



Arch news

Newsletter of The Association of Retained Council Housing

Summer 2014

Maximise headroom to build more homes

There is widespread agreement that the only way to end the national housing crisis is to build a lot more homes. Estimates of the number needed vary, but most involve at least doubling current levels of output which have barely topped 100,000 a year since the credit crunch hit in 2008. Councils have a big role to play, both in making land and planning permission available for private developers and housing associations, and in building new homes themselves. Both the government and Labour Party have established independent reviews to look at how councils can help to

increase housing supply, and the spotlight is now squarely on councils and their ability to rise to this challenge.

Self-financing has given councils with housing opportunities to build in the HRA they have been denied for many years - and they are responding. More new council homes were built last year than at any time in the last two decades. But there is scope to do more. ARCH has campaigned for removal of HRA debt caps to allow councils to borrow as much as they can safely afford to repay.

The government's response has been limited to an additional £300 million in borrowing approvals, announced in the last autumn statement, for which councils are currently being asked to bid. But the government can also point to the fact that councils are not using the full amount of borrowing that is already available to them. Inside Housing magazine recently claimed

that councils have no plans to spend over a third of the £2.8 billion available to them in borrowing headroom.

This charge demands an answer, or else the campaign against debt caps risks losing credibility. Part of the answer is that the distribution of headroom does not mirror the distribution of housing need - many of the councils with the greatest demand for new housing have little or no headroom, and vice versa.

Another part is that in many areas land is a bigger constraint on new development than finance. A third is that councils are still rebuilding the skills and capacity to undertake new developments, after nearly three decades of government opposition to council housebuilding. It may take time, but there is still every prospect that councils will be able to gear up to a much bigger contribution to housing supply than they have made for many years.

Matthew Warburton - ARCH policy adviser
Follow Matthew's weekly blog on www.arch-housing.org.uk



Wandsworth Council's Rollo development providing 38 family-sized homes for rent to social housing applicants

Diary dates

18 September—Tenants' conference

ARCH member organisations are entitled to 5 free places per organisation, any additional places will be charged at £100 + VAT. See website for more details.

22 September – AGM & Exec Board meeting

17 November – Exec Board meeting

3 November – Tenants' Group meeting



Seminar: welfare reform - one year on

ARCH members shared their experiences of managing the implementation of the government's welfare reforms at a seminar in Birmingham on 19 May 2014.

The seminar, held in the postmodern Library of Birmingham, gave ARCH members the opportunity to listen to the experiences of Bob Livermore at West Lancashire Borough Council and Chris Gibbs at

Birmingham City Council, and share their thoughts on the first year of the bedroom tax, the benefit caps and the introduction of Universal Credit.

Chris Gibbs explained that Birmingham City Council's 'multi-agency welfare reform committee', with representatives from local housing associations, third sector organisations and relevant agencies, developed a 12 point action plan to deal with the impact of the welfare reforms. This included mapping food bank provision and providing advice across the city.

Bob Livermore said that in late November 2012, West Lancashire BC understood that only 24 tenants would be affected by the benefit cap, but around 20% would be affected by the bedroom tax. Through a comprehensive survey of tenants affected by the bedroom tax, the council found that most tenants wanted to stay and pay.

The welfare reform seminar is part of a series exclusively for ARCH members to share and discuss their experiences on topical issues. Previous topics have included new approaches to market rented housing and working with TMOs. Look out for future free seminars on www.arch-housing.org.uk

Business Connect- lessons for the housing sector

When HouseMark launched its Business Connect programme, there was one objective in mind: to help housing organisations learn from the best leaders and businesses in the private and social enterprise sectors.

We have undertaken over 12 such visits to date, so what have we learned from some of the organisations we have experienced?

Focus, focus, focus – one of the clearest messages is the unrelenting focus on their purpose. They work hard to avoid distractions.

Following the recruitment of its new chief executive, Greggs' vision is to move away from 'Greggs the Bakers' to 'Greggs—food on the go'. The chief executive and management team apply this one simple test for all new products/services they are looking to launch. If it doesn't contribute to fulfilling this vision, it doesn't happen, no matter if it makes a profit!

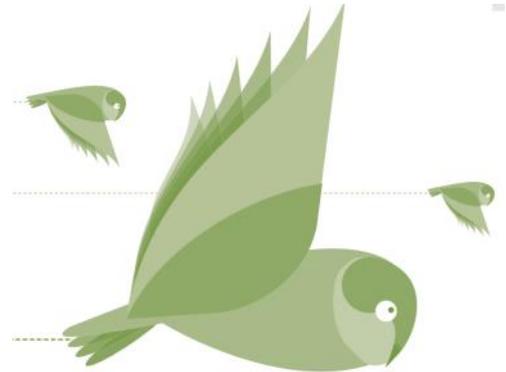
Understand your customers and your competitors – housing may think it understands its customers and competitors

but the data and analysis done by John Lewis is at a different level.

It has to do this because of the highly competitive nature of its industry, but also because it knows to deliver the best customer experience, the more it treats customers according to their individual preferences, the more they will spend and return. They know that Amazon is, surprisingly, their number one competitor.

They can't do all of the things Amazon does, so they compete on what they do best and which Amazon can't do. In store they have three measures on which they focus their customer service: Could the customer find an assistant quickly and easily? Did they make them feel valued as a customer? And could they pay for their goods quickly and efficiently?

Relentless implementation of incremental change – it's not all about the next big idea. Nissan UK know that each second they remove from their production process equates to a £1m cost saving.



This understanding across the business about how they have monetised what the value is to the bottom line, and ensures process improvement is at the centre of every team meeting. Every employee also has the authority to halt the production line if they are not happy with the quality of the work. Their belief is 'do not pass the problem on'.

So, a brief snapshot of the simple but highly effective approaches three very different successful businesses operate.

If you're interested in joining HouseMark on future study visits to the likes of the Eden Project, Harlequins RFC, Nissan UK and a return to Greggs then please contact Ian Wright, Member Services Director at HouseMark ian.wright@housemark.co.uk or find out more about Business Connect on the HouseMark website.

Ticking the box for housing

We are still some way off the General Election in May 2015 and the main political parties are still in the process of shaping their manifestos and policy positions. But it is perhaps already possible to begin to detect a direction of travel and to see some differences opening up in the way that the parties propose to address our national housing crisis.

What is less in dispute is that there is a housing crisis, and at the overall level, a broad agreement that increasing housing supply needs to play a fundamental part in addressing it. But there is less agreement about the precise policies that should be adopted and, closer to home, the role that local authorities should play.

Labour and the Liberal Democrats have both responded to the challenge of a housing crisis by taking a view on the numbers of new homes that need to be built. Labour is aiming for building around 200,000 homes by the end of the next Parliament. The Liberal Democrats conference, still a major player in their policy development process, adopted a resolution calling for building 300,000 homes a year. The Conservatives agree that more homes need to be built, but decline to be drawn on a number.

There are also some differences in how the parties expect to get there. The Liberal Democrats have yet to be specific, but all of

the indications are that they do see a role for increased direct state investment and action, including extending local authority borrowing caps to allow authorities to invest more.

Labour is still waiting for the Lyons Commission to report, which I expect to play a fundamental role in shaping their housing policy. But I think we can already see signs that they also see a role for a more active state, both in terms of more direct involvement in increasing housing supply and investing in housing, and perhaps including some lifting of borrowing caps, but also in their recent announcement that they propose to increase minimum tenancy lengths in the private rented sector

For our part CIH intends to capitalise on housing's position as a key public interest issue in the run up the election (housing is currently 7th in the list of the biggest concerns facing Britain today as measured by the Ipsos MORI/Economist issues index), to challenge all political parties to adopt policies that work towards ensuring we have a housing system that works for everyone and not just some.

And we are clear that although new supply is critically important, we will not only solve the crisis by increasing supply. What we build, how we run it and what we do with our existing stock of homes is just as important. And that's why our 'Ticking the box for housing' election campaign also

highlights the need to think about housing affordability and welfare and the wider community role that housing plays beyond bricks and mortar.

As the election campaign progresses we will be judging the policy positions of all the parties against the three tests of new supply, affordability and welfare and more than bricks and mortar to assess the degree to which they contribute to building a housing system that works for everyone.

Not to do so risks making a bad situation even worse and causing misery and disadvantage for thousands of households up and down the county.

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and set limits around rent increases during a tenancy.

The Conservatives appear to be in a different place strategically, and are more concerned with creating the conditions for the market to operate as opposed to seeing more direct state involvement; for instance, through the continuation of the Help to Buy scheme and an expressed interest in looking at further reforms to the planning system as a mechanism for unlocking barriers to delivery. But they also share some interests here with other parties, for instance in wanting to explore mechanisms to encourage greater numbers of small and medium sized builders.



Arch tenants' group

The ARCH tenants' group have been busy developing their latest leaflet on 'Making a complaint'. This can be downloaded from the ARCH website. You may already produce your own leaflets about the details of making a complaint but this leaflet has been written for tenants by tenants and encourages tenants to find out more about their landlord's arrangements for dealing with complaints.

Topics for the next leaflet to be produced in 2014 are currently being discussed.

The tenants' group is delighted that their Vice Chair Marlene Price has been awarded the British Empire Medal in the Queen's Birthday Honours.

This year's ARCH tenants' conference is on 18 September kindly hosted by Birmingham City Council. It will be an exciting event organised by the tenants' group for tenants of ARCH members. The conference will include an interactive small-group session to develop a 'Tenants' Manifesto', which they hope will be sent to all the major political parties, plus some topical workshops on:

- How to complain effectively
- Where does my rent go?
- Tenants' rights and responsibilities

ARCH members have been sent an invitation to send five tenants to the conference as part of your ARCH membership. More information and booking arrangements can be found on the ARCH website. As only ARCH members will receive the invitation, please pass the

information about the conference on to your tenants.

The tenants' group have been developing a new member pack with lots of information which will help new tenant members on the group as part of their induction.



making a complaint

A guide for tenants produced by tenants

ARCH at Housing 2014

Answering the inevitable question at the CIH Conference in Manchester at the end of June, Housing Minister Kris Hopkins gave the inevitable answer: the government is not minded to lift council HRA debt caps any time soon.

But he threw down a challenge: if councils can spend the extra £300 million borrowing approved in the last autumn statement in full and on time, he said, we can go back to the chancellor with a much stronger case for more. The credibility of local government's call for freedom to borrow more depends on its ability to show that it has the will and the capacity to use the money effectively to deliver the extra new homes that are needed.

ARCH Administrator, Julie Morton was on the HouseMark stand ready to spread the word about ARCH's work to councils with housing. On the Wednesday night, ARCH, HouseMark and PfH held their usual drinks

reception, enabling some networking amongst councils and the chance for ARCH members have a catch-up at the busy conference over a drink or two.



From top, clockwise: 1. Bob Livermore, West Lancs BC, 2. John Conway, Kettering BC and Mattherw Warburton, ARCH Policy Adviser, 3. Cllr Paul Ellis (middle) London Borough of Wandsworth, Leonie Cooper and Bill Wright, Sustainable Homes 4. Paul Price, Tendring District Council, Brian Reilly, London Borough of Wandsworth

