

Your Home... Your Future

Looking at the options for the future of your home Issue 1 – July 2010

Welcome...

Welcome to the first edition of a special newsletter to explain South Lakeland District Council's plans to look at how a brighter future could be secured for council housing in the district.

As you may be aware the council is carrying out a Housing Options Study to look at ways to get the money to improve and maintain homes in the future. This newsletter explains why the council is doing this and how you can have your say.

We want to hear from you

We are looking to the future and how we can pay for the standard of homes, estates and services you have the right to expect.

A recent independent building survey of homes in the district has shown that the council needs to spend £188 million over the coming 30 years to maintain homes in good condition. But we know under current financial rules, the council would have a shortfall of around £110 million for improving and maintaining homes.

This shortfall, for example, means:

- Reduction in the number of repairs
- Reduction in the improvements programme
- Little or no money for environmental improvement for estates

The council relies on Central Government for approval to borrow money to invest in your homes. We have limited resources available after 2010 and because of the way the financial rules work, to plug this gap the council needs to rethink the way it delivers housing services in the district.



Having looked closely at the result of the independent building survey, the council has three options for the future funding of council housing in the district and these are set out in this newsletter.

As part of finding what is the best option we want to know your views about how you think your homes and service should be run and paid for in the future. We will then use this information to make a decision on the council's preferred option for getting the money to provide what you tell us you want to see for your homes, estates and service.

Councillor Peter Thornton, portfolio holder for Housing and Development, said: "The council has always been open with tenants about the future funding of housing and we have always done our best to ensure tenants get the standard of home they have a right to expect, to protect their interests and take their views into account.

"We now need to make some decisions about how we fund housing and tenants are key to this process. Tenants' views will help the council to make a decision.

"We would encourage tenants to complete the questionnaire and ask any questions they might have about the future of housing."



Complete the questionnaire and be a winner



We need to know what you want to see for the future of your homes – and you could be a winner of vouchers worth £50.

When we are looking at the options available for the future of council housing, we need to make sure that your views are included.

So you have the opportunity to contribute to how you would like to see the future of council housing, we have included a questionnaire.

Please read this newsletter and then take five minutes to complete it and return it to us – we really want to hear your views.

Every tenant that returns a completed questionnaire will be entered with a chance to win a £50 shopping voucher.

There are 10 vouchers to be won.

The survey needs to be returned in the pre-paid envelope by 23rd August 2010.



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Why look at the options?

- In 2004 we successfully created the Arm's Length Management Organisation (ALMO), South Lakes Housing, to deliver a multi million pound improvement programme to provide tenants with 'Decent Homes' – the basic standard for homes set by the Government. The special funding to carry out improvements expired in 2010 and the Government has said there will be no further money available to councils. The council will not be able to invest to a level to keep homes up to the Decent Homes Standard in the future.
- The recent building survey of homes has shown the council needs to spend £188 million over the next 30 years.
- If the current system stays as it is, the council will be around £110 million short of money just to maintain homes at the basic Decent Homes Standard. Also, this standard does not include improvements to estates, services or money for building new homes to rent.

The options available

The council has looked at the possible options that could deliver the money needed to maintain homes at their present standard into the future and improve estates and services. This means the three options available to the council are:

Option 1 – Stay in the current system

The council knows that without a change to the system, this will result in poorer quality services and homes. The council will be short by £110 million on the investment needed. It is for this reason the council is looking at other options.

Option 2 – Self financing

Under this proposal homes could continue to be managed by South Lakes Housing and owned by the council. This is a new idea proposed by the former Labour Government and involves councils being allowed to keep all the money they receive in rent and right to buy sales.

Currently the council has to pay to the Government more than £3.4 million of rent collected and right to buy sales to pay for the upkeep of council housing in other parts of the country.

However, this new self financing system allows the council to keep all rents collected and, in return for keeping this money, the council would have to take on up to £72 million as a share of the nation's housing debt – an average debt of £21,300 per home.

This is still a new idea and councils around the country are being consulted on what they think of it. It is also uncertain whether the new coalition Government will proceed with the idea, or even in the format outlined here, although they have said that they want to hear what councils across the country think of the idea.

Option 3 – Housing transfer

Under this option the ownership and management of the council's homes would transfer to an independent not-for-profit housing organisation, commonly known as a housing association.

At present the council currently owns your homes with South Lakes Housing managing them on the council's behalf.

However, it is possible, under this option, for South Lakes Housing to become your landlord and own and manage your homes. The exact structure of this organisation would have to be agreed.

Under transfer, the new housing association would have access to funding to carry out the work needed to improve estates and services and maintain homes. However, transfer would only be able to go ahead if tenants voted in favour of the proposal in a ballot.



The Decent Homes Standard

In 2000, the Government brought in new rules about the quality of the homes which tenants rent from councils or housing associations.

The rules were brought in because the Government believed all council and housing association tenants have the right to live in a home that meets a basic standard. This is called the "Decent Homes Standard". It describes a Decent Home as one that is warm and wind and weather tight – but does not cover things such as the environment, estates and services.

In South Lakeland, under South Lakes Housing's management, we have met the Decent Homes Standard for all homes that would have failed to meet it by 2010. South Lakes Housing has done a good job with the special funding available.

Since 2002 South Lakes Housing has installed:

- 1508 New kitchens
- 949 New bathrooms
- 839 New heating/boilers
- 1564 New doors



However, we recognise not every home has benefited from improvements.

This is because under the Decent Homes Standard, for example, a home could be classed as decent even with a kitchen and bathroom that are decades old.

The additional money from the Government is no longer available and we cannot maintain homes at the Decent Homes Standard in the future.

How the options compare

The following table sets out the three options and how they would affect you:

	Stay in current system Option 1	Self financing Option 2	Housing transfer Option 3
The number of council homes affected	All council homes.	All council homes.	All council homes.
Who would own the homes?	The council remains the landlord.	The council remains the landlord.	Choice of specially created new or existing housing association.
Who would provide the housing service?	South Lakes Housing would carry on providing services under an agreement with the council.	South Lakes Housing would carry on providing services under an agreement with the council.	The housing association would take on overall management.
Additional funds to invest in council homes	Cuts in services would be needed. The council would need to spend £188 million over the next 30 years but expects to only have £78 million available – a shortfall of around £110 million.	Yes, the money would be available, but because of repaying debt some £10 million of improvements would have to be delayed. The council would have to focus on those homes in most need and delay none essential works. It would be at least 15 years until a full improvement programme could be delivered.	Yes, the money would be available and the major improvements eg kitchens and bathrooms would be done within the first five years after transfer.
Where would the money come from?	Some allowances would be available from Government but we would continue to pay more than £3 million to the Government from the rent collected.	The council would take on up to £72 million in debt from the Government in return for keeping all the rent and money from right to buy sales, rather than giving over £3 million to Government as it does now. Under this scheme, the council would not be able to borrow additional money. The level of debt with self-financing would be more than with transfer.	The housing association would also keep all the rent collected and money from right to buy sales, rather than giving over £3 million to Government as it does now. It would also be allowed to borrow any additional money from banks and building societies. The maximum level of debt of the new housing association would be £42 million compared to up to £72 million under self-financing.
Would rent be affected?	Rents would be set using the same rules as now and would not increase any faster than it does now.	Rents would be set using the same rules as now and would not increase any faster than it does now.	Rents would be set using the same rules as now and would not increase any faster than it does now.
Would rights be affected?	No change.	No change.	Key rights protected for existing tenants.
Would it be possible to build new homes?	This could be difficult to finance but it is possible a small number of new homes could be built in the future.	This could be difficult to finance but it is possible a small number of new homes could be built in the future.	Yes and it is likely this option could provide more new affordable homes than self-financing.
Would it be possible to re-model unpopular and difficult to let homes?	No.	Yes – but this would be at the expense of the investment in the Decent Homes programme.	Yes.
Would the right to buy remain?	Yes.	Yes.	Yes – preserved for all existing tenants.
What would happen to staff?	Cuts in services would mean cuts in staff.	No change.	Existing staff would transfer to the new housing association.

It's important to have your say

Tenants have been working closely with the council and South Lakes Housing on the options for the future of the district's council housing. The Tenants Committee believes it is critical that tenants have their say.

Chairman of the Tenants Committee Margaret Pritchard said: "We have been involved throughout – ensuring the views of tenants are kept at the forefront of any decision making. Now it is very important all tenants have their say by completing the questionnaire with this newsletter.

"We want as many tenants as possible to give their views on the future of our homes and housing service. Five minutes spent completing the form will help inform plans for the district's housing over the next 30 years."

Come and find out about the options

We recognise that you might have some really important questions about this study – that is why we are holding a number of drop-ins for you.

The drop-ins are your chance to ask what the study means and for you to give us your views about what you want for the future. We will also be on hand to offer you assistance with completing the questionnaire if you need it.

All drop-ins are open from 2.00pm - 3.30pm, except Tyson Square, Ulverston.

Month	Date	Venue
July	19	Tyson Square Sheltered Scheme, Ulverston NB: 10.00am - 11.30am
	20	Yewbarrow Lodge Sheltered Scheme, Grange
	23	Kirkby Lonsdale, The Institute
	27	Birthwaite Sheltered Scheme, Windermere
	29	Croftlands Community Centre, Ulverston
	30	Sedbergh, Committee Room, People's Hall
August	3	Mill Dam Sheltered Scheme, Ulverston
	4	Bifold Croft Sheltered Scheme, Kirkby Lonsdale
	6	Broughton, Victory Hall
	10	Castle Walk Sheltered Scheme, Kendal
	11	Edgecombe Court Sheltered Scheme, Kendal
	13	Grange, Main Hall, Victoria Hall
	16	Milnthorpe, Catholic Church Hall, Haverflatts
	17	Gladstone House Sheltered Scheme, Sedbergh
	18	Kendal, Hallgarth Community Centre
	19	West Ing/Drummermire Sheltered Scheme, Ambleside
	20	Coniston, Yewdale Institute
	24	Windermere and Bowness, Marchesi Centre
25	Fell Close Sheltered Scheme, Ulverston	
26	Ambleside, Kelsick Centre	

What happens next?

- All returned questionnaires will be read and we will start assessing the information to see what you want for the future.
- In early autumn the council will consider the way forward based on both the feedback from you and an examination of the options available.
- Once the decision has been made on the preferred option for the future, the council and South Lakes Housing will explain the next steps and will remain committed to keeping you updated at every stage of the process.

INDEPENDENT ADVICE

Open Communities have been appointed by the Tenants Committee as independent tenant advisor to provide free, impartial advice about the housing options study.

They can be contacted on

**FREEPHONE
0800 073 1051**

or email

jamie.martin@opencommunities.org

COUNCIL FREEPHONE INFORMATION LINE

Tenants with questions about the housing options study can ring the council's freephone information line on:

0800 014 7518

The freephone is staffed between 9.00am and 5.00pm by a team of staff to answer your transfer questions. Outside these hours an answerphone will be in operation – please leave your name, number and a convenient time for us to call you back.

Please give us a call if you have any queries or concerns about the study.

Alternatively you can email any enquiries to

info@southlakeshousing.co.uk

The information in this document can be made available in other formats.

Please contact

0800 014 7518

INDEPENDENT TENANTS' ADVISOR APPROVED



This newsletter has been approved by your independent Tenants' Advisor, Open Communities.

DO NOT FORGET TO COMPLETE YOUR QUESTIONNAIRE – THANK YOU