

Briefing

Criteria for assessing future stock transfer proposals

From the Shelter policy library

07/12/05

www.shelter.org.uk

© 2005 Shelter. All rights reserved. This document is only for your personal, non-commercial use. You may not copy, reproduce, republish, post, distribute, transmit or modify it in any way.

This document contains information and policies that were correct at the time of publication.

Shelter

Introduction

Shelter's approach towards transfer of housing from local authorities is pragmatic. Housing should be suitable, of good quality, secure and affordable. Who the landlord is should therefore be of secondary concern. The question of who should own and manage the houses should be judged by the quality of the service that tenants and wider society receive.

In particular, Shelter is concerned with the impact of transfer on future tenants and how transfer organisations will work with councils to meet housing need. In some cases, transfer will be the right option for an area, in some cases it will not.

What we know about transfer in operation in Scotland is dominated by the experience of three councils who may not give a balanced representation of what might happen elsewhere. The circumstances of every council are different, and each transfer arrangement will be unique. A further problem in assessing current experience is that in Scotland, unlike England, there is a lack of research to evaluate the performance of post transfer housing associations. In light of these problems, Shelter held a round table discussion of housing experts in order to identify the key issues relating to the impact of transfer on future tenants and homelessness services. The discussion informed the development of a set of criteria by which future stock transfers could be assessed. Each of the criteria is assessed through a series of questions that can be asked of stock transfer proposals. These questions are the most appropriate way of assessing how each stock transfer will impact on the main areas of concern for future tenants and homeless applicants.

The approach to assessing stock transfer on a case-by-case basis recognises that councils should have local discretion to plan transfer to suit local needs. What works for Edinburgh may not work for Western Isles. Some local authorities may retain management of temporary accommodation for example, but others may choose to lease back property from the transfer organisation. Whatever option is considered, our concern is that the service homeless people receive is the best possible one, and that the prospects for future tenants are as good, if not better, than if the housing continued to be managed by the local authority.

Shelter argues that future transfers should be considered carefully and proposals assessed on the basis of a number of criteria that go beyond the limited financial implications. The criteria are set out below and explained with a list of questions that should be applied to future stock transfer proposals. Stock transfer may be an important option for introducing investment into social housing, however, it should only go ahead if there are appropriate and sufficient measures in place to ensure that the interests of

Criteria for assessing future stock transfer proposals

future tenants are secured and that the local authority can continue to deliver appropriate services and support for homeless people.

Criteria and questions

There is a proper regard for discharge of statutory functions and emerging best practice by the council and transfer organisation early in the transfer process

- Are local authorities giving sufficient priority to homelessness and access to housing in planning for transfer? At what stage in the planning process is the impact on homelessness services and access to housing considered?
- Does the transfer agreement set out how local authority statutory housing and homelessness duties will be met post-transfer, for example agreements regarding referrals and so on?

What Shelter recommends:

Although transfer is often pursued for financial reasons and justified as a way of providing enhanced services to existing tenants, access to housing for new tenants must be maintained and improved. Following transfer of its housing stock, the local authority will have residual functions (for example statutory duties towards homeless people) that will require it to have an ongoing interest in housing stock and management. How these functions are to be met should be considered early in the transfer process. Clear commitments should be given by both the local authority and the transfer organisation over how they will work together and the new role of both organisations in supporting and housing homeless applicants. The approach to homeless services should seek to meet needs and find solutions rather than merely fulfil a statutory duty. Best practice emerging from the recommendations of the Homelessness Task Force, and the implementation of new legislation will continue to present challenges to housing providers. These challenges of transfer are about more than just securing lets to homeless people; transfer proposals can represent an opportunity for organisations to demonstrate clear commitments to delivering on the wider homelessness agenda.

Homelessness services will be provided to a high standard

- How is the homelessness service to be managed? Will the local authority retain a meaningful in-house service?
- Who will carry out the assessment of homeless applications?
- What are the arrangements for making referrals of homeless applicants to Registered Social Landlords (RSLs)?
- What training is being given to retained staff who are delivering the homelessness function?
- What training will be given to staff in the RSL on homelessness issues?

What Shelter recommends:

The local authority should provide details of their plans to provide ongoing homelessness services following transfer. This will include evidence that the new role of the local authority has been fully considered and best practice taken into account when designing services. Clear agreements and protocols should be set out between the local authority and the transfer organisation and other RSLs for providing accommodation. The transfer can be the basis for the local authority to renew their relationship with all RSLs in their area, not just the transfer organisation. The system should be designed to ensure minimum disruption for applicants during the transfer process. The requirement to move towards integrated assessment of homelessness applications will require an in-house capacity to look at the housing needs alongside other support requirements. Transfer can be a point at which a local authority can implement more holistic and effective assessments in considering homelessness applications. The new role for staff that will deal with homelessness applications should be fully considered and plans and commitments in place to fulfil the training need. Where a transfer organisation and local authority absorb the pre-existing staff in the local authority housing department, both organisations should have a commitment to training and providing support on how the homelessness role of these staff will change.

Future provision of temporary accommodation will be ensured

- What is happening with temporary accommodation? How much is to be retained in house? What contracts have been set up with other providers?
- How much has the local authority anticipated rising demand for lets from homelessness law changes?
- Is there flexibility to change policies and agreements between the local authority and the RSL if legislation changes?

What Shelter recommends:

There should be evidence that the local authority has fully considered the future of temporary accommodation following stock transfer. This will involve predicting future demand for accommodation and ensuring that there is flexibility in its ability to access more or less accommodation as demand dictates. High standard of management should be maintained and it will remain the responsibility of the local authority to ensure that appropriate accommodation is used. A variety of sources of temporary accommodation could be considered including RSLs and the private rented sector, however, it will also be necessary for the local authority to retain a good supply of temporary accommodation in-house. The local authority will be required to consider the circumstances when it might be appropriate to outsource the supply of temporary accommodation and under what conditions this should be done. Changes to the legislation around homelessness are being phased in up to 2012. The transfer plans will therefore show how the local authority is anticipating these new requirements and give a strategy to implement the changes. Effective arrangements will show a degree of flexibility in order to respond to future legislative and good practice requirements.

Housing allocations will be managed appropriately

- Is the local authority contracting out management of the waiting list, as is the case in transfers in England?
- What are the existing or proposed arrangements for a common housing register?

What Shelter recommends:

Transfer presents an ideal opportunity for a common housing register to be established if it doesn't already exist. There are significant advantages for waiting lists to be amalgamated so that someone who applies for social housing does not have to apply separately to each provider. Shelter supports the principle that common housing registers should be open to anyone in housing need and exclusion for reasons such as rent arrears or previous eviction should end. A single register should be held for both stock from the

transfer organisation and all other RSL stock in an area to enable access to the complete range of houses available. Who manages this register is of secondary importance.

Regardless of whether the responsibility for managing housing allocations is retained in-house or assigned to another agency, the local authority retains the statutory duty to ensure that homeless households are given appropriate permanent accommodation and are not kept in temporary accommodation for an extended period. It is important that the RSLs in the area, including any transfer organisation, work together with the local authority to ensure a strategic approach to allocations that creates sustainable outcomes for homeless people. If the local authority proposes to contract out the waiting list, the local authority will retain responsibility for reviewing and overseeing the operation of the list and will be required to implement effective systems to do this. The local authority should have a detailed understanding of how the list is operated and negotiate protocols for the decisions that are taken about allocation to homeless applicants. This arrangement should enable council workers to effectively champion the interests of homeless applicants and to ensure that sustainable solutions to housing needs are found.

Ongoing management of housing is assured to high standards and will be monitored

- What are the housing management arrangements for the new landlord(s)? For example, are there assurances from the transfer organisation about a responsible evictions policy, are policies on rent arrears consistent with the landlord providing housing to people who may be vulnerable as opposed to an overriding concern with maintaining revenue?
- In the transfer agreement, are there in-built sanctions and incentives to improve RSL performance, such as requiring a percentage of new build properties be reserved for referrals?

What Shelter recommends:

The local authority has a duty to ensure that homelessness prevention strategies are followed. This will require their continuing interest in the ongoing management of the housing, and ensuring that the transfer organisation continues to make properties available for new tenants and homeless referrals. The council should have a continuing interest and role in influencing the management policies of the RSL as they relate to tenancy sustainment and homelessness. In particular, we seek assurances that the transfer organisation will not have merely a mechanical approach to rent arrears. The approach to housing management should not be one where a concern with balancing revenue overrides the responsibility of the landlord to provide housing to people who may be vulnerable or have chaotic lifestyles. Organisations should ensure that evictions are

used as a last resort in dealing with rent arrears and that support will be offered to deal with problems that threaten the sustainment of the tenancy. In addition, there should be a commitment between the local authority and the transfer organisation never to evict where housing benefit issues are involved.

Housing supply will be maintained and extended to meet future need

- What are the plans for demolition and how will this affect the supply of temporary and permanent accommodation? How many new build and/or replacement homes are planned?

What Shelter recommends:

The transfer organisation has the ongoing responsibility to meet housing demand and provide for housing need. The local authority has the responsibility to satisfy itself that following transfer, there will continue to be enough houses to satisfy housing need and provide accommodation for new tenants. If demolition or renewal works are planned, will enough replacement houses be built or bought? Can the local authority assess whether this will be sufficient to provide a supply of temporary and permanent accommodation?

There should be genuine community involvement at all stages of the transfer and in the future management of the housing

- What is the involvement of tenants in the transfer? Are the working groups meaningful?
- Can it be considered a genuine transfer to community ownership (in terms of stock size to be managed)?

What Shelter recommends:

There are two models of large-scale transfer in Scotland. The first, modelled only in Glasgow so far, is an attempt to create new smaller RSLs, with their roots in particular communities. All other transfers so far are following a single transfer route, where the council housing all goes to a single RSL.

Much of the promotion of transfer as a model (to the extent that it has focused on anything other than financial benefits) has drawn on three decades of success in the community-based housing association movement. It may be ironic, then, that transfer in practice is part of a process in which the community-based movement is being marginalised (ongoing mergers are also contributing to this). Having a more pluralistic set-up in any one area does pose challenges. The more RSLs there are the more the local authority has to

manage a series of separate relationships with fairly autonomous bodies. Not all community representatives have equal enthusiasm for sharing responsibility for housing some of the most disadvantaged people from across a council area. However, Shelter believes that if transfer simply results in the creation of local authority housing department mark two, then it will be difficult ever to break out of the expectation that it remains the default housing provider of last resort and this will undermine the aim of homeless and other vulnerable people getting full access to all the housing options in an area.