

# AWICS Housing News

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*I can safely suggest that  
there will be an election;  
England will win the World  
cup; and the financing of  
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going to change.*

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## A Year of Opportunity and Changes

At the beginning of the year it is always good to think ahead and imagine what might be. Some of these “day dreams” will be no hopers, some will be no brainers and some will cause one to stop and think.

I’ve done this and come up with the following for this year. I can safely suggest that there will be an election; England will win the World cup; and the financing of local government Housing is going to change.

Now I will leave you to decide which falls into which category – but I will give you some facts and some clues on one of them.

There will be an offer made to local authorities by the government, probably in early March, allowing them to be free of the shackles of the Housing Revenue Subsidy System.

This complicated system started off in the early part of the last century as a mechanism for central government to help local authorities provide much needed accommodation for the soldiers returning from the 1st World War – homes fit for heroes! But, it has now become so complicated that one minister commented that every time it was mentioned they would reach for a wet towel to wrap it around their head. It has changed from a system that used to see the government giving local authorities money to one in which tenants rents are being used to line Treasury coffers – so yes it is still a subsidy system!

We will have to wait for the details of the offer to emerge, but it is clear that it will involve some very large sums of money. It will be based on thirty year business plans and long term views of the size of debt that Housing Revenue Accounts (HRAs) can afford.

Currently, the national system supports around £20billion worth of debt that has been used to invest in Local Authority Housing. This will need to be redistributed to authorities on the basis of what can be afforded.

Why would an authority that is currently debt free take on these burdens from other authorities? Well there are some prizes for this bold move and these include:

- keeping all rents locally instead of paying large proportions to the Treasury
- a greater local influence over social housing
- a greater certainty over housing financial matters that will allow
- encouraging longer term asset planning and management

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*The current system is broken and the outputs from it are too uncertain. How can you plan to run and improve the major service that housing is when you are not being given key figures until a few weeks before you legally have to set the rent as has happened both this year and last year?*

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But, are these enough?

The current system is broken and the outputs from it are too uncertain. How can you plan to run and improve the major service that housing is when you are not being given key figures until a few weeks before you legally have to set the rent as has happened both this year and last year?

Surely planning over a longer period will provide more stability? Those authorities that have set up an Arms Length Management Organisation soon found that with a certain amount of greater forward awareness of funding they were able to gain millions of pounds of Value for Money savings on multi-year contracts. Ensuring that every pound went that little bit further – surely vital in this current financial climate.

So there are some big gains to be made. But for Section 151 officers who are probably going to have to sanction any changes at the local level there are also some big challenges to be faced.

Moving £20billion of debt between authorities is not going to be easy. For those authorities whose debt is going down they are going to be facing choices over the loans that are to be repaid - although Public Works Loans Board loans will be to the fore. Then there will be thorny issue of premia, with some experts claiming this could run into billions of pounds overall.

For those taking on the debt there will need to be considerations about how this will be funded – internally or externally, if by loan then what type – fixed or variable, the period and method of repayment. The Housing Revenue Account will be locked into a thirty year income flow – should the debt be also locked?

The Chartered Institute of Public Finance and Accountancy has been asked by Communities & Local Government to give advice on this process and various panels have given their views. The principle behind the advice is to give as much local flexibility as possible. Clearly, because of authority wide Treasury Management policies there is a potential for the General Fund to be affected by a large change in the amount of debt held by councils. Both interest rates and management costs are going to be affected and these mean that Treasurers need to pay close attention to the proposals to check for impacts at the Council Tax payer level.

Treasurers will I am sure pleased to note that the current arrangement for pooling 75% of the receipts from the sale of council houses is to be abandoned allowing local authorities to keep all the income from sales. They will still be free to use the 25% as they have done in the past but the 75% will have to be used for housing and regeneration. Although this comes at a time when receipts are at an all time low, it does mean that authorities can consider promoting sales as part of a wider asset management strategy.

Another proposal that Treasurers will be keen to understand in greater detail is the one around the ring-fence. For years this has been almost a battle ground between staff at the centre of an organisation and housing staff. Dividing costs between the General Fund and the Housing Revenue Account has always been an art and not a science.

The government tried to clarify the issue with the infamous circular 8/95. CIPFA have tried to help with the Accounting codes of Practice, but at the end of the day the final decision has been laid at the door of the section 151 officer. The consultation suggested a tightening of this “ring-fence” and that if there is ambiguity as to whether a particular cost should fall on the Housing Revenue Account, the test should be ‘who benefits?’ If services are provided for everyone or as part of a general obligation, the costs should fall to the General Fund. If the cost of a service can be seen to be of wider benefit than solely to tenants or leaseholders of properties within the Housing Revenue Account, that cost should be divided between the Housing Revenue Account and the General Fund according to a local agreement.

So Treasurers of authorities that still have houses on their books need to be ready to respond to a probable government offer that many feel really is a “once in a lifetime” opportunity to free an important service from detailed central government control. They will need to weigh up if the offer, in the form of an adjustment around debt, is one that they can live with.

The offer means that tenants can in future clearly see the link between their rent and the services they receive for it. Treasurers will be central to this in ensuring that clear accountability in an account that will truly become “A Landlord Account” - and we have been trying to do this since 1935 but repeated government tweaking has made this very difficult.

**Ken Lee**

**Chairman of the Housing Panel of the Chartered Institute of Public Finance and Accountancy**

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There are briefing papers on local authority housing finance and the government’s self financing proposals that can be freely downloaded from: <http://www.awics.co.uk/BriefingPapers/ViewCategory/finance/>.

‘AWICS’ is holding the 2010 series of seminars on ‘All You Want to Know about Local Authority Housing Finance 2010’ at venues around England between February and December 2010. These popular seminars are designed to be an introduction and overview of local authority housing finance. They refer to self-financing among other aspects of local authority housing finance. Places are filling quickly but there are still some places available.

If you would like more information or would like to make a booking, please visit :

[http://www.awics.co.uk/RegionalSeminars/ViewCourse/all\\_you\\_want\\_to\\_know\\_about\\_local\\_authority\\_housing\\_finance\\_2010](http://www.awics.co.uk/RegionalSeminars/ViewCourse/all_you_want_to_know_about_local_authority_housing_finance_2010)

## Many Housing Organisations Unprepared for New Regulatory Framework

With the new regulatory framework for social housing taking effect from April 2010, latest skills research commissioned by the Chartered Institute of Housing indicates that many housing organisations may be under prepared and not fully ready to what is a fundamentally new approach to regulating the sector.

The statutory change sets out the six standards that social housing providers will have to meet from 1st April 2010.

The underpinning message of the new framework is that the tenants' experience of services delivered by their landlord should be the same regardless of who the landlord is or the type of organisation. No matter whether the provider is a housing association, local authority or for-profit provider.

This message aims for a greater level of consistency developing across the social housing sector.

The six new standards set out for social housing providers are the centre piece of the new regulatory framework. The new standards describe the outcomes that are expected to be delivered and the specific requirements expected that all providers are to comply with while meeting these outcomes.

These changes have been made to regulations in this sector as it is thought the best place for the quality of services is locally between providers and their tenants. The standards require providers to set out what they offer to tenants and set local standards that reflect the priorities of local communities.

The majority of tenants state that they are satisfied with their landlord and there are many providers who already meet much of what are required in the new standards. It is also known that where performance is poor or involvement is weak this can have a significant effect on tenants' lives.

These latest proposals balance new demands on providers to be transparent and report on performance to their tenants, and hold themselves to account with a significant reduction in formalities.

Also, this includes within the Tenants Services Authority Codes of Practice, the removal of thousands of individual regulatory consents, and the demise of over 50 detailed Housing Corporation Circulars and Guidance Notes.

The survey undertaken by an independent research company on behalf of the Chartered Institute of Housing was based on a sample of 150 human resource professional and senior housing executives from across the housing sector.

Participants were asked about the impact the Tenant Services Authority's new regulatory system would have on their organisation in the coming year, almost half of all respondents (45%) considered that it

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would have only minimal impact, or were unable to give an assessment of the likely impact.

This survey was taken merely months before the new regulations come into effect. In the main just over one third of all respondents (36%) stated they thought the new Tenants Services Authority would have an impact or a major impact on their organisation.

The Chartered Institute of Housing has already welcomed the introduction of Tenant Services Authorities regulatory framework.

In particular the Chartered Institute of Housing have welcomed such measures as:

- The strong emphasis on tenant scrutiny, which will require providers to involve tenants in assessing their performance.
- The absence of any codes of practice or regulatory guidance notes. This will require providers to concentrate on achieving outcomes, not meeting overly prescriptive requirements
- The emphasis on local standards, which will require providers to work with tenants to set standards based on local needs and priorities
- The importance of sector led improvements, which will require providers to learn from each other to drive improvement.

Richard Capie, Chartered Institute of Housing's Director of Policy and Practice, said:

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*"The introduction of the new regulatory system in England will inevitably mean that housing organisations will need to change and the work of housing professionals will also have to evolve."*

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*"New skills and knowledge will be needed and our research shows that many organisations may be under-prepared and not fully ready to respond to what is a fundamentally new approach to regulating affordable housing."*

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'AWICS' is holding a seminar on 'New Standards for Housing Associations and Local Authorities' in London in April 2010. This popular seminar will explore the implications of the new standards in detail. The speakers will be Adrian Waite, Managing Director of 'AWICS' and Stephen Harriott, former Chief Executive of Amicus Horizon and 'AWICS' Associate Consultant. Places are filling quickly but there are still some places available.

If you would like more information or would like to make a booking, please visit:

[http://www.awics.co.uk/RegionalSeminars/ViewCourse/new\\_standards\\_for\\_housing\\_associations\\_and\\_local\\_authorities](http://www.awics.co.uk/RegionalSeminars/ViewCourse/new_standards_for_housing_associations_and_local_authorities)

**Adam Waite**

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## AWICS appointed as Independent Residents' Advisor in Lambeth

'AWICS' have been appointed as Independent Residents' Advisor to the tenants and residents of the three estates managed by the Lambeth Alliance of Tenant Management Organisations (LATMOS) in Lambeth. These estates are Ethelred, Magdalen and Thorlands. We have also been appointed Independent Residents' Advisor to the tenants and residents of Wellington Gardens that is also managed by a Tenant Management Organisation. In both cases tenant-led small scale stock transfers are proposed. 'AWICS' will provide independent, accurate and complete advice to tenants and residents as they consider transferring ownership and management of their homes to a Housing Association.

Adrian Waite, Managing Director of 'AWICS' said:

*"We are very pleased to have been appointed as Independent Residents' Advisor. Our role is to make sure that all tenants and residents understand the stock transfer proposals and the effect that a stock transfer would have on tenants and residents. We are here to provide independent, accurate and complete information that will help tenants and residents to make up their own minds. During the next few months we will be at meetings and providing information in various ways. If tenants and residents have any questions, concerns or opinions about stock transfer they should contact us."*

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### Lambeth Alliance of Tenant Management Organisations (LATMOS)

LATMOS a group of five Tenant Management Organisations that approached the council in 2006 with a request that the Council support them in their proposal to develop a stock transfer.

LATMOS successfully bid for a grant from the Housing Corporation to support the feasibility stage and the council agreed to match fund this grant. There have been a number of delays progressing this application due the withdrawal of two Tenant Management Organisations from the process and the undertaking of a new stock condition survey required to inform the Stock Transfer Model.

LATMOS are now in a position to move forward with their transfer proposals for the three Tenant Management Organisations that cover the Ethelred, Thorlands and Magdalen estates.

The Council has therefore appointed 'AWICS' as an Independent Resident Advisor to work with residents across the three estates to explain the transfer proposals to tenants and other residents, to gauge the level of support and report their findings back to tenants and other residents and the council.

### Wellington Mills Tenant Management Organisation

Residents from Wellington Mills are keen to explore their options to increase the level of investment into their estate following the establishment of the Arms Length Management Organisation, Lambeth Living.

Council Officers have had a number of public meetings and have undertaken an initial survey to gauge support for the method of achieving a higher level of investment than that currently being offered by the council.

The residents have requested that the Council appoint an independent advisor to work with them to decide on the option that best suits their aspirations.

### Conclusion

Tenants and other residents can contact the Independent Residents' Advisor by:

- Visiting our website at:
  - [www.awics.co.uk/View/page/ita\\_lambeth\\_latmos/](http://www.awics.co.uk/View/page/ita_lambeth_latmos/)
  - [www.awics.co.uk/View/page/ita\\_lambeth\\_wellington\\_mills](http://www.awics.co.uk/View/page/ita_lambeth_wellington_mills)
- Emailing [adrian.waite@awics.co.uk](mailto:adrian.waite@awics.co.uk)
- Telephoning the freephone helpline on 0800 028 8363
- Texting 07971 321863.
- Writing to: Adrian Waite at AWICS Limited, Appleby Business Centre, Bridge Street, Appleby in Westmorland, Cumbria. CA16 6QH.

The role of the Independent Residents' Advisor includes:

- Arranging and structuring meetings.
- Procuring expert advice on major issues.
- Representing and supporting residents.
- Assisting with identifying additional benefits for residents.
- Ensuring that as many residents as possible are well informed of any proposals.
- Giving advice to individual residents.
- Designing and publishing independent newsletters and information leaflets.
- Servicing meetings as required.
- Providing to the council a clear demonstration of resident support for the chosen option

We will be attending meetings and contacting tenants and other residents in various ways over the next few months.

**Adrian Waite**

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## Developments in Housing Finance in Scotland

Scottish Housing Minister, Alex Neil has announced the latest £9million tranche of funding for new council housing in Scotland that brings total funding to £26million and that will bring over 1,300 new council homes to Scotland during 2009/10.

Seventeen councils across Scotland will share the windfall to kick-start a new generation of council houses for rent. The cash injection underpins the largest council house building programme for thirty years and is expected to support 3,000 jobs.

Mr Neil said:

*"Under the previous administration, Scotland's council housing stock was left to wither on the vine. Backed by record funding, we are now working shoulder to shoulder with councils across Scotland to reverse decades of decline in council house building."*

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*"These are challenging times for Scotland's businesses and families. Our overriding priority is to help provide access to good quality homes that people can afford. This is part of our wider economic recovery plan, a blueprint to help safeguard jobs, support the construction industry and keep the economy moving."*

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Councillor Harry McGuigan, Community Well-being and Safety Spokesman at the Confederation of Scottish Local Authorities (COSLA) said:

*"COSLA fully welcomes this money to enable the further kick-starting of council house building in Scotland. It will help councils to build much-needed quality, affordable housing at a time when there are particular pressures on social housing and on house building."*

*"What's important is that this is not just a one-off and that we deliver a longer-term, more sustainable agenda to secure affordable housing where councils and their communities have identified that it is needed."*

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Dundee City Council has welcomed its allocation from the new tranche of funding for new council housing from the Scottish Government.

Council housing convener, Councillor Jimmy Black said:

*"We submitted a very strong case for funding from the second round allocation of Scottish Government money and our efforts have been rewarded with an allocation of £800,000."*

*"We will be putting this money to very good use because it will help provide much-needed homes for those who require wheelchair housing, something that Dundee urgently requires and which we are making every effort to address."*

*"The funding will go towards the building of a total of 32 new homes for wheelchair users. They will be state-of-the-art homes which are well insulated and cheap to heat with the latest technology to support independent living."*

Meanwhile, a historical agreement between East Dunbartonshire Council and Places for People will deliver a new future as well as new homes for the village of Twechar.

Places for People will work with the local community and the council to deliver new housing and economic development opportunities to ensure the long term viability of the village. Castle Rock Edinvar, part of the Places for People Group, will also build affordable homes for rent assisted by funding from the Scottish Government as part of the agreement.

The terms of the agreement will see the Council transfer three sites - the Coal Board scheme, Davidson Crescent and Glen Shirva - to Places for People which will complete the demolition process started by the Council and arrange the construction of new homes, in partnership with the local community and the Council.

Provision of new houses is the latest part of a masterplan scheme to regenerate the village. The masterplan is being delivered by the Twechar Regeneration Group (TRG) and over the last four years a number of milestones have been achieved.

These include development of business and industrial units; improvements to the canalside; production of a design guide and a landscape masterplan for the built environment; completion of the Healthy Living and Enterprise Centre (HLEC), staffed by local people; and creation of a social enterprise organisation employing several residents on landscaping and garden maintenance. They also include help for residents to get into work; and development of footpaths and landscaping.

Councillor Michael O'Donnell, Convener of the Social Services Committee, said:

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*a historical agreement  
between East  
Dunbartonshire Council and  
Places for People will deliver  
a new future as well as new  
homes for the village of  
Twechar*

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*"The partnership we have with Places for People is centred on delivering results for the people of Twechar."*

*"When the Council set out its vision for the village, the aim was to radically transform it by providing good quality housing, as well as community leisure, training, education, health and employment facilities and opportunities. The signing of this agreement is a huge step forward for those plans."*

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Places for People development director for Scotland, Colin Rae added

*"We are delighted to be working with the local community, East Dunbartonshire Council and the Twechar Regeneration Group to revitalise the village. Places for People will remain committed to Twechar for many years after construction is completed, through our expertise in building and managing mixed tenure neighbourhoods."*

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*When the Council set out its vision for the village, the aim was to radically transform it by providing good quality housing, as well as community leisure, training, education, health and employment facilities and opportunities*

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'AWICS' is holding the 2010 seminar on 'All You Want to Know about Local Authority Housing Finance in Scotland 2010' at Falkirk in May 2010. This popular seminar is designed to be an introduction and overview of local authority housing finance in Scotland. Places are filling quickly but there are still some places available.

Our seminar 'All You Want to Know about Scottish Housing Association Finance' will be held at Falkirk in November 2010. This popular seminar is designed to be an introduction and overview of housing association finance in Scotland.

If you would like more information or would like to make a booking, please visit: <http://awics.co.uk/RegionalSeminars/ViewCourse/la-finance-2010-scotland>

**Adrian Waite**

## AWICS Are Looking for New Associate Consultant

AWICS have been working on increasing the Independent Tenant Advice services we offer to tenants, councils and housing associations throughout the United Kingdom and are currently looking for suitable qualified consultants who would be interested in working with us on such projects.

If you would be interested in working on ITA work as an associate consultant with AWICS please get in touch with us by email [adrian.waite@awics.co.uk](mailto:adrian.waite@awics.co.uk) or by phone on 017683 52165.

## The Institute of Public Sector Management

The Institute of Public Sector Management exists to cater for the needs of all managers working in the public, voluntary and not-for-profit sectors. We offer mentoring, training, career advice, conferences, seminars and occasional by-invitation events.

Members are entitled to use the designatory letters IPSM after their names, have access to a frequently updated web site, have exclusive access to an internal discussion forum, receive the Institute's quarterly journal E-TOPICS, and much, much more.

It makes sense to join a unique professional organisation dedicated to the aims and ideals of managers working in or with the not-for-profit, voluntary and public sectors - please visit [www.ipsm.org.uk](http://www.ipsm.org.uk) for further information, including an e-brochure incorporating an application form and other details, or send an e-mail to [info@ipsm.org.uk](mailto:info@ipsm.org.uk), or write to Derek Wolfe, Hon. Secretary, IPSM HQ, 45 Cherry Tree Road, Axminster, Devon, EX13 5GG, or telephone 01297-35423 for more information.

The IPSM was formed in 1982 and is celebrating 25 years of service to public sector managers - why not let an experienced and mature organisation help you to excel, both as a manager, and as a service provider?

## Upcoming Regional Seminars 2010

AWICS is currently running a new series of our regional training seminars. The upcoming regional courses include:

### All You Want to Know about Local Authority Housing Finance in England 2010

This popular series provides an introduction and overview of local authority housing finance in England. The 2010 series is fully updated and seminars will be held in every region of England.

- Northwest: Tuesday 23rd March 2010- Thistle Hotel, Haydock.
- Southwest: Wednesday 14th April 2010 – Angel Hotel, Chippenham.
- Northeast: Thursday 6th May 2010 – New Northumbria Hotel, Newcastle-on-Tyne.

### All You Want to Know about Local Authority Finance in England 2010

This popular series provides an introduction and overview of local authority finance in England. The 2010 series is fully updated.

- London: Tuesday 16th March 2010 – Ibis Hotel, Euston.
- Cumbria: Tuesday 4th May 2010 – Hallmark Hotel, Carlisle.

### All You Want to Know about Housing Association Finance in England 2010

This popular series provides an introduction and overview of housing association finance in England. The 2010 series is fully updated.

- London: Tuesday 20th April 2010 – Ibis Hotel, Euston.

### All You Want to Know about Budgets and Financial Management 2010

This popular series provides an introduction and overview of budgets and financial management in the public sector that is especially suitable for non-financial people.

- London: Thursday 13th May 2010 – Ibis Hotel, Euston.

### All You Want to Know about Local Authority Housing Finance in Scotland 2010

This popular series provides an introduction and overview of local authority housing finance in Scotland. The 2010 series is fully updated.

- Tuesday 25th May 2010 – Best Western Park Hotel, Falkirk.

For further information on all of our courses including additional date later in the year please visit our website: <http://www.awics.co.uk/RegionalSeminars/Overview/>

## Other Services

In addition to our in house and regional seminars AWICS also provide a range of other services including:

- Management Consultancy including:
- Independent Tenants' Advice
- Publications

### MARCH 2010

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