

Questions and Answers

SIR BOB KERSLAKE ANSWERS YOUR QUESTIONS

“The Decent Homes programme has made a real impact on our lives. Can we have assurances that there will remain a focus on investing in council housing and keeping it up to the Decent Homes standard?”

Helen Ross, Tenant, Poole Housing Partnership

The HCA will work with local authorities to help ensure that the quality of housing, and the residents' quality of life, is upheld and improved. Maintaining the Decent Homes standard is only one part of this equation. For example, we know that one of the main challenges in the future will be raising the energy efficiency of housing. This will reduce the amount of fuel needed by the residents and consequently their expenditure on energy, while at the same time reducing carbon emissions from housing and the generation of electricity. We also recognise the need to give social landlords responsibility for maintaining and improving their housing.

“Fuel costs are going through the roof and it is harder and harder for us to pay our bills. What help can be given by the HCA to support the development of sustainable energy and provide this to tenants?”

Ray Aggett, Tenant, Poole Housing Partnership

Sustainability is one of our statutory objects, as outlined in the Housing and Regeneration Act. The government has set a target for all new social housing developments to be zero carbon by 2016 and we will actively support affordable housing providers in achieving this. We will also investigate what measures can be taken to improve the energy efficiency of existing stock, including potentially the use of renewable sources of energy. The HCA will build on the work that the Housing Corporation has been doing with their partners, looking into the technologies, practicalities and costs of retro-fitting existing housing.

“How far do you think the Government's review of the housing subsidy system will bring about real changes?”

Helen Correy, Chief Executive, Berneslai Homes

The Government's review of the local authority housing subsidy system is still under way. We will be working with local authorities and providers through the 'single conversation' to agree strategic approaches to capital investment in new, regenerated and existing homes. A properly integrated approach to neighbourhood management is essential, and structures and techniques need to be refined and developed for different circumstances. One of the challenges is to ensure funding for neighbourhood management services is available, is affordable by residents, and is sustainable. Key

to this will be the Local Area Agreement, and ensuring that local funding reflects agreed priorities.

“What are your aspirations for the future role of ALMOs in the regeneration game?”

Catherine Elphee, Communications Manager, Sheffield Homes

ALMOs have an essential and continuing role in housing management, and increasingly, regeneration. The HCA will require ALMOs to help deliver estate renewal and other regeneration activity as part of the 'single conversation' with the local authority. We will also be increasingly looking for ALMOs to take the lead in delivering new housing. The Housing Corporation has already recognised several ALMOs as partners under the National Affordable Housing Programme for the provision of new homes.

“How are you going to make it easier for Councils and ALMOs to build new homes for rent?”

Christine Wilson, Safety Advisor, Sheffield Homes

A lot will depend on the finance systems that will emerge from the current Government review. Through the organisations that will be making up the HCA, we and local authorities are already looking at other models and vehicles for providing more homes for rent, such as the Local Housing Companies. The main consideration is agreeing the most effective way to provide new homes across all tenures. Affordability is of course a priority, so as well as the need for more rented homes, we will continue to work with our partners to develop effective forms of shared ownership and funding mechanisms.

PETER MARSH ANSWERS YOUR QUESTIONS

“Do you feel that housing has contributed to the lack of social cohesion between new and established communities across the UK?”

Lemuel Barton, Senior Housing Officer, Sheffield Homes

The shortage of homes for affordable rent means that pressures on allocations are significant and the availability of new lettings rationed. As a result of rationing, tension arises between different groups who perceive unfairness in the process and this can fuel tensions between different community groups. An increase in the supply of affordable housing will be a core part of the TSA's mission.

“How will the TSA incentivise excellence in service delivery?”

Gwyneth Taylor, Policy Director, National Federation of ALMOs

I want to establish a set of standards that are aspirational and define what excellence looks like

in affordable housing. I recognise that the linking of star ratings to decent homes funding has acted as a key motivator in driving up standards in the ALMO sector. My aspiration is, through a revolution in tenant engagement, to replace 'stars' and 'lights' with continuous improvement driven by tenant engagement. I want to place far more information in the hands of tenants and boards – through our website and reports that allow comparisons to be made between providers – and in so doing, create a co-regulatory framework where users' feedback and engagement become the key driver for improvement. As a regulator the TSA will want to use a variety of tools to improve service standards - including tenant pressure, good practice awards, kitemarks and formal regulatory powers such as inspections, improvement notices and the tendering of management services.

“How will the new TSA ensure as wide a range of tenants' views as possible are sought?”

Simon Rogers, Chief Executive, Kirklees Neighbourhood Housing

I have already met with representatives from the Tenant Participation Advisory Service, the Tenants And Residents Organisations of England, the Confederation of Cooperative Housing and the National Federation of ALMOs. I am committed to working with these, and other groups, such as the new National Tenant Voice. But our engagement doesn't stop there – and our consultation on the new standards framework will involve numerous tenant events, web-based tools and written communication with the wider groups of tenants, especially those that don't normally get involved in local representative groups.

“How will the TSA ensure tenants have a real say in determining standards?”

Gerald Chin-Quee, NFA Board Member, Chair of Carrick Homes, Tenant

We will be developing a standard under our new statutory powers that defines excellence in tenant engagement. As a Regulator we will 'practice what we preach' and engage with tenants, the National Tenant Voice, and other representative bodies across the country in order to ensure tenants have had a real say in what the standards framework will look like.

“What role if any, will the regulator play in rent setting policy?”

Ray Satur, NFA Board Vice Chair, Sheffield Homes Vice Chair, Councillor

The TSA is empowered by statute to establish a standards framework for rents. This is one of three standards that the Secretary of State can direct the TSA on, and I have started discussions with colleagues in the department for Communities and Local Government on developing a new standard for rents.

SPECIAL EDITION:
The Housing and Regeneration Act

ALMOs in ACTION

2008: A Year of Change

2008 has been a memorable year in the housing management sector. In July **Tower Hamlets Homes became the UK's 70th ALMO**; not long before that, the Audit Commission conducted its 100th ALMO inspection; and in August **Homes for Islington became the 17th three star ALMO on re-inspection**. These events were true landmarks in the growth of the ALMO option from novelty to mainstream provider of housing services.

Equally meaningful was the Housing Corporation's decision, also in July, to pre-qualify 16 further ALMOs for access to social housing grant. These funds, drawn from £8.4 billion National Affordable Housing Programme, will enable a current total of 22 ALMOs to build brand new council homes rather than simply managing and renovating existing stock.

A sensible decision, given the UK's well-documented housing shortage – and there could be no more vivid illustration of the extent to which ALMOs have evolved beyond simple 'management organisations'.

In addition, as a result of NFA lobbying for a better financial regime, the government has announced a major review of the housing revenue account subsidy system. Copies of the NFA position paper and a facilitator pack to enable ALMOs and local authorities to discuss the review with their tenants are available on the NFA website, while the Chartered Institute of Housing has a web forum to debate the issues at www.cih.org.

Further confirmation of the increased status of the ALMO sector came from the Housing and Regeneration Act, when this wide-reaching piece of legislation received Royal Assent.

During the Bill's drafting and passage through Parliament, the National Federation of ALMOs lobbied vigorously for amendments that would

better reflect the interests of tenants, including a common regulatory system across all social housing providers – and the organisation achieved all its aims. Among the amendments introduced was a requirement that the newly established regulator the Tenant Services Authority should have tenant members, just like ALMO boards, to better stay in touch with tenant perspectives. Also introduced were a requirement to provide adequate information to tenants on the performance of their housing manager, and the ability for tenants, through the regulator, to initiate a change in housing manager when the incumbent is not meeting standards. Ministers have confirmed that ALMOs can be considered as possible alternative housing managers, for those instances when the regulator insists on management change.

In the meantime a clause in the Bill allows self financing, long promoted by the NFA, to be implemented once the subsidy review is concluded.

The Housing and Regeneration Act establishes two brand new organisations: the Homes and Communities Agency – which will hold responsibility for housing investment and regeneration - and social housing regulator the Tenant Services Authority. Both organisations will be closely involved in the future direction and day-to-day development of ALMOs. In this special edition of *ALMOs In Action*, we have given Sir Bob Kerslake and Peter Marsh, the future Chief Executives of each organisation, the opportunity to set out their stalls and outline their aims, priorities and perspectives on the current state of social housing.

 National Federation of **ALMOs**
championing better homes and communities

A national organisation that delivers locally

Achieving **Royal Assent** for the Housing and Regeneration Bill in July was **particularly significant** for the **Homes and Communities Agency (HCA)** because it paves the way for an early December start.



Sir Bob Kerslake,
Chief Executive Designate of the HCA

It's important to get the agency up and running as soon as possible to provide certainty and clarity on what it has to offer our partners and local communities in a challenging economic climate.

Parliamentary scrutiny of the Bill led to the inclusion of clauses requiring the agency to contribute to sustainable development and good design, and to consult local government. The intensive testing process has resulted in the strongest possible Act and the best possible start for the new agency.

The HCA will be the single, national agency charged with delivering regeneration and housing growth. With an investment budget of **over £5 billion per year**, our scale and resources mean we will have a big impact on the housing market and enhancing people's quality of life. By matching national targets with local ambitions, we will ensure the creation of places where people want, and can afford, to live.

The HCA will bring together English Partnerships, the Housing Corporation's investment arm and the Academy for Sustainable Communities, with some delivery functions of Communities and Local Government, including responsibility for the Decent Homes programme, Housing Market Renewal and Growth Areas. I am working to establish a responsive, adaptable agency that will focus on growth, renewal, affordability and sustainability. This integrated approach will enable us to make an effective contribution

to creating and regenerating communities in line with the aspirations of local areas.

By unlocking the supply of land, forming partnerships, providing access to funding and expertise, ensuring an adequate supply of affordable housing and setting demanding standards, the HCA will have a central role in helping to build communities that will stand the test of time.

The organisation will be committed to working in collaboration. This will be undertaken through a process I have termed the 'single conversation,' which will enable us to work with local authorities and their partners, including ALMOs, to identify and deliver both housing growth and renewal objectives. This means having an effective dialogue at the local level to achieve a shared clarity of purpose. Working together we will develop an understanding of housing growth needs, help raise the quality of existing homes, and consider how to improve areas through regeneration and make the best use of HCA investment, along with the other resources available from public sector partners, including the local authority.

As well as addressing housing and regeneration needs, the 'single conversation' will identify the priorities and resources required for local areas and enable us to produce an investment plan to meet these priorities over a period of 10-15 years, within the context of the HCA's overall regional budget. Our industry knowledge and access to wider housing and regeneration networks will help partners work together and form relationships to ensure effective delivery. Alongside looking at ways the HCA can help local areas meet their ambitions, the 'single

conversation' is also about ensuring these areas contribute effectively to the delivery of the HCA's wider national and regional objectives. ALMOs will have an essential role to play in the new approach to delivering local strategies and priorities for housing and communities. For example, the HCA will look for ALMOs to contribute to the regeneration of neighbourhoods and communities, via, for example, the Decent Homes standard, as well as through the long-term delivery of local services. The Housing Corporation has already confirmed several ALMOs as investment partners, and this will be the foundation on which to build for the future. It's anticipated that ALMOs will also be involved in new, innovative joint venture models as they evolve, such as Local Housing Companies. By building flexibility into our stakeholder relationships and ways of working, we will be able to adapt to shifting priorities and changing economic circumstances. But we will not lose sight of our ambitious target of securing **the delivery of 180,000 affordable homes by 2011** in a way that is economically, socially and environmentally sustainable and promotes good design.

The HCA will demonstrate leadership and clarity when it comes to setting standards for energy-efficient, flexible housing in integrated communities, with easy access to local services. It's also very apparent that people want an agency that is involved in long-term regeneration and improves the availability of affordable homes. The future success of the HCA will depend on its ability to adapt to change, to ensure that growth and renewal are joined up processes, and its commitment to working with partners such as ALMOs on a consultative and collaborative basis.



Every tenant matters

Professor Martin Cave's priority for the new social housing regulator was clear and visionary. As the first Chief Executive of the Tenant Services Authority (TSA), I am committed to turning that vision into a reality.



Peter Marsh,
Chief Executive Designate, TSA

And with Royal Assent now having been granted to the Housing and Regeneration Act, work is underway to define the TSA's purpose and vision and to begin the 'national conversation' with the sector on standards and how regulation will work. Clarity has been provided by allowing for the extension of the regulator's remit to the local authority and ALMO sectors, without the need for additional primary legislation. This means the TSA can work with the whole sector on the design of the new framework from the outset.

So, how can the objectives of the TSA, as set out in the new Act, be turned into action? I see three key purposes for it - to champion the needs and aspirations of current and future tenants, leaseholders and residents; to promote choice for tenants and providers of affordable housing; and to challenge providers of affordable housing services to meet or exceed the highest standards of organisational effectiveness and service delivery.

The TSA has a much stronger statutory basis in protecting tenants than the Housing Corporation ever had and it will be able to use its powers in a more flexible and targeted way. I have already started talking to tenants and their representative bodies both about what this might mean in practice and how the TSA can ensure that its voice is listened to. I am particularly grateful to TPAS and TAROE for their guidance and support in this process. Over the coming months, I will be leading a 'national conversation' which aims to transform the traditional view of tenant engagement to

drive up service delivery. I am pleased that the National Federation of ALMOs has already agreed to support the TSA in this dialogue. Together, I want to ensure we have spoken to tenants from Devon to Durham, and from Cornwall to Cumbria, in community centres, town halls and down the shops.

My priority is to ensure that tenant engagement is fully integrated into the ethos of affordable housing, not bolted on as an afterthought or sitting in a box waiting to be ticked.

Over the next few years I want to support a growing and competitive market in housing management services. This will include ALMOs, large and specialist RSLs and private providers, all of which will compete on cost, quality and tenant involvement. It is my aim that, by 2012, affordable housing providers will be on course to improve their efficiency in operational and maintenance costs by 10% through managed competition, generating **annual savings of £800m** across the sector, releasing much-needed resources for servicing improvements and new supply. This transformation of the market, by opening up opportunities and competition, is an exciting venture for the TSA and one which I believe should drive real improvements for tenants.

Working with their local authority partners, some providers have played a key role in neighbourhood regeneration. One of the TSA's objectives is to encourage providers to contribute to the environmental, social and economic wellbeing of their local area. The TSA will also want to be assured that these regeneration projects are what tenants want and so we will publish market-defining research into the role of providers in these areas and the link between spend on these activities and improvement in the lives of tenants and their communities.

I expect the TSA to oversee an increase in private investment in affordable housing, from **£35bn in 2008 to £50bn by 2012**, with new forms of institutional investors, community investment funds and bond markets all enjoying growth in this market. Investing in affordable housing - where house values and rental incomes are linked to RPI - offers stable long-term returns in a socially responsible asset. The reassurance offered by robust regulation should continue to foster confidence in lenders, as well as in tenants and providers.

The standards framework I want to put in place in the TSA must be aspirational - let's do away with the simplifying lights and stars of current regulation and inspection. Instead, let's ask ourselves - what does "excellent" look like? Let's get the core services right - efficient, timely, and value for money. Then let's work with providers to stretch their "offer" to achieve excellence. Tenants must be the judge of success and must be provided with accessible and easily-understood information. I'd like tenants in any part of the country to be able to log onto our website and find out how all providers in their area are performing. I'd like them to be able to compare the performance of their own landlord against others. This is not "Whitehall knows best" - this is allowing service users to make their own choices.

The TSA is planned to go live in December this year. We will be consulting on our new approach during 2008 and 2009 with the intention of 'switching on' our new powers in Autumn 2009, followed by an extension of our remit across all local authority stock by April 2010.

I want the TSA to challenge providers of affordable housing services. Mediocrity and complacency will no longer be acceptable under the new regulatory approach. In carrying out its role, I see the TSA acting as a force for change to improve the lives of 10 million residents and their communities.

