groups. The work of the Independent Tenants Advisor, and the Communication & Consultation Strategy aim to ensure that all groups are given an opportunity to fully participate in the process.

## **11.0 RECOMMENDATION**

- 11.1 Members are asked to note and make any comments on the contents of the report and to identify their requirements with regard to their future involvement in the options appraisal process.

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Director of Housing

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