

# Arch **news**

a fair deal for all our residents

Newsletter of The Association of Retained Council Housing

Number 1 Summer 2008

## Stepping up demand for fairer finance



left Secretary John Bibby right Nat. chair Cllr Milan Radlovic

**ARCH is stepping up its campaign for fairer housing finance as the credit crunch and affordability concerns force politicians to consider the potential of council housing in meeting national needs.**

The Local Government Association (LGA) has said that the economic downturn could put five million people on the waiting list for social housing in less than two years. It is calling for councils to have greater freedom to borrow against assets to re-invest in house-building. A cross-party Select Committee of MPs has also reported that councils must have the ability to build more homes to solve the deepening affordability crisis. At the same time, ARCH is involved in the Department for Communities and Local Government

and Treasury re-think on housing finance, under their joint Housing Revenue Account (HRA) Review.

ARCH's secretary, John Bibby, director of housing and community services at Lincoln City Council, is representing ARCH on the HRA and housing subsidy Review. The association's membership on a range of other working parties is detailed on the back page. 'We now have a chance to get our views across. I strongly urge all members to feed into this review of housing finance and all of those working parties in which ARCH is involved,' he said.

He added: 'There is a future for council housing. ARCH is raising the profile of stock retained authorities and demonstrating that council housing can be

a sustainable solution to meeting national needs. But we are campaigning for a more transparent and equitable funding system to enable council housing to have a viable future and ensure council tenants have a fairer deal. ARCH members are crucial in helping to shape that future.'

ARCH's national chair, Cllr Milan Radlovic of Broxtowe BC, is calling for a wholesale national debate on the future of social housing. He said: 'The Government's sentiment of building three million homes by 2020 is all very well. But people are seeing the limitations of the market as private developers are stopping building and housing associations will be affected by the credit crunch. Ministers are having to sit up and take notice.

'Retained stock councils need a fairer finance system that allows local authorities self determination and ensures that each local authority has enough income to manage their properties and neighbourhoods effectively,' he said.

## ARCH AGM

ARCH's Annual General Meeting will take place on Wednesday 2nd July 2008 at 11.00am at the offices of the Local Government Association, Smith Square, London, SW1P 3HZ.

We hope all members will be able to attend. ARCH is now entering its third year of operation. With a growing number of members and available resources, members need to consider how best to build on the initial work in setting up the organisation in order to progress its aims and objectives for the mutual benefit of its members.

The agenda and papers are available on the ARCH website:  
[www.archhousing-org.uk](http://www.archhousing-org.uk)

*For further information contact ARCH secretary, John Bibby on tel: 01522-873200 or email: [arch@lincoln.gov.uk](mailto:arch@lincoln.gov.uk)*

## Share your views

Welcome to ARCH News, the first in a series of regular newsletters to update members and partners on the Association's activities. ARCH is raising its lobbying, research and media profile and inside you will find news on:

- HRA Review research
- Policy commentary from APSE
- Membership survey feedback
- TPAS tenant involvement
- HouseMark performance management
- Latest membership benefits

We hope you find this useful. Anyone wishing to contribute their news and views on issues facing stock retained authorities can contact its editor, Nicola Carroll, on tel: 01422-842470 or email: [nicolacarroll01@yahoo.com](mailto:nicolacarroll01@yahoo.com)

# A louder voice for council residents

**ARCH's second tenants' and residents' conference in Derby showed there was a strong desire to strengthen the involvement of people who actually live in council homes. The Tenant Participation Advisory Service (TPAS) has been commissioned to make that happen.**

ARCH's executive currently includes one tenant and the organisation wishes to reflect tenants' views properly and ensure there is a tenants' focus in all its work – especially around the HRA Review and the Government intention that ALMOs and retained council housing should be regulat-

ed by new regulator, OFTENANT, and the establishment of a National Tenant Voice.

ARCH is keen to have a tenant sub group to include a small group of tenants that can work closely with the Executive. This will mean better access to the views of those who have voted for the council to be their landlord, which is critical to ensure that Government listens to ARCH and sees it as a representative body for the sector.

TPAS has been commissioned to work alongside the Executive in the recruitment process for the ARCH tenant sub group.

TPAS will recruit tenants and residents to the sub group and offer others an opportunity to be part of a wider email or post group. Once the tenant sub group is in place, TPAS will be supporting ARCH to hold the first meeting this summer to consider developing the role of the group and key areas of interest.

*Anyone interested in knowing more or receiving an application pack can contact Marilyn Thornley, TPAS special projects manager on tel: 01204 465889 or email: marilyn.thornley@tpas.org.uk.*



Council housing in Broxtowe BC: council provision of housing should be looked at within the wider sustainable neighbourhood context

**COMMENT** APSE's Phil Brennan puts the case for a Decent Neighbourhoods Standard, recognising the holistic contribution of council housing to sustainable communities

## Building decent neighbourhoods

**The nation is waking up to a glaring fact some of us have recognised for a long time; councils are well placed to meet the urgent demand for affordable homes.**

APSE has 260 members who provide front-line council services across the UK - including both stock retainers and ALMOs. We have campaigned for many years for local authorities to have a level playing field in terms of access to funding and freedoms to borrow against their assets to finance more affordable homes. We have therefore been delighted to support ARCH in helping it get established, acting as its secretariat over the past two years and taking forward its priorities. We are pleased to see ARCH gathering momentum and the views of tenants starting to get heard.

APSE is also encouraged that politicians of all colours are finally seeing the important part councils can play as owners, managers and providers of affordable homes with local democratic

accountability. This has been witnessed in housing minister Caroline Flint's recent statements on housing market demise, the LGA's call for a better system to meet housing needs and the Treasury report on availability of social rented housing.

As well as the dawning recognition of the ability of councils to put roofs over people's heads, APSE is also keen to promote political understanding of the potential of direct council housing provision in meeting wider, holistic aims of local and central government. This is why APSE has developed a model called the Decent Neighbourhoods Standard, which sets out proposals for councils to be able to move beyond the Decent Homes Standard and have resources to address wider local priorities; such as anti-social behaviour, environmental considerations and provision of public spaces.

APSE is continuing to provide membership, lobbying, media and associated services for ARCH, and is also cur-

rently undertaking two pieces of focused research. The first examines mixed and sustainable communities; the council's role in promoting them and the link to neighbourhood renewal, economic development and physical regeneration. The second is on the controversial topic of eco-towns; how the issue is developing and the role of council housing within the bigger picture of environmental policy.

Now is time for everyone who cares about affordable housing to work together to ensure the benefits of local authorities in providing, managing, maintaining and building properties – and also joining the bricks and mortar up with wider environmental, social and economic needs locally – are maximised. APSE is determined to make that happen and its partnership with ARCH is a cornerstone in doing so.

*For more information contact APSE's principal advisor on housing tel: 0161 772 1810 or email: pbrennan@apse.org.uk*

# Demonstrate your quality performance

With the announcement of the forthcoming **Community Empowerment and Economic Regeneration Bill**, the **Government has made a firm commitment that stock retained housing authorities will come under the ambit of the new social housing regulator OFTENANT – along with ALMOs and housing associations.**

A key feature of OFTENANT regulation will be that landlords have to undertake rigorous self assessment of their performance – including evidence of how they perform compared to other social landlords – and demonstrate that tenants are being provided with quality services and choice around the nature of these services. Landlords that are able to demonstrate good performance are likely to benefit from less regulatory scrutiny and intervention from OFTENANT.

Another issue of key importance is the forthcoming government Comprehensive Spending Review 2009, which will determine the level of resources available for social housing for 2011-2014 and where these resources will be invested. Demonstrating the performance of retained stock authorities will be important in ensuring that the sector gets its fair share of resources in the face of competition from the ALMO and housing association sectors.

With these factors in mind, as many authorities as possible should benchmark their cost efficiency and performance from 2008 onwards. The ALMO sector has been able to use Housemark benchmarking results to argue to government that ALMOs are the best performing landlords in social housing. ARCH believes that retained stock authorities need to raise their game in terms of lobbying and that an evidence base is vital.

Ross Fraser, chief executive of HouseMark, the performance improvement subsidiary of the Chartered Institute of Housing and the National Housing Federation says:



Ross Fraser Chief Exec, HouseMark

'It is more important than ever for housing authorities to demonstrate that they are performing well, or if there are service delivery problems, that these are being tackled and appropriate targets for improvement are being set.

As the primary national provider of benchmarking data for the social housing sector, we are working closely with ARCH in order to build up the evidence base that the sector needs. We are also revamping our benchmarking services to make them simpler to undertake, broader in their focus and relevant to the forthcoming OFTENANT agenda.'

HouseMark will be contacting all retained stock authorities, including ARCH members, shortly to invite participation in its 2008 core benchmarking programme and intends to produce a report on sector performance for use by ARCH in its lobbying.

If you are interested in participating in this year's benchmarking exercise, please contact [helen.wood@housemark.co.uk](mailto:helen.wood@housemark.co.uk) or ring the Housemark benchmarking

helpline on 02476 472707.

Other elements of the formal partnership between HouseMark and ARCH involve:

- A quarterly Stock Retained Councils Performance Improvement Club that enables chief officers and heads of housing to network and share good practice. Contact [bob.gillis@housemark.co.uk](mailto:bob.gillis@housemark.co.uk) for more details.
- The development of a database of good housing practice delivered by stock retained councils. Contact [liz.kenny@housemark.co.uk](mailto:liz.kenny@housemark.co.uk) if you have initiatives that you think should be featured.
- An annual retained stock housing authority chief officer conference. The 2008 conference will be held at Warwick University on 13 and 14 November.

*For further information about HouseMark's work with stock retainers contact [bob.gillis@housemark.co.uk](mailto:bob.gillis@housemark.co.uk).*

## ARCH position clarified for HRA Review



Ruth Lucas, commissioned on HRA review

**ARCH has commissioned housing policy expert, Ruth Lucas, to act as a consultant to the organisation and one of the first pieces of work she will be undertaking is to formulate the organisation's response to the HRA Review.**

Ruth will develop ARCH's position on the review of the Housing Revenue Account Subsidy System. She will be examining the current system and preparing detailed proposals for how we would like the system reformed.

ARCH is a member of the Local Government Association (LGA) Working Group on housing finance reform. This group is developing a 'local government ask' for housing finance reform. Ruth is coordinating with the LGA group to ensure that ARCH's policy proposal is compatible with that of the wider local authority housing sector.

Whilst this work is still in progress, ARCH has agreed the fundamental principles of its approach.

### Principles of ARCH's approach to HRA Review

- the subsidy system has passed its 'sell by-date' and is no longer fit for purpose
- ARCH wants a reformed system that allows local authorities self determination and ensures that each local authority has enough income (from rents, asset management, grants and borrowing) to manage their properties and neighbourhoods effectively and;
- that local authorities should not be held to ransom by the vagaries of a defunct subsidy system.

**Visit HouseMark's stand 363 Hall Q at the CIH annual conference in Harrogate 17-19 June 2008 for information on work with ARCH.**

# Membership survey uncovers financial unease

**Early indications from a survey of ARCH members are that financial uncertainty is casting a long shadow over their future.**

Interviews with key ARCH contacts in member authorities, conducted to determine members' key priorities and concerns, showed that while stock retainers are coping well within the context of the numerous challenges and limited resources that face them, they are pessimistic about the longer term outlook for their properties and residents.

All of the senior housing professionals who have responded to a questionnaire so

far are emphatic that they find the current finance system too volatile, unfair and unsustainable. They are anxious for the HRA Review, which is currently under way, to provide greater clarity, equity and opportunity to fulfil their proper potential for their local communities. While ARCH members who took part are able to meet Decent Homes Standards by the 2010 deadline, there is widespread uncertainty about how they will finance maintenance and improvements in the future.

In terms of housing provision, while all respondents face an affordability crisis locally and most would like to be able to

build new homes, they are not confident about their ability to do so under current Housing and Regeneration Bill models. Some ARCH members said they are considering the housing company model, but many expressed doubts that they would have sufficient land to contribute.

The full results of the survey, conducted by Nicola Carroll, communications consultant to ARCH, will be made available to members and used for further lobbying, research and publicity purposes.

*Any members who have not yet taken part should contact Nicola on 01422 842470*

## Comments from ARCH members:

**'Central government is getting £194m from stock retaining councils. Our council is paying £3.6m of rental income to central government and we only get our Management and Maintenance Allowance back, which is a quarter of that.'**

**'The notional basis is hopeless. It is too volatile and you can't plan your budgets.'**

**'Now national HRA is moving into surplus, council tenants are subsidising the exchequer.'**

**'The current finance system is unfair, we are not in control of our business and we are treated differently to RSLs.'**

**'We collect £12m in rent and £4m goes straight to CLG.'**

## ARCH lobbying contacts

*ARCH is represented on working parties on the following topics. Members should contact the listed representative.*

### **HRA & Housing Subsidy Review**

Run by Local Government Association

ARCH rep: Ken Florey, Wandsworth

kflorey@wandsworth.gov.uk

### **Review of the Housing Revenue Account Subsidy System - rents and service charges workstream**

Run by CLG & Treasury, facilitated by CIH

ARCH rep: Ken Florey, Wandsworth

kflorey@wandsworth.gov.uk

### **Housing Advisers Group**

Run by LGA

ARCH rep: Graham Stratford, Oxford City Council

gstratford@oxford.gov.uk

### **Review of the Housing Revenue Account Subsidy System - current rules governing a local authority's HRA workstream**

Run by CLG & Treasury, facilitated by CIH

ARCH rep: John Bibby, City of Lincoln

john.bibby@lincoln.gov.uk

### **Cross domain advisory panel on social housing**

Run by CLG

ARCH rep: Brian Reilly, Wandsworth

breilly@wandsworth.gov.uk

### **Local performance information - steering group**

Run by Housemark, funded by the Housing Corporation

ARCH rep: John Bibby, City of Lincoln

john.bibby@lincoln.gov.uk

David Marshall, Wandsworth

dmarshall@wandsworth.gov.uk

## What is Arch?

The Association of Retained Council Housing was set up for councils whose tenants have chosen the local authority as their landlord.

ARCH brings councils who own and manage housing together to get the best deal for their tenants.

### WHAT DOES ARCH DO?

- Promotes best practice
- Listens to the views of tenants
- Represents collective interests of stock retained councils nationally
- Lobbies for a fairer, clearer finance system to allow councils to provide affordable homes in a sustainable way
- Demonstrates the benefits of retained stock in meeting wider local and national priorities

### WANT TO KNOW MORE?

For further information on ARCH membership and activities, contact:

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