



## **Halton Housing Trust Report to Halton Borough Council Progress Assessment & Position Statement - June 2007**

### **1 Purpose**

- 1.1 This report is presented to provide a position statement 18 months following the transfer of the Council's housing stock to Halton Housing Trust (HHT). It provides an update on progress following the earlier position statement given to the Council in April and October 2006 as in accordance with the monitoring framework agreed prior to transfer.
- 1.2 The report identifies progress made in the establishment of both the Trust and the delivery of its key service areas.

### **2 Pledges to Customers**

- 2.1 A comprehensive list of the 100 pledges made in the 'Offer Document to Tenants' has been established. Progress is monitored against each pledge with a designated manager identified to ensure each pledge is delivered and progress to date recorded.
- 2.2 The pledges range from those that were achieved at transfer (such as security of tenure and the maintenance of rights including the Right to Buy) as well as others, which relate to investment, which can potentially be across a 30 year period.
- 2.3 Regular summary updates of progress are reported in the customer newsletter "Haltonhousing". A detailed monitoring report is also formally reported to the Trust's Board, the Housing Corporation and internally through the Trust's management team.

- 2.4 The current position is:
- 65 pledges have been met
  - 30 pledges are in progress
  - 5 pledges have yet to be commenced

### 3 Investment Programme

- 3.1 The Investment Programme is now progressing well, with all four partners reaching their full capacity. In 2007/08 this will deliver:

<b>Programme for April 2007 – March 2008</b>		
	<b>Properties</b>	<b>Spend (£)</b>
Internal Works	1,672	11,790,000
External Works	2,418	2,000,000
Windows	825	1,750,000
<b>Total</b>	<b>4,915</b>	<b>15,540,000</b>

- 3.2 By March 2008 over 5,000 properties will have had some form of either internal or external works completed.
- 3.3 The Trust is currently exploring the options with our investment partners to accelerate the programme. This would be delivered through the partners adding an additional work stream to the existing programme. However this will only be undertaken providing zero defects and efficiencies can be realised.
- 3.4 The Trust remains confident that the programme will deliver all the promises within the 5 and 10 years timescales. Furthermore the Trust will ensure it meets not only the Decent Homes Standard but more importantly exceeds this through the delivery of the Halton Standard as specified by our customers.
- 3.5 To date the Trust has recovered £1.1M of VAT incurred on the investment programme through the VAT Shelter arrangement. A further £3.2M is due to be recovered during 2007/08 which would result

in a payment to the Council of £1M. As outlined in the Transfer Agreement the Trust would welcome further discussions with the Council to explore any housing projects the VAT receipts could be used for.

#### **4 Corporate Plan**

4.1 The first Corporate Plan for the Trust has been published, with a copy being sent to all employees, Councillors, key contacts within the Council and other stakeholders. It is also available via the Trust's website. There are also summary and credit card versions available. The Plan clearly focuses on the first 2 years of the Trust and identifies five key priorities. Within this it also recognises that some other activities will be put on hold until such time as the key priorities are met.

4.2 Work is due to commence at the Board Awayday in September on the development of the Corporate Plan for 2009-2015. This will enable the Plan to be developed with an increased emphasis upon wider consultation with a cross section of our customers and stakeholders.

#### **5 Housing Corporation Regulatory Compliance**

5.1 The Housing Corporation as Lead Regulator for Housing Associations is taking a keen interest in the development of the Trust. Since transfer the Trust has received four regulatory visits to assess progress against the Regulatory Code.

5.2 On 6<sup>th</sup> June 2007 the Housing Corporation published the Trust's first Housing Corporation Assessment. The assessment measures the extent to which housing associations manage their business effectively across three main areas; these are whether the organisation is financially viable, properly governed and properly managed. An

appropriate traffic light colour is then allocated. The Trust has been assessed as having three green traffic lights for all three areas.

- 5.3 This reflects the efforts made by the Trust to lay the foundations for its future success. This result now enables a focus on what is really important– improving the quality of services to the Trust’s customers and delivering the £129 million investment programme.
- 5.4 The Trust needs to continue to work hard to maintain the positive start it has made in achieving regulatory compliance. This is not a one off assessment and as such we need to continue to develop our working practices to ensure these keep abreast of latest developments across the housing sector and the latest publications and guidance from the Housing Corporation and Audit Commission.
- 5.5 The next big challenge for the Trust is preparing for inspection. Whilst we have not been included in the programme for 2007/08 a number of other RSL’s who transferred just before the Trust, have been. As such it is reasonable to assume that the Trust will be included within the 2008/09 inspection programme.
- 5.6 This is arguably the biggest single test as well as opportunity the Trust will face since its creation and work is already starting in the form of our six corporate priorities to get us ready for this.

## **6 Governance Update**

- 6.1 It is a requirement of the Trust's constitution that there is a regular review of the membership of the Board. The Board is made up of 5 customers, 5 independents and 5 nominees from the Local Authority.

- 6.2 At the next AGM in September 2007, 2 of the longest serving customer Board Members and 3 of the longest serving independent Board Members are required to retire from the Board. Both the election and recruitment processes are due to commence imminently.
- 6.3 Customer Board Members are decided through an election process (the customers retiring from the Board can stand for re-election). A leaflet has been sent to all our customers advising them of these opportunities and drop in sessions are being held at a variety of locations over the next few weeks so that customers can find out in more detail what being a Board Member actually involves.
- 6.4 Independent Board Members are selected by a recruitment process (again the retiring Board Members can apply to come back on to the Board). An advert is being placed in both the local and housing trade press and a selection panel has been established.
- 6.5 As part of the continued development of the Trust's governance arrangements a skills analysis has been undertaken. The recruitment process will seek to ensure these skills gaps are filled.
- 6.6 The Board now has a well established Committee structure, which allows devolution of the more detailed governance reviews to a Customer Services Committee and a Resources Committee. Separately there is an Audit, Performance and Quality Committee which receives reports from Internal and External Auditors.
- 6.7 The establishment of the Halton Housing Community Voices (HHCVs) was intended to give the three management areas a method of engaging with their respective communities and customer bases and be a method of communication to and from the Board. However as previously reported only one HHCV has been established to date.

- 6.8 The Trust is committed to supporting customer involvement across all aspects of its business. Prior to transfer a commitment was given to the establishment of three area committees, which would provide customers with an opportunity to be involved in the management of services. The idea being that the area committees would be involved in the development of new policies, receive performance management information and make decisions relating to community group funding.
- 6.9 Following customer consultation these area committees were named HHCV's. The first one was established in May 2006 in Widnes East. The Widnes East HHCV held its inaugural meeting in May 2006. Since then a further 3 meetings have taken place. These were held in June, August and November 2006. Attendance at these meetings has generally been poor.
- 6.10 The November 2006 meeting considered the future development of HHCV's across the borough and ways in which customers could be encouraged to attend future meetings. The committee acknowledged that take up to date had been disappointing.
- 6.11 The consensus of the Widnes East HHCV committee was that the Trust should retain HHCV, but consider utilising the existing HHCV to cover the whole of the borough. In January 2007 the Trust's Customer Services Committee agreed to the proposed changes. It was also agreed to rotate the venue across the borough.
- 6.12 Under the original arrangements each HHCV have a committee of 10. This comprises 6 customers (HHT customers), 2 council representatives and 2 independent representatives. As the remit of the HHCV was widened it was agreed to increase the membership to 9

customers, 3 council representatives and 3 independent representatives.

6.13 The Trust is examining a range of options to encourage wider customer involvement in HHCV's including:

- Follow up the expressions of interest received for the Customer Board Member vacancies
- Information leaflets to be included for new customers with an explanation from the Housing Officer when they sign for new tenancies
- Information Leaflets to be sent or delivered to customers via repair operatives and partner contractors
- Customer Involvement Officers & Housing Officers to canvas customers on site
- Further publicity in customer newsletter
- Scheme managers to canvas customers of our sheltered schemes
- Contact informal residents groups in Widnes West area (Kendal Road & Royal Avenue)
- Advertisement in local press
- Display information posters in HDLs and Area Offices
- Using focus groups to understand how the Trust can encourage greater involvement and participation including re-branding / design of posters
- Target specific customers with personal invitations (i.e. recent repairs/complaints)
- Personal invite to attendees of Customer Conference
- HHT website
- Include information on all correspondence between the Trust and its customers

- 6.14 The possibility for Board Member remuneration is a relatively new option. While it is left to the discretion of each Housing Association how it proceeds on this matter, the Housing Corporation expects that the issue is properly debated and considered by each organisation. Clearly if there are difficulties in recruiting or retaining skilled and experienced Board Members there might be a case for introducing such payments. However, there can be a range of other factors which need to be considered.
- 6.15 A key consideration is the competition for such skills as a number of other Boards (PCT etc) offer remuneration. The Trust has indicated that a thorough review of the merits or otherwise of remunerating Board Members is to be undertaken and is due to report to Board in July 2007.

## **7 Community Investment**

- 7.1 As part of the launch of the Trust a number of local initiatives were supported. The Trust recognised that it was important to continue promoting Halton Housing Trust beyond the initial launch period. It was felt that an appropriate way of achieving this was to establish an annual budget that could be utilised to support/sponsor local community/sports projects.
- 7.2 This funding could result in the promotion of the Trust to groups that it would not normally engage with. For example the sponsorship of a local sports group could enable the organisation to embrace and involve customers including harder to reach groups i.e. young people.
- 7.3 During 2006/07 a budget of £3,000 was set up for this purpose. During that year the following groups were supported: local cricket club, local football club, Boys Brigade, both of the Mayor's Charities and



sponsorship of individuals who were participating in funding raising activities. A further £3,000 has been allocated for 2007/08.

7.4 In addition the Trust's funders LTSB have agreed as part of the long term financing agreement that they would donate £100,000 to the Trust when the Trust transferred its day to day banking services to LTSB from Natwest. This funding is now available.

7.5 The Trust is currently finalising the criteria for allocation of this fund. The Board have agreed that the Customer Services Committee would manage the £100,000 donation from Lloyds TSB, and that the allocation of monies is to be phased equally over a four year period, at £25,000 per year.

## **8 Enquiries, Complaints and Compliments Process**

8.1 This process was introduced at the point of transfer. Its purpose is to ensure that there is transparency and consistency in the way that complaints are dealt with. The system is working well; however there is always room for improvement and as such the Trust has undertaken a review of the process.

8.2 The outcomes from this are due to be reported to Board at their meeting in September 2007. Any changes are aimed at ensuring the system is easy to access and that the Trust resolves concerns raised at the earliest available opportunity.

8.3 The Trust has recently received a decision from the Housing Ombudsman Service relating to a complaint that had previously progressed through all 3 stages of the Trust's EC&C Policy.

- 8.4 This is the first HHT case that has been investigated by the Housing Ombudsman and the process is very time and resource intensive. The preliminary determination from the Housing Ombudsman concludes that “*there was no maladministration by Halton Housing Trust*” – in effect this provides the Trust with a clean bill of health on the application of the Policy. Whilst this is very good news for the Trust it is imperative that we do not take our eye off the ball and continue to try and resolve cases at the earliest opportunity.

## **9 Joint Working**

- 9.1 In February 2007 the Council’s Leader, Housing Portfolio Holder and Chief Executive visited the Trust. In addition to a very positive meeting they were also able to see the benefits from the investment programme by visiting properties where these works were at differing stages. It was agreed that further regular liaison meetings would be beneficial to improve the ongoing development of partnership working.
- 9.2 The Trust continues to work with the Neighbourhood Management team to co-ordinate services in the Widnes Neighbourhood Management Area.
- 9.3 The Trust is also keen to work alongside the Council to develop approaches to both Anti Social Behaviour (ASB) and Choice Based Lettings. Both these initiatives will bring substantial benefits to both the Council and the other social landlords working within the borough.
- 9.4 There have been further notable successes in the area of Anti Social Behaviour with further ASBO’s obtained. There have also been a number of initiatives delivered in conjunction with the Council, Police and Fire Service.

- 9.5 The national drive for the adoption of Choice Based Lettings (CBL) systems is reflected in the target from the Housing Corporation for all RSL's to have fully explored this option by 2008. From the Council's perspective the move towards a CBL Scheme enhances the level of choice that can be achieved, can lead to increased stability of communities and longer term cohesion.
- 9.6 The Trust continues to work with the Council as the lead RSL in exploring options adopted in neighbouring authorities and identifying the feasibility of using a model in Halton. The Trust has also recently submitted a response to the Council's consultation on the proposed changes to the Allocations Policy in Halton.
- 9.7 The Trust has also used its legal remedies to ensure it gains access to all our properties to undertake gas servicing and safety checks.

## **10 Priorities for 2007/08**

- 10.1 The Trust has agreed that the priority focus for our work in the next year needs to be on improving our core services and performance. In order to achieve this 6 core priorities have been agreed for 2007-08:
- Arrears
  - Voids
  - Response Repairs
  - Delivering our Investment Programme
  - Improving our communication – internal and external
  - Customer Care/Focus
- 10.2 The priorities also form the basis of the Trust's Employee Conference being held on 10<sup>th</sup> July 2007.

## **11 Restructure update**

11.1 The Trust has reviewed the original staffing structure post transfer and adjusted this to reflect the longer term needs of the business. This has resulted in customer focussed team structures which are directly accountable.

11.2 The first phase of the Trust's restructure programme has now been completed. The second phase of recruitment activity is progressing well. The external advertisements were advertised widely. Approximately 75 applications have been received, of which approximately 20 are from internal candidates. Shortlisting and interviews are currently being arranged for the 15 different roles that are currently vacant.

11.3 Additionally the Construction Services Management Team are also currently reviewing their requirements for trade's operatives in preparation for the transfer to the new area teams. Full details will shortly be made available on the Trust's website and intranet.

11.4 Despite receiving a number of high quality applications the Trust has decided not to appoint to the post of Director of Customer Services. Instead a further review of the role and recruitment process is now ongoing. In the interim period Karen Baidon will continue to provide cover.

## **12 Homelessness**

12.1 The Trust has been working with the Council's Homelessness Project Team to look at ways to improve the accessibility and quality of homelessness services. In particular the Trust welcomes the increased emphasis placed upon preventative initiatives.

- 12.2 The process review undertaken by the Trust at the Council's request has prompted a more fundamental review and internal challenge of the homelessness service provided by the Trust under contract to the Council. This will take as a starting point: what and how the service is delivered and whether the Trust is best placed to do this. This reflects the ethos across all areas of the Trust's work.
- 12.3 The review is anticipated to be undertaken promptly, with a short outcome report in September 2007. The framework for the review is currently being developed. This is being shared with the Council for their input.
- 12.4 At this stage no decisions have been reached. This is merely the Trust applying the similar principles to those adopted by the Council.

### **13 Accommodation**

- 13.1 The relocation of Construction Services from Lowerhouse Lane has previously proven to be problematic due to a paucity of suitable sites in the Widnes area.
- 13.2 A number of previous locations have been considered, including sites at the Catalyst Estate and Tanhouse Lane. In February 2007 only Tanhouse Lane and Foundry Lane remained feasible.
- 13.3 The developer of the Tanhouse Lane site has been able to incorporate the identified key requirements of the Trust. These include:
- A dedicated acceptably sized, parking area
  - Any compound facility would have been separate to the main storage facility with shared access

- The units were not an ideal size/ layout - any variance being too large or conversely too small for our need
- The developer was inflexible on the terms of the contract negotiations.

13.4 Whilst the practical issues appear by themselves overwhelming, the financial arrangement would also have been more than double the anticipated capital costs of Foundry Lane.

13.5 In considering the above points the Trust's Board at their meeting on 28<sup>th</sup> June 2007 approved the relocation of the Trust's Construction Services from Lowerhouse Lane to the Foundry Lane site. Solicitors are currently preparing heads of terms and conducting searches. Subject to the above the Trust is aiming to relocate to the new site on 5<sup>th</sup> December 2007, to coincide with our second anniversary. Discussions are ongoing with the Council to finalise the arrangements for the relocation from the Lowerhouse Lane site.

## **14 Introduction of Payment Cards**

14.1 To further improve the range and availability of payment options in November 2006 the Trust implemented an alternative method of cash payment via the Post Office and PayPoint. This has provided the Trust's customers with options to make payments at over 60 locations across Halton 24 hours a day, 7 days per week.

14.2 Take up of this facility has increased steadily each month since its introduction. During May 2007 the number of transactions had reached over 2,300 for the month. This equates to nearly one in five of all payments the Trust receives. Not only is this providing a more convenient service for our customers, but it is also cost effective in cost terms to the Trust.

## **15 Forthcoming Events**

15.1 The Trust has a number of forthcoming events. These include:

- Employee Conference – 10<sup>th</sup> July 2007
- Annual Customer Satisfaction Survey – July 2007
- Annual report publication– September 2007
- Clean Up Day – 7<sup>th</sup> August 2007
- Customer Conference & AGM – 18<sup>th</sup> September 2007

## **16 Service Level Agreements**

16.1 The Trust has been reviewing its Service Level Agreements held with the council since the point of transfer. There is a clear expectation upon the Trust to demonstrate value for money in all its procurement decisions.

16.2 Following an extensive review of current arrangements the Trust has terminated the following agreements:

- ICT network
- Telephony
- Payroll
- Office cleaning

16.3 Further discussions and negotiation are ongoing on the following services:

- Cash collection (via cashiers)
- HDL general services
- Warden alarm systems and mobile wardens

- 16.4 Other services which are expected to continue to be delivered by the Council but with regular value for money reviews, include:
- Street lighting
  - Out of hours telephony
- 16.5 The Grounds Maintenance SLA has been extended from December 2007 to March 2008 to allow time for a comprehensive value for money assessment to be undertaken. The Trust is also exploring the potential to jointly procure this service with a number of other RSL's working in the Halton area.
- 16.6 The Vehicle Maintenance SLA has recently been reviewed. The Trust has amended its approach to ensure the council have an opportunity to submit a commercially competitive tender for the maintenance of the Trust's new fleet which is currently in the process of being acquired. The outcomes from this process are due to be finalised in the next few weeks.
- 16.7 The Trust supports the general concept of HDL. This is reflected in the use of HDL's to complement the services offered through the network of offices and to avoid duplication. This has resulted in the Trust using different HDL's to provide different services dependant on their location and proximity to a Trust office. Further discussions are considering the type and nature of HHT enquiries being dealt with by the HDL's.

## **17 Environmental Improvement Programme**

- 17.1 The Trust has commissioned Groundwork Mersey Valley to undertake a series of consultation exercises. This will include all of our customers to enable an informed Environmental Improvement Programme to be developed and delivered. This applies the learning from the approach



adopted in devising the Investment Programme and the way in which customers set the Halton Standard, rather than just relying on the Decent Homes Standard. The objective is for Groundwork to work with housing officers, partners and customers to identify the key environmental improvements that are required for each area.

- 17.2 A steering group is being set up for each of the areas to identify local groups and partnerships with whom the Trust can undertake mapping exercises and understand the issues of concern to local people.
- 17.3 To ensure every area receives some improvement works it is intended the areas that have not received any improvements to date will benefit from the first phase of environmental works.
- 17.4 The initial process will be to consult at a very local level utilising a variety of methods from door knocking, letter drops and the use of mobile caravans/ road shows. The process will also be working with the local Area Forums.
- 17.5 The exercise will split the borough into four distinct areas and each area will be consulted with in turn until the full exercise is completed. This consultation is expected to take approximately 18 months from start to finish. At the end of each phase of consultation there will be an Area Improvement Action Plan produced summarising the views of customers and identifying practical and budgeted delivery proposals.
- 17.6 Within the Trust's business plan £6 million has been identified for the provision of the Environmental Improvement Programme. There is also the potential for match funding opportunities that Groundwork maybe able to tap into as the process develops. This will ensure we are able to meet the commitment made to invest £6.7 million up to 2015

carrying out major environmental works and improvements in the Offer Document to our customers.

17.7 Clearly there will be some areas and issues that are identified, which are not the responsibility of the Trust to undertake. In such circumstances we will be working with other agencies and organisations to ensure there is an agreed process to address any priorities identified by our customers.

17.8 The Trust has seen an increasing number of formal complaints received from customers about environmental related issues. These are being responded to on an individual basis with a full explanation provided regarding the consultation process and forthcoming Environmental Improvement Programme. Consideration is also given to any interim measures that can be taken to resolve particular difficulties experienced by these customers.

## **18 Right to Buy Receipts & Trends**

18.1 After a slow start immediately post transfer Right to Buy sales have continued to take place more or less as anticipated.

18.2 The table below shows the position to date :

<b>Year</b>	<b>Completions</b>	<b>Average Valuation</b>	<b>Average Discount</b>	<b>Average Proceeds</b>
2005/6 (part)	18	£76,756	£24,786	£51,970
2006/7 (full)	79	£80,896	£24,826	£56,070
2007/8 (part)	10	£80,250	£26,000	£54,250

18.3 During April 2007 the Trust repaid £2.4M of RTB sale proceeds to the Council as per the RTB Sharing Agreement. A further estimated payment of £2.7M will be made during April 2008, depending on the actual number of sales completed within the year.

18.4 There are currently 59 live applications in the system. However it should be noted that the Trust is experiencing a higher proportion of cases not proceeding where the valuation before discount reaches the '£80K ceiling'. This appears to be linked to the wider issues identified in the Council's 2006 Housing Needs Survey around affordability and income levels in the Borough.

## 19 Summary

19.1 The Trust has continued to make good progress in delivering a number of the key promises made prior to transfer. The focus over the first 18 months has been on establishing the foundations for the organisation. The emphasis is now shifting towards concentrating upon our primary business areas and improving core performance. This will be underpinned through the continued development of a stronger customer orientated culture throughout the business.

## 20 Contact

Nick Atkin

Chief Executive



[nick.atkin@haltonhousing.org](mailto:nick.atkin@haltonhousing.org)



0151 510 5101



07903 594827