

9 July 2008

Dear Councillor

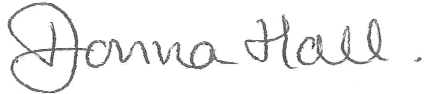
**OVERVIEW AND SCRUTINY TASK GROUP - CHORLEY COMMUNITY HOUSING - WEDNESDAY, 9TH JULY 2008**

The following reports were tabled the above meeting of the Overview and Scrutiny Task Group - Chorley Community Housing.

<b>Agenda No</b>	<b>Item</b>
7.	<b><u>Information on the contract between Chorley Council and Chorley Community Housing (Pages 7 - 50)</u></b>

The Assistant Chief Executive (Business Transformation) will present some background information on the contract between Chorley Council and Chorley Community Housing.

Yours sincerely



Donna Hall  
Chief Executive

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**This information can be made available to you in larger print or on audio tape, or translated into your own language. Please telephone 01257 515118 to access this service.**

આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822 01257 515823

ان معلومات کا ترجمہ آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون کیجئے:

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# Briefing Note

<b>From:</b>	Assistant Chief Executive (Business Transformation)	<b>To:</b>	Overview & Scrutiny Task Group
<b>Ext:</b>	5480	<b>Date:</b>	9 July 2008

## CHORLEY COMMUNITY HOUSING CONTRACT AND PROMISES TO TENANTS

### PURPOSE OF NOTE

To inform members of the elements of the Council's contract with Chorley Community Housing and the promises the Council made to tenants which it should manage and monitor to ensure that these promises are kept and delivered.

### BACKGROUND

The housing stock transfer took place at the end of March 2007 following a long period of consultation with tenants. The new company set up to deliver the improvements in both the fabric of the housing stock and additional services to tenants was Chorley Community Housing.

The stock transfer process requires that a contract is made between the Council and the new company that sets out the obligations of each of the parties.

The Council does not relinquish all responsibility to tenants once the transfer is made, as the Council is required to ensure the promises made to tenants during the transfer process are delivered. The promises in essence are the Council's promises to tenants delivered through Chorley Community Housing.

### CONTENTS OF THE CONTRACT

Set out below is a summary of the main elements of the contract, with a brief description of each element which I think are relevant to the enquiry.

### TEMPORARY ACCOMMODATION AGREEMENT

This agreement will govern the management of Cotswold House by the Company on the Council's behalf and will also govern the housing of homeless applicants to whom the Council owes a statutory duty to house by the Company. The agreement will also put the Company and the Parent under an obligation to procure (in consultation with the Council) suitable alternative temporary accommodation to replace Cotswold House by the latter two years of the Completion Date or 15 months after the grant of planning permission for the alternative site.

### FIFTH SCHEDULE – WARRANTIES

The Fifth Schedule contains two forms of Warranty (one in favour of the Lenders and the other in favour of the Company)

### PART I – DEED OF WARRANTY IN FAVOUR OF THE LENDERS

The Deed provides for a procedure for the Lenders to make a claim under the Deed. The damages are to be equal to the loss suffered by the Lenders as a result of the warranty being untrue, misleading or breached. The Lenders must demonstrate a loss before a claim can be

made. This is likely to occur only when the Company is in very serious financial difficulties and the Lenders have repossessed some or all of the Property.

The Deed of Warranty will provide that claims may only be brought by the Lenders within 30 years from the Completion Date. This period is the length of the loan. In common with other stock transfers, a financial limit on this exposure was not accepted by the Company's lenders as was thought likely at the time of our report to Council.

#### **FIFTH SCHEDULE, PART II – DEED OF WARRANTY BY THE COUNCIL IN FAVOUR OF THE COMPANY**

The form of this document is similar to the Council's warranty in favour of the Lenders and the statements (warranties) given are identical to the Lender's warranties.

As with the Lender's Warranty, the Company may in the event of any warranty being untrue, misleading or breached, serve notice on the Council and if the breach is not remedied within 28 days or if the Council has not given a satisfactory undertaking to remedy the breach (or the breach is otherwise not remediable) the Company is entitled claim damages for loss suffered.

The principal differences between the Company's Deed of Warranty and the Lender's Deed of Warranty are that the Company's rights to claim are limited in the following ways (the main limitations only are listed).

- Claims for breach of any of the warranties may only be brought within a specified period from the Completion Date; such period being agreed at 15 years (other than the environmental and vires warranties where a period of 18 years has been agreed); note that Abbey have still to agree to these limits.
- Claims for small sums cannot be brought unless a claim is greater value than £2,000 and no claim can be brought until they amount (in the aggregate) to a threshold of £25,000.
- Claims (other than in respect of vires and environmental claims) in respect of each dwelling forming part of the Property or other part of the Property affected by the breach if warranty are limited to the Rent Income foregone figure which is set out in the Right to Buy Sharing Agreement,
- The limit on environmental claims will be a separate fixed sum agreed at £18million.
- It has been agreed to provide a specific indemnity in relation to asbestos whereby the Council agreed to indemnify the Company in relation to costs incurred in dealing with asbestos in the properties if these costs exceed the provision (£2.2 million) allowed for in the Company's business plan. In relation to third party claims resulting from exposure to asbestos the Councils liability is unlimited save to the extent that the Company or its contactors have acted negligently or recklessly. It is considered by officers that this is an appropriate arrangement; firstly the Council have insurance policies to mitigate against claims arising from the Councils period of ownership of the Property (until around 3 years ago) and secondly the position is arguably analogous to potential claims by any former occupier of the Council's housing;
- There is no financial limit on vires claims.
- There are provisions which are designed to ensure that, if claims arising out of the same facts and circumstances are made both by the Company and its Lenders, the Council will only be required to meet the claim to the Lenders.
- There will be certain restrictions on the Company's ability to claim should the Company wish to redevelop any part of the Property. Broadly certain development is permitted and could result in a claim under the environmental warranties, and this includes work

anticipated by the stock condition survey, consultation promises, works to protect public health, works to maintain sewers etc, works required to underpin properties and that permitted by the General Development Order. Commercial property development would not allow the Company to claim under the environmental warranties. In relation to Social Housing Development if the Company proceed to develop and after undertaking a site survey it is discovered that the land is contaminated, the Company shall be offered by the Council either (i) monies to allow the development to proceed notwithstanding any contamination (but only to the extent that such costs would be reasonably incurred by another RSL) (ii) (at the Company's choice) an alternative development site or the repurchase by the Council of contaminated land

The above limitations are still subject to the final agreement of the Company's lenders.

#### **FIFTH SCHEDULE, PART LLL – DEED OF COVENANT BY THE COUNCIL IN FAVOUR OF THE COMPANY**

In this Deed, the Council enters into various covenants with the Company. If the Council breaches any of the covenants set out in this Deed then the Company can serve a notice on the Council asking it to remedy the breach within 28 days. If the Council fails to remedy the breach (or it cannot be remedied) the Company can claim damages from the Council.

The covenants include the following two commitments:

- a) To consider waiving the right to clawback payment where the Company ringfence proceeds of sale to provide additional Social Housing in Chorley.
- b) To assist the Company in their application to Lancashire County Council to get roads adopted

#### **PART LLL – PRICE ADJUSTMENT : VAT SHARING**

Pursuant to the provisions of this Schedule the savings realised through the VAT shelter scheme arrangements detailed above are to be shared.

The precise drafting for this agreement is yet to be settled, but broadly speaking there will be six tranches of money available for distribution under the agreement, the first tranche being a sum of £650,000 due to the Council, the second and fifth tranches being a sums to deal with any underfunding in the Lancashire Pension Scheme attributable to transferring employees (the second tranche being limited to £1,750,000 with any greater amount in the fifth tranche); a third tranche being for the Council's account in respect of the costs of insuring against the environmental warranties (together with a further contingency sum in respect of warranty claims); fourthly a sum due to the Company to support its business plan with a sixth tranche to be shared equally between the Company and the Council.

#### **CLAUSE 1 – DEFINITIONS**

This clause sets out the principal defined words and phrases which are used subsequently in the Agreement.

#### **CLAUSE 8 – NOMINATION ARRANGEMENTS, HOUSING AGENCY AGREEMENTS AND TEMPORARY ACCOMMODATION**

This clause provides that the parties will enter into Nomination Arrangements on the Completion Date. The Nomination Rights Agreement allows the Council to nominate persons to vacancies occurring in the Company's housing stock. The Agreement provides that, in general, the Council may nominate into three out of four such vacancies in the Company's housing stock. Further detail about this is provided under Part 1 of the Second Schedule.

The parties will also enter into a Housing Agency Agreement on the Completion Date under which the Company will provide various housing services related to Homelessness and the maintenance of the Housing Register and a Temporary Accommodation Agreement which will govern the Company's management of Cotswold House and the procurement of replacement temporary accommodation by the Company.

#### **CLAUSE 10 – PROVISION OF NEW TENANCY AGREEMENT**

This clause requires the Company to issue a Tenancy Agreement in the form appearing in the formal consultation document (a copy of which will be set out in Part 2 of the Eighth Schedule to the Agreement) to all tenants who transfer from the Council on the Completion Date.

The Clause also states that the Company will give all of the additional rights contained in the Tenancy Agreement to transferring tenants even if they do not sign and return their Tenancy Agreement.

#### **CLAUSE 13 – DESTRUCTION OF THE PROPERTY AND INSURANCE**

The Council agrees to reimburse the Company's reasonable costs incurred in reinstating any building which is the subject of any damage as a result of a list of standard risks. Details of any such damage known to the Council will be set out in the Ninth Schedule.

Clause 13 also obliges the Company to insure the Property for its full reinstatement cost against fire and other usual risks from the Completion Date.

#### **CLAUSE 14 - STAFF**

The clause deals with the following matters:

It requires the Council to set out (in Part 1 of the Third Schedule) the names and other related employment details of the Council's staff who are to transfer to the Company upon completion.

The Company acknowledges and undertakes that it will become the employer of the transferring staff after transfer and that the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) apply to the transfer, as well as the Statement of Practice "Staff Transfers in the Public Sector."

It provides the Company with various warranties (against which the Council may disclose) in relation to the transferring staffs' employment with the Council. Accordingly, the staff are deemed to transfer on the same terms and conditions as they enjoyed with the Council and so the Company must be aware of all previous employment history.

The Council gives the Company an indemnity against losses which may be suffered by the Company as a result of breaches of the warranties, inaccuracies in the information provided by the Council in respect of transferring staff and other matters such as failure to pay the transferring staff up to the Completion Date.

The Council also agrees to indemnify the Company against any claims made by or in relation to staff retained by the Council. The Company could bring a claim under this indemnity if, for example, the Council fails to include an employee previously working in the Housing Service on the transfer list and that employee is later dismissed by the Council, and makes a claim against the Company.

The precise terms of the warranties and indemnities remain to be negotiated between the Council and the Company, as do the terms of an indemnity to be offered by the Council in respect of its current job evaluation process.

Before transfer, the Company will gain entry into the Lancashire Local Government Pensions Fund, for the benefit of the transferring employees. The Company will require an indemnity from the Council in respect of any underfunding attributable to transferring employees. The amount of the underfunding is awaited from the Scheme's actuary. We will attempt to endeavour to limit this indemnity to the calculation by the Scheme's actuary at the next triannual valuation. It is intended that this cost be met by proceeds from the VAT shelter (see below).

#### **CLAUSE 15 – SUPPORT SERVICES EMPLOYEES**

Following transfer, the Council will provide a limited number of services to the Company under agreements set out in Part 1 of the Tenth Schedule. The Council warrant that on termination of those service agreements no employee would then have a right under TUPE to transfer to employment of the Company.

#### **Clause 22 – Dispute Resolution**

Unless there is a provision elsewhere in the Agreement to the contrary, disputes under the Agreement shall be dealt with in accordance with the dispute resolution procedure set out in this clause.

#### **SCHEDULE 1**

##### Nomination Rights Deed

The purpose of the Nomination Rights Deed is to provide the Council with a means to discharge its statutory duty to secure accommodation for certain homeless and other persons. The Deed allows the Council to nominate persons for housing in 3 out of 4 Dwellings which in accordance with the provisions of the Deed are vacant and available for letting.

The procedures for nominations have been drafted to reflect current Council practice.

##### Temporary Accommodation Agreement

This agreement will govern the management of Cotswold House by the Company on the Council's behalf and will also govern the housing of homeless applicants to whom the Council owes a statutory duty to house by the Company. The agreement will also put the Company under an obligation to procure (in consultation with the Council) suitable alternative temporary accommodation to replace Cotswold House within two years of the Completion Date.

##### Fourth Schedule – Deed of Covenant by the Company

This Deed of Covenant will be entered into by the Company in favour of the Council on the Completion Date.

If the Company breaches any of the covenants then the Council can serve a notice on the Company asking it to remedy the breach within 28 days (or such other period as the parties may agree). If the Company fails to remedy the breach the Council can claim damages from the Company. The exception to this is, however that the Company shall not be so obliged to comply with particular covenants (covenants which have a direct financial effect on the Company) if the Company can demonstrate to the Council, acting reasonably, that circumstances out of the Company's control have caused a failure to meet a covenant or that to enforce such action would occasion an event of default, or potential event of default under the Company's Loan Agreement or any refinancing agreement it enters into pursuant to the Loan Agreement.

Wherever possible, the Council will consult with the Company before commencing any action to enforce its rights under the terms of this Deed. Where the covenants referred to below are for the benefit of tenants, the Company agrees that the Council holds those covenants on trust for the benefit of tenants, as required by CLG transfer policy.

The Covenants

The Company have agreed covenants (ie legally binding commitments) in relation to the following issues:

- a) The treatment of any surpluses generated by the Company
- b) Rent and service charge increases undertaken by the Company (in particular, restricting the Company to the rent policy as described in the Consultation Document)
- c) To partake in formal consultation liaison meetings with the Council
- d) The requirement on the Company to carry out consultation promises
- e) Not to seek possession of transferring tenants' dwellings otherwise done in accordance with the provisions of the enhanced tenancy agreement to be issued by the Company
- f) To continue to allow tenants to exercise the Right to Buy
- g) Not to change the constitution of the Company insofar as it relates to the Company's objects or powers or the representation of the Council without the Council's consent
- h) to allow the Council to nominate Board Members to the Board of the Company
- i) To assist in the provision of records/files etc
- j) To maintain a budget for disabled adaptations
- k) To maintain an office presence within Chorley Town Centre

Fifth Schedule – Warranties and Covenants

The Fifth Schedule contains two forms of Warranty (one in favour of the Lenders and the other in favour of the Company) and a Deed of Covenant by the Council in favour of the Company.

## v Statutory Obligations

That no action could be taken against the Council in respect of its compliance with all appropriate statutory and bye-law requirements relating to the Property.

## xii Environmental Matters

This paragraph deals with a number of environmental issues which could affect the Property. In particular, the Council warrants that the Property complies with all current environmental laws and that there is no environmental contamination or dangerous substance affecting at, on, or under any of the Property.

The Council is looking to put in place insurance in respect of claims which the Company or the Lenders make against the terms of the environmental warranties and have appointed Marsh as brokers in this regard. Note that such insurance would not necessarily cover the full amount of any claim made, or extend to the same length of time as the warranty period. This is discussed at paragraph 3.14.3 below.

**SCHEDULE 2 – DISCLOSURES**

The Council's disclosures against the warranties will be set out in this Schedule. A disclosure will be made where a matter is not as stated in one of the warranties.



Fifth Schedule, Part 2 – Deed of Warranty by the Council in Favour of the Company

The form of this document is similar to the Council's warranty in favour of the Lenders and the statements (warranties) given are identical to the Lender's warranties.

As with the Leader's Warranty, the Company may in the event of any warranty being untrue, misleading or breached, serve notice on the Council and if the breach is not remedied within 28 days or if the Council has not given a satisfactory undertaking to remedy the breach (or the breach is otherwise not remediable) the Company is entitled to claim damages for loss suffered.

The principal differences between the Company's Deed of Warranty and the Lender's Deed of Warranty are that the Company's rights to claim are limited in the following ways (the main limitations only are listed):

- claims for breach of any of the warranties may only be brought within a specified period from the Completion Date; such period being agreed at 15 years (other than the environmental and vires warranties where a period of 18 years has been agreed); market experience is that the length of warranties provided by Councils in the last two years or so range from 15 to 20 years in respect of title warranties, although clearly each LSVT must be viewed according to its own circumstances.
- claims for small sums cannot be brought unless a claim is greater value than £2,000 and no claim can be brought until they amount (in the aggregate) to a threshold of £25,000
- claims (other than in respect of vires and environmental claims) in respect of each dwelling forming part of the Property or other part of the Property affected by the breach of warranty are limited to the Rent Income foregone figure which is set out in the Right to Buy Sharing Agreement.
- the limit on environmental claims will be a separate fixed sum agreed at £18 million
- there is no financial limit on vires claims
- there are provisions which are designed to ensure that, if claims arising out of the same facts and circumstances are made both by the Company and its Lenders, the Council will only be required to meet the claim to the Lenders
- there will be certain restrictions on the Company's ability to claim following redevelopment of the Property

The above limitations are still subject to the agreement of the Company's lenders.

Fifth Schedule, Part 3 – Deed of Covenant by the Council in Favour of the Company

In this Deed, the Council enters into various covenants with the Company. If the Council breaches any of the covenants set out in this Deed then the Company can serve a notice on the Council asking it to remedy the breach within 28 days. If the Council fails to remedy the breach (or it cannot be remedied) the Company can claim damages from the Council.

The covenants include the following:

- a) To co-operate with the Company by considering joint objectives for housing in Chorley and by giving formal and reasonable consideration to the use of its statutory powers to assist the Company in the fulfilment of its objectives
- b) To maintain all amenity and play areas which will remain in the ownership of the Council and which adjoin or are adjacent to the Property until such areas are sold or their use changes.
- c) To answer (and at its own cost) all requisitions raised by the Land Registry in respect of the Council's title to the Property to enable the Company to be registered at the Land Registry with absolute title
- d) To use reasonable endeavours to process all claims for Housing Benefit within the statutory periods

#### Fourteenth Schedule

##### Part 1 – Right to Buy Sharing Agreement

This Agreement provides that any capital receipts arising on preserved right to buy sales are to be apportioned between the Council and the Company.

Broadly, proceeds of sale will be apportioned as follows (i) the Company with a sum in respect of the Company's administration costs for administering the right to buy scheme (ii) a further sum to the Company reflecting the loss of rental income to the Company from that property (iii) the Council will receive a sum equal to 25% of the sale proceeds with (iv) the remainder of sale proceeds being to shared between the Council and Company.

The rental income formula will be calculated according to formula which will be agreed by the financial consultants Tribal and Enterprise BWNL acting for the Company and the Council respectively.

##### Part 2 – Disposal Clawback Agreement

The purpose of this agreement is to ensure that if the Company disposes of property in a certain way then the Council shall share in the value received by the Company. The Council will receive 50% of any such consideration after the subtraction of any reasonable items of cost and expenditure properly incurred by the Company in relation to the disposal.

The length of this clawback agreement together with the nature of any disposals by the Company which will be exempt from the clawback provisions are currently being negotiated between the parties.

The provisions of this clawback arrangement are not binding on any mortgagee (ie the Lenders) or any successor.

##### Part 3 – Price Adjustment: VAT Sharing

Pursuant to the provisions of this Schedule the savings realised through the VAT shelter scheme arrangements detailed above are to be shared.

The precise drafting for this agreement is yet to be settled, but broadly speaking there will be five tranches of money available for distribution under the arrangement, the first tranche being a sum of £650,000 due to the Council, the second tranche being a sum to deal with any underfunding in the Lancashire Pension Scheme attributable to transferring

employees; a third tranche being for the Council's account in respect of the costs of insuring against the environmental warranties (together with a further contingency sum in respect of warranty claims); fourthly a sum due to the Company to support its business plan with a fifth tranche to be shared equally between the Company and the Council.

## **SIXTEENTH SCHEDULE – DEVELOPMENT AGREEMENT**

### Development Agreement

Under the terms of this Agreement, the Company agrees to undertake certain works listed in a Schedule to the Development Agreement. The aim of the development works is to enhance the value of the transferred properties and broadly corresponds to the programme of works detailed in the Consultation Document. This Agreement is intended to enable the Company to recover VAT incurred on sub-contractor's invoices when carrying out the various enhancement works set out in the Schedule.

The Council is able to share in VAT recovered by the Company under the VAT shelter scheme through the VAT Sharing schedule (see Schedule 14 above).

Due to recent Inland Revenue decisions, it is possible that the VAT shelter scheme arrangements may lead to adverse consequences for the Company in respect of its liability to pay Corporation Tax. As a consequence of this, the Council and the Company have agreed a mechanism whereby the VAT shelter scheme arrangements may be unwound (but preserving the obligation of the Company to complete the works programme as specified in the promises in the Consultation Document). The mechanism for doing this involves the parties entering into one of the two alternative deeds contained in the Seventeenth Schedule.

### Seventeenth Schedule – Deeds of Variation

As mentioned above in connection with the Development Agreement, this Schedule contains two Deeds which can be used to vary the VAT shelter scheme arrangements. The arrangements can either be unwound in part (pursuant to the Deed appearing in Part 1) or in full (pursuant to the Deed appearing in Part 2). In each case, the obligation of the Company to complete the works programme in accordance with the Consultation Document is preserved through the Deed.

## **SUMMARY**

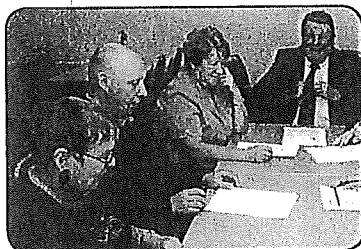
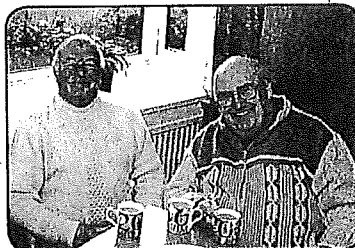
The contract represents the legal agreement to deliver the proposals made to tenants during the transfer process. The promises to tenants were set out in a consultation document circulated to all tenants and which is a plain english guide to the transfer process. The contract is the legal enactment of that consultation, which also sets out the obligations of both the Council and Chorley Community Housing. Attached at Appendix A are the relevant extracts from the consultation document. In terms of the promises made to tenants included in this briefing note is a lot of information regarding the Council's contract with CCH, but the overriding issue is that the promises made to tenants should be kept and it is the Council's responsibility to try and ensure this happens. I am happy for members to digest the document and contact me if they require clarification on any points. I shall also be attending subsequent meetings of the task group to support the scrutiny process.

GARY HALL  
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

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## Formal consultation on the proposed transfer of Council homes to:



**IMPORTANT: This document is about the future of your home**



## Summary

### Summary

Chorley Borough Council is proposing to transfer the ownership and management of all its homes to Chorley Community Housing Limited, a new, not for profit, housing organisation, which would be set up with the support of the Council if tenants vote in favour of transfer.

Chorley Community Housing would be part of the Adactus Housing Group. Adactus are based in the North West, and have worked with the Council for a number of years. Chorley Community Housing would be locally accountable, with its own Board.

This is the formal offer document which gives you details of the Council's proposals, and outlines the promises the Council are making to you should the transfer go ahead.

The Council believes the transfer will bring real benefits to you and is the only way to provide better homes, better neighbourhoods and better services. What's more, it won't cost you any extra in rent or other charges than staying with the Council; put simply, a better deal for you. But it is for you to decide whether this should happen. Transfer could only go ahead if you, the tenants, have indicated your support in a secret ballot, with a majority of those voting saying 'yes'.

The secret postal ballot of all Council tenants is to be held in the Summer of 2006.

### What would the transfer mean for you?

Here are our 12 commitments to you if the transfer goes ahead:

#### Better Homes

##### ***1 Delivering improvements to your home***

Chorley Community Housing would invest £26 Million in your homes in the first five years after transfer. This would bring homes up to the standard you have told us that you want.

##### ***2 Delivering more for your money***

Chorley Community Housing would charge you the same rent and service charge as the Council, but you would get more money invested in your home, neighbourhood and services.

##### ***3 Delivering repairs***

Chorley Community Housing would continue to provide the free repairs service, you enjoy with the Council, delivered by the same skilled in-house repairs team.

##### ***4 Delivering protection of your key rights***

Chorley Community Housing would protect your key rights, including your Right To Buy, which would be guaranteed through a new tenancy agreement.

##### ***5 Delivering new homes - NEW***

Chorley Community Housing, through joining the Adactus Housing Group, would see at least 200 more affordable homes provided in the

**FACTBOX*****Chorley Community Housing Delivering***

- *Better Homes*
- *Better Neighbourhoods*
- *Better Services*



Borough in the first five years after transfer.

**Better Neighbourhoods*****6 Delivering safer neighbourhoods - NEW***

Chorley Community Housing would set up a new, dedicated anti-social behaviour team, with access to a range of specialist equipment.

***7 Delivering services in your neighbourhood - NEW***

Chorley Community Housing would employ Neighbourhood Officers to co-ordinate services in your neighbourhood.

***8 Delivering clean neighbourhoods - NEW***

Chorley Community Housing would set up a Neighbourhood Caretaker service, to be piloted in three areas.

***9 Delivering local employment opportunities***

Chorley Community Housing would employ apprentices and would use local contractors where possible.

**Better Services*****10 Delivering new services for older people - NEW***

Chorley Community Housing would set up a Gardener/Handyperson service for sheltered schemes.

***11 Delivering tenant involvement - NEW***

Chorley Community Housing would provide a menu of opportunities for tenants to get involved, including becoming members of Chorley Community Housing, and tenants having 4 seats on the Board.

***12 Delivering customer access***

Chorley Community Housing would aim to deliver services to your doorstep, and would also provide an easily accessible office in Chorley town centre.



**Summary**

Compare the difference

	<b>With Chorley Community Housing</b>	<b>Staying with the Council</b>
<b>Same rents</b>	Yes	Yes
<b>Free repairs service</b>	Yes	Yes
<b>Security of tenure protected</b>	Yes	Yes
<b>Same staff</b>	Yes	Yes
<b>Money to be spent on homes in next 5 years</b>	£26 Million	£9 Million
<b>Homes with new kitchen layouts in next 5 years</b>	1300	0
<b>Over bath showers installed in next 5 years</b>	2816	0
<b>Number of additional homes with off street car parking</b>	985	0
<b>Number of additional affordable homes</b>	200	0
<b>Estate caretakers</b>	Yes	No
<b>Gardener/ Handyperson</b>	Yes	No
<b>Specialist anti-social behaviour team</b>	Yes	No

**Chorley Community Housing – “YES”  
to Better Homes, Better Neighbourhoods & Better Services**





## Section 1

**The Housing Transfer Proposal****FACTBOX**

*The transfer would only go ahead after a ballot of all tenants, and if the majority of tenants are in favour of the transfer.*

**Summary of Section 1:**

The Council is consulting you about a possible transfer of its homes to Chorley Community Housing, a new, local, not for profit housing organisation.

**The transfer would mean:****More investment in homes;**

- £26 Million invested in homes in the next five years;
- Homes brought up to the Chorley Standard – the standard you have said you want for your home;
- At least 200 additional affordable homes for local people;

**More investment in neighbourhoods;**

- Garden fencing and new car parking;
- Estates re-designed to reduce crime;
- Services delivered in your neighbourhood;

**More investment in services;**

- Dedicated anti-social behaviour team;

- Gardener/handy person scheme for sheltered tenants;

- Neighbourhood caretakers.

Rents the same as they would be with the Council.

Security of tenure protected.

You would deal with the same staff.

The Council would not be able to provide the same level of service in the future as it does now.

Transfer can only go ahead if a majority of tenants vote in favour.

**1 The Proposal**

Chorley Borough Council (“the Council”) is consulting you about a possible transfer of all its homes to Chorley Community Housing.

Chorley Community Housing would be set up with the support of the Council as a new, local, not for profit organisation, which means that all its income would be ploughed back into providing services to tenants and improving homes.

Chorley Community Housing would be a member of the Adactus Housing Group, but would have its own locally accountable Board, and would make its own decisions. It would benefit from economies of scale by working with Adactus, which would reduce its running costs. This would mean more money could be spent on improving homes, neighbourhoods and services.

More information about Chorley Community Housing and the Adactus Housing Group can be found in Section 7 of this document.

More than 200 transfers have already taken place across England since the late 1980s, involving over 900,000 households who have benefited from almost £14 billion of investment. Within Lancashire, transfers have taken place in Preston, South Ribble, Blackburn with Darwen, Wyre, Fylde, Hyndburn and Burnley.

The Council believes that transfer would have many benefits for tenants, but it will be for you to make the decision in a ballot of all of the Council's secure and introductory tenants. Depending on the feedback to this consultation, the Council will decide whether to go ahead with the ballot. If it does, the ballot will be held this Summer. **The transfer would only go ahead if the majority of tenants who vote are in favour of the transfer.**

You are not being asked to vote at this time, but the Council wants to hear what you think about the offer set out in this document. A response form is included in this document (inside the

front cover) for you to return to us with your views and comments. This is already addressed and you do not need a stamp. Your views are important – please tell us what you think.

***PLEASE RETURN THE FORM WITH YOUR VIEWS BY THE DATE GIVEN IN THE ACCOMPANYING LETTER.***

If you would like your card to be collected, please contact us on the free phone number below.

If you have any comments or views about any aspect of this proposal, please phone the Council's freephone help line 0800 073 0262.

## **2 Why is the Council proposing transfer?**

It has always been the Council's aim to provide good quality, well-managed and well-maintained homes at an affordable rent – now and in the future. Indeed, it has taken pride in the past in the services it has provided.

The Council has talked to tenants about the standard of homes they want to live in, and has looked at the future housing needs in the Borough. Together with tenants we have agreed the Chorley Standard, and have recently commissioned a survey of our properties to look at their condition and assess how much extra investment is needed.

This work has revealed that:

- *In total, over £140 million would need to be spent on the homes over a thirty year period;*



## Section 1

**The Housing Transfer Proposal****FACTBOX**

- £26 Million needs to be spent on your homes in the next 5 years
- 350 more affordable homes needed
- Council gives £1.6 Million of your rent money to the Government each year

- £26 million of improvements are required in the next five years to bring homes up to the standard tenants expect;
- To meet the high local demand, there is a need for an additional 350 affordable rented homes in the Borough over the next 5 years;
- You have told us you want to see more investment in your homes, more investment in your neighbourhood and more investment in the services you receive.

The Council does not have now, and is unlikely to have in the future, enough money to pay for these improvements or to fund the much needed additional affordable housing. The reasons for this include:

- This year the Council will have to pay over £1.6 million of your rent money to the Government. This is unlikely to change in the future;
- Current Government finance rules mean that the Council is not able to borrow enough money to pay for the programme of improvements needed;
- Chorley is not seen as a priority area

for Central Government funding for new affordable housing;

- The Council loses properties each year through Right to Buy sales. This reduces the money it has to repair and improve homes each year.

The decision to propose transfer was made following a thorough assessment of all the options open to the Council. This decision was made by a group of 15 tenants/leaseholders and 10 Councillors, and was unanimously supported by the Council.

**3 What are the key benefits of the transfer?**

The Council believes that the key benefits for tenants of a transfer would be:

- £26 million spent on tenants' homes within 5 years of the transfer;
- Rents and other charges the same as the Council would charge;
- Neighbourhood improvements, such as garden fencing and car parking;
- Estates re-designed to reduce crime;

- *Increased tenant participation opportunities and a direct say in running the service with 4 Tenant members on the Board;*
- *Dedicated anti-social behaviour team;*
- *Services delivered in the neighbourhood;*
- *Ownership of the homes by a new, local, not for profit housing organisation;*
- *The protection of your key rights and entitlements in a new tenancy agreement. This ensures that tenants keep all the rights they currently enjoy, plus a new right that Chorley Community Housing would not be able to change the terms of your tenancy without your agreement. The proposed new tenancy agreement, which has been drawn up in consultation with tenants is set out in section 10 of this document;*
- *At least 200 additional homes for local people at affordable rents.*

#### **4 About Chorley Community Housing**

Chorley Community Housing would be a new housing organisation, set up with the support of the Council. It would be local and not for profit, which means any surpluses would be ploughed back into housing services and paying for improvements to your homes and neighbourhoods.

Chorley Community Housing would employ the same staff who work for Chorley Borough Council Housing Services now, so you would deal with the same housing staff, including

sheltered Scheme Managers and Repairs Officers, that you do now.

It would be registered with the Housing Corporation, the government agency responsible for regulating registered social landlords.

Chorley Community Housing would be part of the Adactus Housing Group. This means they would both be able to benefit from economies of scale, so that more money could be spent on providing services to you.

More information about Chorley Community Housing can be found in Section 7 of this document.

#### **5 What happens if the transfer does not go ahead?**

If the transfer does not go ahead you would remain a tenant of the Council. The Council would do its best to deliver a good service, but would not have as much money to spend as Chorley Community Housing.

This means that the Council would not be able to keep providing the same standards of service to you. It would have to look at the times for responding to repairs. It would have to look at its other staffing costs, and would have to consider cutting back on discretionary services, such as tenant participation and providing support to tenants.

The Council would not be able to invest in the additional services that Chorley Community Housing would be able to.



## Section 1

**The Housing Transfer Proposal****FACTBOX**

- *The Council could not keep providing the same standard of service*
- *The Council could invest £17 million less than Chorley Community Housing would*
- *You would be paying the same, but getting less*

And the Council would certainly not be able to invest in your homes as much money as Chorley Community Housing. Our current estimates show that the Council would be able to invest only £9 Million in your homes in the next five years. This is £17 Million less than Chorley Community Housing would.

This means there would be a much reduced programme of new kitchens and new bathrooms. There would be no new off-street parking provision. There would be no programme of fencing to properties.

Neither would the Council be able to invest in developing more affordable housing. This means waiting lists would continue to grow as the Council could not meet the identified need for affordable housing.

Whether the transfer goes ahead or not, the rent and other charges you pay would be the same. Both the Council and Chorley Community Housing would be required to charge the same rents for similar sized properties by 2012, under Government rules.

In effect, you would be paying the same for less.

**Why can't the Council spend what is needed?**

The Council has to comply with Government rules about spending. This means:

- *The Council cannot borrow enough money to pay for repairs and improvements to your home;*
- *£1.6 million of tenants' rents are paid over to the Government each year;*
- *The Council has to give back to Government nearly three quarters of the money it gets from the sale of homes through Right To Buy.*
- *The Council has very limited money available to fund new affordable homes, and is not in a priority area for additional Government funding.*

**7 Why would Chorley Community Housing be in a better financial position than the Council?**

Chorley Community Housing would be in a better position to repair and improve homes and provide better services because:

**FACTBOX**

*Every pound of rent Chorley Community Housing receive would be spent on the housing services to you. It would not have to pay any money to the Government.*

- *It is not restricted in what it can borrow in the same way as the Council. It would be able to pay back the money it borrows over a period of about 30 years using rents to fund the repayments;*
- *Every pound of rent money received could be spent on the housing service. It would not have to pay rent money to the Government.*

### **8 How is the price that Chorley Community Housing would pay for the homes calculated?**

Chorley Community Housing would buy the homes from the Council if the transfer goes ahead.

The price that Chorley Community Housing would pay the Council follows a formula laid down by the Government.

This is very different from the value of homes sold to tenants under the Right To Buy or homes sold on the open market.

The formula takes account of:

- *The fact that properties must be kept available for affordable renting (although*

*existing tenants would still be able to buy their homes) and that tenants keep their security of tenure;*

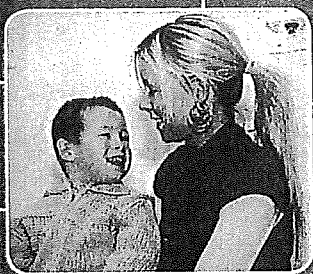
- *The likely tenant rents payable over a 30 year period;*
- *The cost of management, repairs and improvements over a 30 year period;*
- *The cost of carrying out the promises contained within this document.*

### **9 How would the Council use the money from the transfer sale proceeds?**

If the transfer goes ahead, the Council would have to use some of the money it receives to meet the cost of the transfer and also pay some of it back to the Government. Some of the money will also be used by the Council to repay loans.

### **10 What would the future role of the Council be?**

If the transfer goes ahead, the Council would no longer be your landlord, but would work in partnership with Chorley Community Housing.



## Section 1

**The Housing Transfer Proposal****FACTBOX**

*These proposals have been recommended by tenants, for all tenants, to get the investment needed to make:*

- *Better homes*
- *Better neighbourhoods*
- *Better services.*

The Council would monitor the performance of Chorley Community Housing to ensure that it meets all the promises set out in this offer document. These promises would be the subject of a legally binding contract between the Council and Chorley Community Housing.

The Council would also continue to have an important housing role. They would still:

- *Have responsibility for assessing future housing needs and condition in the Borough and plan how to meet these;*
- *Have responsibility for ensuring there is a comprehensive homelessness and housing advice service in the Borough;*
- *Continue to have a strategic housing role, to ensure that all housing organisations work together to meet the housing needs of the Borough;*
- *Be able to nominate 4 people to the Board of Chorley Community Housing ;*
- *Continue to make sure housing standards in the Borough are raised;*
- *Continue to run the housing benefit service;*

- *Continue to provide other non-housing services, such as refuse collection, environmental health and planning.*

**11 The role of tenants in developing these proposals**

Since the start of this process the Council has made sure that tenants have been fully involved. The first step was the Options Appraisal, where a working group of tenants and councillors considered the options for the Council. The tenants made up a majority of this working group, and it recommended that transfer was in the best interests of tenants.

To ensure that tenants' views have been fully considered, the Council has:

- *Consulted with the Tenants Forum and local tenants groups;*
- *Carried out various tenant surveys;*
- *Held meetings across the borough;*
- *Included tenant representatives on all groups;*
- *Appointed an independent tenant advisor (PS Consultants), who reports to a group of tenants – the ITA Steering Group;*

**FACTBOX**

*Each tenant with a secure and introductory tenancy would have a vote and joint tenants would each have a ballot paper and a vote.*

- *Issued newsletters and provided a free phone service to receive comments and feedback.*

PS Consultants were appointed by a group of tenants to give advice to all tenants throughout the process of the proposed housing transfer. They are completely independent, and represent the interests of tenants. Their contact details are to be found at the end of this Section.

## **12 The role of tenants in this consultation**

The Council is committed to an open and detailed consultation process with its secure and introductory tenants, and you have a major role to play. The Council has to follow strict rules set down by Government in holding this consultation.

The Council will consider any comments you make on the proposal set out in this document. There is a card to help you make any comments attached to the cover. Please send your comments to reach the Council by Tuesday 13 June 2006.

All views and comments received will be carefully considered. Only then will the Council decide whether to proceed with a ballot of all its

secure and introductory tenants.

Once the Council has considered the comments you make, it will write to you to let you know whether there have been any changes to the Council's proposal, and whether or not it intends to proceed with a ballot.

If a ballot does take place, the Council will let you know when it will be held, and that you can still send any objections to the Deputy Prime Minister.

If a ballot is held, each secure and introductory tenant will receive a ballot paper in the post. The ballot will be a secret postal ballot held over a four week period. The ballot will be conducted by an organisation independent of both the Council and Chorley Community Housing.

The Deputy Prime Minister will only agree to the transfer if he is satisfied that a majority of tenants are not opposed to it. This means that the transfer would not go ahead unless a majority of tenants vote in favour of the proposal.





## Section 1

**The Housing Transfer Proposal**

Each tenant with a secure and introductory tenancy would have a vote and joint tenants would each have a ballot paper and a vote.

**13 The consultation timetable**

The current plans are:

**Spring 2006**

*The period of formal consultation with tenants on the proposed transfer. Together with this document, tenants will receive a short DVD or video produced by the Council, and many will be visited at home by Council staff.*

**Spring 2006**

*The Council will consider any comments on the transfer proposal and will decide whether to go ahead with a ballot of its secure and introductory tenants.*

**Spring/Summer 2006**

*The Council would send all tenants a letter, called the 'Stage 2 Notice'. This would describe what, if any, changes have been made to this proposal, and whether it has decided to go ahead with a ballot.*

**Summer 2006**

*A secret postal ballot would be conducted by an independent organisation. Neither the Council nor Chorley Community Housing would know which way individual tenants had voted.*

*If the ballot is in favour of transfer, and the Council agrees to go ahead, the Deputy Prime*

*Minister must still give his approval before the transfer can take place. If all this happens transfer should take place by March 2007.*

**14 Where can I get more information?**

- *There are a number of ways in which you can get more information. You can:*
- *Call the Council's free phone help line on 0800 073 0262;*
- *Call your Independent Tenant Advisor, PS Consultants, on 0800 0852 207;*
- *Visit the transfer shop on Cleveland Street, Chorley;*
- *Look out for the exhibition trailer coming to your neighbourhood.*



## Section 2

## Repairs and Improvements to Your Home and Providing New Homes

### Summary of Section 2:

#### Chorley Community Housing would:

- Invest £26 million in your homes in the first 5 years after transfer;
- Bring homes up to the Chorley Standard;
- Provide a free repairs service, including a 24 hour emergency service;
- Create a Neighbourhood Fund for environmental improvements in each neighbourhood;
- Guarantee a budget of £250,000 a year for disabled adaptations for the first five years after transfer, at least;
- Develop at least 200 affordable homes in the first five years, through being part of the Adactus Housing Group.

#### The Chorley Standard

- New kitchens
- Bathrooms with over-bath showers;
- Economic, controllable central heating;
- Tenants choice for secondary heating;
- Wired smoke alarms;
- New standard for kitchens;
- PVCu double glazed windows;
- Fencing to front gardens;
- Off street parking, where practicable.

### 1 How does the Council know what needs to be done?

The Council has had an independent and detailed survey carried out on the condition of its homes. This survey shows how much money needs to be spent on the homes both now and in the future.

The Council has also gathered information from tenants, through the use of surveys and talking to tenant representatives, regarding your priorities for improvements. Through this process the Chorley Standard was set and agreed.

The independent survey showed that your homes require investment of over £140 million over the next 30 years to get them to, and keep them at, the Chorley Standard. Of this, £26 million needs to be spent in the next five years to get your homes to the standard you told us you would like.

### 2 The work Chorley Community Housing would carry out

Chorley Community Housing would do all the work identified in the stock condition survey. This includes tackling the backlog of repairs that the Council has not been able to do, and investing in improvements to your homes and neighbourhoods.

Chorley Community Housing would also carry out repairs and planned maintenance to keep the homes in good repair and condition. This includes re-introducing a painting programme

**FACTBOX**

*Chorley Community Housing would guarantee to bring your homes up to the Chorley Standard, and keep them at that high standard in the future.*

for exterior woodwork and rendering. The majority of this work will be carried out by the same repairs staff that you deal with now.

The survey work has also enabled the Council to establish what work needs doing to its homes to bring them up to a modern standard that meets your expectations. **Chorley Community Housing would give you a guarantee to carry out the repairs and improvements set out below.**

Chorley Community Housing would also have a long term investment plan. This would ensure that once the homes have been improved, Chorley Community Housing would be able to keep them at that high standard in the future.

Chorley Community Housing plans to carry out a major programme of improvements. It would spend over £26 Million in the first five years after transfer. In contrast, the Council calculates that it would have only £9 Million to spend in the next five years.

All these works have been taken into account in Chorley Community Housing's financial projections and the work outlined in this document would not result in rent increases

above those set down in this document."

### **3 What is the Chorley Standard?**

The Chorley Standard was agreed by a group of tenant representatives. Consultation with all tenants has shown very strong support for the standard. The Chorley Standard includes:

- *New kitchens*
- *Bathrooms with over-bath showers*
- *Economic, controllable central heating;*
- *Tenants choice for secondary heating;*
- *Wired smoke alarms;*
- *New standard for kitchens;*
- *PVCu double glazed windows;*
- *Fencing to front gardens;*
- *Off street parking, where practicable.*

### **4 Improvements & Modernisation**

Chorley Community Housing would start a major programme of improvements and modernisation from day one after transfer. The table on page 20 compares the work that would be carried out by the Council and Chorley Community Housing.



Section 2

**Repairs and Improvements to Your Home and Providing New Homes**

Type of Improvement	Estimated number of homes where work needed (first five years)	Chorley Community Housing Number of homes where work would be carried out in first five years	Chorley Borough Council Number of homes where work would be carried out in first five years
New kitchen layout	1300	1300	0
Over bath showers	2816	2816	0
Off-street car parking	985	985	0
Fencing	646	646	0
Mains smoke detectors	2816	2816	0
Fascias & soffits	1122	1122	0
Install/upgrade kitchen	1740	1740	1200
Install/upgrade bathroom	1150	1150	790
Install/ upgrade central heating	466	466	466
New boiler	1227	1227	1227
Rewire	600	600	600
Roofing	108	108	108

**FACTBOX**

- *Work would be carried out by skilled trades staff employed by Chorley Community Housing.*
- *Neighbourhood Fund for environmental improvements.*
- *200 more homes for rent.*

**5 Improvements to neighbourhoods & communal areas**

The environment outside the front door is as important to all of us as the fixtures and fittings inside. Chorley Community Housing would be able to invest almost £4 Million in neighbourhood improvements and improvements to communal areas in flats and sheltered schemes.

The programme of work, which would be completed in the first 5 years after transfer, would include:

- *Creating a 'Neighbourhood Fund', allocated to each Neighbourhood Group, for environmental improvements.*
- *Fencing to front and rear gardens;*
- *The provision of new and improved car parking areas where parking provision is poor and new parking areas are practical;*
- *Installation and upgrading of door entry systems;*
- *Painting to communal rooms and communal facilities in sheltered schemes and flats;*

- *Upgrading and refurbishing out buildings.*

**6 Estate re- design**

Chorley Community Housing has made provision in its financial planning to re-model two estates.

These estates, Longfield Avenue, Coppull and Greenside, Euxton suffer from poor design and layouts, but the Council has not had the money to make the necessary improvements.

Chorley Community Housing would spend over £600,000 to improve safety and close off ginnels and underpasses. This work would be completed within 5 years of the transfer.

**7 Who would carry out the work?**

All the work would be managed by staff employed by Chorley Community Housing. The improvement and modernisation would be done by trades staff employed by Chorley Community Housing and local contractors.

**8 Responsive repairs**

Chorley Community Housing would be responsible for providing the responsive repairs service, both routine and emergency. Tenants



## Section 2

## Repairs and Improvements to Your Home and Providing New Homes

tell the Council that they like the service they get at present. The aim of Chorley Community Housing is to maintain the service to current standards as a minimum, and to look to improve upon it. More details of how they intend to do this are included in Section 3.

### 9 What about disabled adaptations?

Chorley Community Housing would guarantee to continue to pay for adaptations to homes for the elderly and disabled. These costs would be built into the long term investment plan.

For at least the first five years after transfer Chorley Community Housing would spend £250,000 per year on disabled adaptations. The Council could not commit to continuing this level of investment in future years.

### 10 Would Chorley Community Housing build new homes?

Chorley Community Housing would be part of the Adactus Housing Group (see Section 7 for more information). The Adactus Housing Group have guaranteed to develop an additional 40 homes for affordable rent each year for the next five years in the Borough of Chorley. These homes would be owned and managed by Chorley Community Housing.

### 11. Support for local employment and training initiatives

Chorley Community Housing would become one of the Borough's major employers, and would be investing a lot of money in the Borough. As a major investor, Chorley

Community Housing would:

- *Employ 3 apprentices in our Repairs & Maintenance Team;*
- *Employ one modern apprentice in our offices;*
- *Employ one graduate trainee in our Housing Management service;*

### Tenants' frequently asked questions

#### *Would I be consulted on the works?*

Each tenant would be fully consulted on the proposed modernisation and improvements to their home before any work is carried out.

#### *When would the work be done on my home?*

Chorley Community Housing would have a detailed plan setting out which work is to be done on which properties. Chorley Community Housing would improve nearly all of its homes up to the Chorley Standard in the first five years after transfer.

#### *Would I have to have work done?*

No. Internal improvements, such as new kitchens and bathrooms would be optional. So, for example, if you had already installed a new modern kitchen, or simply didn't want a new one, Chorley Community Housing would respect your wishes and would not insist on replacing it.

Some works may be compulsory, if they are essential for health and safety reasons or if they are to do with the structure of the building, for example re-roofing.

***Would I get a decorating allowance when the works have been finished?***

Yes. Chorley Community Housing would pay an enhanced decorating allowance following some major works to improve and modernise homes.

***Would I have to pay extra rent for improvement works?***

No. All the works set out in this document would be carried out with no specific increase in rent.

This investment in improving your homes is all included in the financial plans for Chorley Community Housing, and would not result in additional rent increases above the annual rent rise described in Section 5 of this document.

***Would I have to move out whilst the works were being carried out?***

Wherever possible the improvement and modernisation work will be done so as to cause as little disruption as possible to you.

In exceptional cases, where particularly extensive modernisation work is required, a tenant may have to move out temporarily. In such cases Chorley Community Housing would secure suitable alternative accommodation and would pay a disturbance allowance.

***Would I have the right to do my own improvements?***

Yes. You would still be able to carry out improvements to your home. You would need the permission of Chorley Community Housing, and any planning or other consents that may be

required, depending on the work you wish to do.

If you do improve your home, within the terms of your tenancy agreement, you would not have to pay extra rent, and you may be entitled to compensation for some works if you end your tenancy and leave your home.

### Summary of Section 3:

#### Chorley Community Housing would:

- *Set up a dedicated anti-social behaviour team;*
- *Appoint Neighbourhood Officers to co-ordinate services in your neighbourhood;*
- *Set up a Gardener/Handyperson scheme for sheltered schemes;*
- *Appoint Neighbourhoods Caretakers;*
- *Provide more opportunities for tenants to get involved in the service;*
- *Introduce new customer care standards;*
- *Introduce a compensation scheme if we don't meet our standards;*
- *Maintain a customer accessible office in Chorley Town Centre;*
- *Provide a free repairs service, offering appointments, and a dedicated free phone repairs reporting number.*

#### 1 What service improvements would Chorley Community Housing introduce?

Chorley Community Housing would introduce the following new services within the first year after transfer:

- *Set up a dedicated anti-social behaviour team;*
- *Appoint named, local, Neighbourhood Officers, responsible for co-ordinating the delivery of all housing services in your area;*

- *Appoint Gardeners/handypersons to work across sheltered schemes (see Section 4 for more information);*
- *Appoint Neighbourhood Caretakers;*
- *Provide a menu of opportunities for tenants to get involved;*
- *Introduce new, higher, customer care standards;*
- *Provide choice in the colour of floor tiles in kitchens and bathrooms, and in the colour of kitchen fittings;*
- *Start work in developing locally based community facilities;*
- *Work with the Council to introduce Choice Based Lettings.*
- *Increase the value of the decorating allowance following major improvement or modernisation works.*

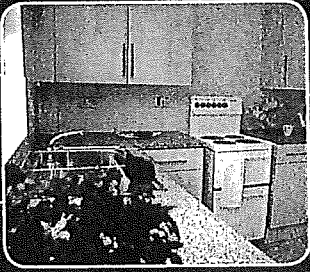
#### 2 Who would provide the service?

Following transfer, you would continue to deal with the same experienced and committed staff you see now. Chorley Community Housing would ensure that these staff are well trained and supported in delivering services to you.

Chorley Community Housing would, as a minimum, maintain existing levels of housing management services. This includes:

- *Maintaining a customer accessible office in Chorley town centre, open 8.45 am to 5.00pm, Monday to Friday;*





## Section 3

**Service Improvements****FACTBOX**

*Better Services - more for your money.*

*Chorley Community Housing would, as a minimum maintain existing levels of service, and would introduce a range of new services, at no extra cost to you.*

- *Providing a free repairs service, offering appointments, except in case of emergency repairs;*
- *Keeping a dedicated freephone repairs reporting phone line;*
- *Continuing to have an out of hours repairs reporting facility;*
- *Employing a Scheme Manager for each sheltered scheme;*
- *Providing support to tenants and residents groups;*
- *Providing a range of ways to pay your rent.*

As set out elsewhere, in this section and other parts of this document, Chorley Community Housing would look to develop new and improved services above this minimum standard.

**3 Tackling anti-social behaviour**

Chorley Community Housing believes that every tenant has the right to live peacefully in their home, without having to suffer or fear anti-social behaviour or harassment in their home or neighbourhood.

The vast majority of tenants and residents cause no problems, and are excellent neighbours. The minority who do behave anti-socially can cause misery for those who live around them, and Chorley Community Housing would work hard to deal with this minority.

Chorley Community Housing would work closely with the Council and the police to tackle anti-social behaviour, providing support to victims, and working with perpetrators to modify their behaviour where possible.

Chorley Community Housing could use the full range of remedies at their disposal to tackle anti-social behaviour, depending on the circumstances of each case, including:

**Dedicated Team** – Chorley Community Housing would set up a dedicated, trained anti-social behaviour team. They would have access to specialist legal advice, and would work closely with your local Neighbourhood Officer in seeking appropriate solutions.

**Specialist Equipment** – Chorley Community Housing would ensure that their dedicated team would be provided with the latest equipment. This would include cameras, camcorders,

**FACTBOX**

*Chorley Community Housing believes that every tenant has the right to live peacefully in their home, without having to suffer or fear anti-social behaviour or harassment in their home or neighbourhood.*

*Chorley Community Housing would use all the legal powers available to stamp down on anti-social behaviour.*

CCTV, recording equipment, noise monitoring equipment and mobile phones.

**Home visits** – to enable tenants to discuss any problems in their own home;

**Mediation Service** – Chorley Community Housing would work with a partner to provide a free, confidential, independent mediation service. Many disputes can be resolved amicably through the use of trained, skilled mediators.

**Acceptable Behaviour Contracts** – these agreements would be signed by the perpetrator of nuisance, as a pledge that they would modify their behaviour.

**Injunctions** – these can be used, following application to the court, to stop an unacceptable activity or to make someone do something.

**Anti-Social Behaviour Orders** – Chorley Community Housing, in conjunction with the police and the Council, could apply to the court for an order. These orders can be used to curb anti-social behaviour, and to stop individuals going to specified places.

**Demotion of tenancy** – Chorley Community Housing could apply to court to have someone's tenancy demoted if they have been causing nuisance and annoyance to neighbours. A demoted tenancy means that the tenant would lose some of their rights, making it easier for Chorley Community Housing to take possession of their home if their anti-social behaviour continues.

**Closing Orders** – Chorley Community Housing would support the police and the Council in making applications to court for a Closing Order where a Chorley Community Housing property is associated with Class A drug activity and disorder or serious nuisance. If a Closing Order is granted, this would mean that the tenant would not be able to return to the property for a fixed period of time, as set by the court. Chorley Community Housing would be able to take possession action during this time (see below for more information on possession action).

**Notice of seeking possession** – in the most serious cases, where work to prevent and stop anti-social behaviour has not been successful, Chorley Community Housing would serve a notice seeking possession, which is the first



## Section 3

**Service Improvements****FACTBOX**

*Chorley Community Housing would prevent anti-social behaviour by;*

- *Using starter tenancies*
- *Providing support*
- *Using local lettings policies*
- *Visiting all new tenants within 6 weeks*
- *Working with young people*
- *Providing additional security in neighbourhoods*

stage in re-possessing a tenants home. The notice would set out quite clearly how the tenant had broken the terms of the Tenancy Agreement.

**Possession Action** – if the anti-social behaviour continues, Chorley Community Housing would take the next step and apply to the court for a possession order. The court would listen to both sides, and decide if the tenants actions were serious enough to grant a possession order.

**Eviction** – if all other remedies have failed, and the tenant still continues to behave in an anti-social manner, the court may grant Chorley Community Housing a possession order, and the tenant would lose their home. Tenants who have become homeless because they have behaved anti-socially may be considered by the Council to have made themselves homeless intentionally, and are therefore unlikely to be re-housed.

#### **4 What would Chorley Community Housing do to prevent anti-social behaviour?**

Chorley Community Housing recognises that preventing anti-social behaviour is just as important as responding in the right way if it

occurs. Chorley Community Housing would adopt a range of measures to prevent anti-social behaviour, including:

- *Introducing Starter Tenancies, for all new tenants. The Starter Tenancies last twelve months, and during this time Chorley Community Housing would monitor how the tenancy is conducted. If the tenancy is not conducted in a satisfactory manner, a Starter Tenancy could be extended for a further 6 months. Starter Tenancies also allow for quicker and easier legal action to be taken to re-possess a property. If the tenancy has been conducted satisfactorily, the tenancy would be made into an Assured Tenancy;*
- *Explaining to all new tenants how serious Chorley Community Housing take anti-social behaviour, and the measures that may be taken to prevent it;*
- *Assessing the support needs of new tenants, and if appropriate making referrals to the Chorley Community Housing Tenant Support staff or to another agency;*
- *Visiting all new tenants within 6 weeks of the start of the tenancy to check they have settled*

*in and there are no problems;*

- *Giving clear and practical advice on how tenants can help to tackle anti-social behaviour;*
- *Working with partners to provide opportunities for young people to learn new skills and make new friends, with activities organised on evenings, weekends, and during the school holidays;*
- *Taking account of the needs of the community, as well as the individual applicant, when letting homes, with the use of local lettings policies in some areas;*
- *Providing enhanced security in neighbourhoods, through fencing to the front of properties;*
- *Working with the Council, the Neighbourhood Wardens Service and the police to co-ordinate activities.*

**5 How would Chorley Community Housing deliver and improve the repairs service?**

Chorley Community Housing would provide a free, customer focused repairs and maintenance service.

You would still deal with the same staff you see and trust now. Chorley Community Housing would employ a skilled team of repairs officers who would carry out most of the work on your homes, with local, skilled contractors used for specialist work or at periods of particularly high demand.

Chorley Community Housing would, as a minimum, maintain the current high standards provided by the Council. The Council cannot guarantee to maintain these standards, but Chorley Community Housing could. Chorley Community Housing would look to improve on these standards in future years. The minimum standard you could expect is:

Repairs category	Target Time
<b>Emergency</b> <i>e.g. Burst pipes; Total loss of power; Major gas leak.</i>	2 hours
<b>Priority 1: Urgent</b> <i>e.g. Unsafe electrical fitting; Total loss of water or gas supply.</i>	24 hours
<b>Priority 2: Non-urgent</b> <i>e.g. Partial loss of electrical power; Partial loss of water supply; Blocked sink or bath; Leaking roof.</i>	3 working days
<b>Priority 3: Routine</b> <i>Non-urgent repairs</i>	20 working days (AM or PM appointments offered where access is required)

Chorley Community Housing believes that providing an excellent repairs service means more than how quickly we respond. It's also about how we respond, and the quality of work



## Section 3

**Service Improvements**

that is done. Chorley Community Housing would:

- *Provide a free phone repairs reporting phone number, putting you straight through to skilled operatives who will take all the details of your repair;*
- *Provide emergency assistance 24 hours a day, every day of the year;*
- *Offer appointments for all routine repairs, including appointments in the evening and Saturday mornings;*
- *Offer a good will payment if an appointment is missed;*
- *Ensure all its repairs officers wear uniforms and carry identity badges;*
- *Aim to complete your repair in one visit;*
- *Provide opportunities for you to comment each time a repair is done to your home.*

### **6 How would Chorley Community Housing deliver services locally?**

Chorley Community Housing would appoint Neighbourhood Officers, who would be responsible for co-ordinating all the services Chorley Community Housing provide in your area.

Chorley Community Housing would let you know who the Neighbourhood Officer was for your area. The Neighbourhood Officer would:

- *Carry out regular neighbourhood 'walkabouts';*

- *Manage the work of the Neighbourhood Caretakers (see below for more information);*
- *Support and work with the local tenants and residents groups;*
- *Liase with the Council, Police and other agencies on their activities in the neighbourhood;*
- *Be responsible for ensuring that neighbourhoods are well maintained and kept clean and tidy;*
- *Assist in co-ordinating the major improvement works in the neighbourhood;*
- *Provide an initial contact point for new tenants;*
- *Co-ordinate the delivery of supported housing services in the neighbourhood;*
- *Work with the dedicated anti-social behaviour team, to keep everyone informed of progress on major cases.*

### **7 Neighbourhood Caretakers**

Chorley Community Housing would introduce a neighbourhood caretaker scheme within the first twelve months after transfer.

The neighbourhood caretakers would:

- *Carry out minor day to day repairs;*
- *Ensure that any land owned by Chorley Community Housing was well maintained;*
- *Help to ensure that neighbourhoods are kept clean, tidy and safe;*

**FACTBOX**

*Chorley Community Housing would bring services to your neighbourhood:*

- *Appoint Neighbourhood Officers*
- *Appoint Estate Caretakers*
- *Carry out regular estate 'walkabouts'*
- *Support local tenants and residents groups*

- *Ensure tenants looked after their own gardens, and provide help and support as necessary;*
- *Help new tenants to settle into their new home;*
- *Work with the Gardener/Handy-person service to be introduced for tenants in sheltered schemes.*

The Neighbourhood Caretakers service would initially be piloted in 3 areas, with the aim of rolling it out across the Borough in future years if it was successful. The three pilot areas would be: Chorley South West, Chorley East and Coppull.

### **8 Tenant Participation and involvement**

**Chorley Community Housing would put tenants at the heart of everything it does.**

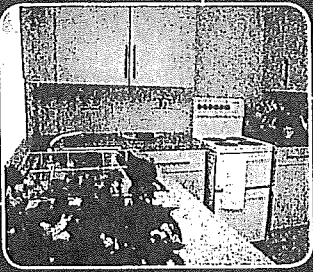
It would provide a menu of opportunities for tenants to get involved, depending on the time you can spare, and any areas of interest you may have.

Chorley Community Housing would work in partnership with the Tenants Forum and Neighbourhood Groups to review and expand

the Tenants Partnership Agreement, to provide new ways to ensure that tenants were able to influence decisions at all levels.

Some of the ways Chorley Community Housing would do this include:

- *Having four tenants on the Board (out of twelve seats in all). The four tenants would be chosen by tenants;*
- *Having an annual tenant participation budget, and dedicated tenant participation staff;*
- *Setting an annual tenant training budget, and provide dedicated training packs for tenants;*
- *Setting up a 'buddy' scheme for new tenants groups, pairing new groups with existing ones, to share skills and experience;*
- *Continuing the Tenants Investment Group, which would review the budget for Chorley Community Housing each year;*
- *Holding an annual Tenants Conference;*
- *Supporting existing tenants groups and working pro-actively to set up new groups;*
- *Funding and supporting the production of a tenants newsletter, edited by tenants, for tenants;*



### Section 3 Service Improvements

#### FACTBOX

*Chorley Community Housing would provide a range of opportunities for tenants to get involved.*

*Chorley Community Housing would introduce new standards of customer care, with a compensation scheme if we don't get things right.*

- *Reporting annually on performance, both against the promises set out in this document, and against performance standards agreed with tenants.*

#### 9 Customer Care Standards

Chorley Community Housing would set out to deliver the best possible service to all its customers. It would:

- *Introduce a Tenants' Charter;*
- *Agree clear customer care standards with tenants, and publish them;*
- *Pay compensation if we fail to meet our service standards;*
- *Report annually on performance against those standards;*
- *Establish a Comments, Compliments and Complaints Scheme;*
- *Work towards achieving Charter Mark accreditation for its customer service;*
- *Join the Housing Ombudsman Scheme, to ensure tenants are able to apply to the Housing Ombudsman if Chorley Community Housing is not able to deal with their complaint satisfactorily.*

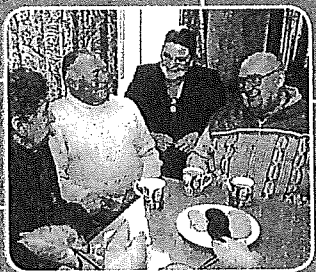
#### 10 Membership of Chorley Community Housing

Chorley Community Housing would be accountable to its tenants in the way it manages its homes and runs its housing service. As already mentioned, this would be achieved in part by having tenants make up a third of the Board.

Chorley Community Housing would like to go further than that, and provide an opportunity for all tenants to become more involved by becoming members of Chorley Community Housing.

As a member of Chorley Community Housing, you would be able to attend Annual General Meetings, and receive the Board's reports and accounts. You would also be entitled to vote on important items, such as proposals to change the constitution of Chorley Community Housing or the appointment of auditors.

**Chorley Community Housing would have an open membership policy, which means that any tenant or leaseholder could become a member.**



## Section 4

## Sheltered Housing and Services for Older People and those with Disabilities

### Summary of Section 4:

#### Chorley Community Housing would:

- *Employ Scheme Managers for each sheltered scheme;*
- *Ensure the provision of a community alarm scheme;*
- *Set up a Gardener/Handyperson scheme for sheltered tenants;*
- *Aim to provide a community facility for those sheltered schemes which do not currently benefit from one;*
- *Pay for a dedicated Occupational Therapist to reduce waiting times for assessments for disabled adaptations;*
- *Set a budget of £250,000 a year for disabled adaptations for the first 5 years after transfer, at least;*

#### 1 What would happen to the sheltered housing service?

The Council currently provides a range of services to older people, from the provision of sheltered housing to community alarms.

Over 400 of the homes that would transfer to Chorley Community Housing are sheltered, and benefit from the services of a Scheme Manager.

The Scheme Managers would automatically be employed by Chorley Community Housing if the transfer goes ahead. There would be a seamless transition of the service to Chorley Community Housing.

Chorley Community Housing would, as a

minimum, maintain your existing services, without any disruption. They would;

- *Continue to provide Scheme Managers;*
- *Continue to provide a community alarm service;*
- *Continue to provide amenities such as laundries and common rooms where they are currently provided;*
- *Continue to provide daily contact with sheltered scheme residents (Monday to Friday);*
- *Maintain the current cut and collect service for grounds maintenance;*
- *Continue to make sure that lettings to sheltered housing schemes are appropriate to each scheme.*

The Council could not guarantee to maintain all these services if the transfer does not go ahead.

#### 2 Improvements to Sheltered Housing

As well as maintaining the existing levels of service, Chorley Community Housing would introduce new and additional services. They would:

- *Set up a Gardener/Handyperson service for all our sheltered tenants. They would keep gardens clean and tidy, and do small jobs around the house;*
- *Build a new community facility for Calder Avenue/Hodder Avenue, to replace the one lost when Douglas House was demolished;*
- *Aim to provide a community facility for those sheltered schemes which do not currently*



*benefit from one, within 3 years after transfer, where practicable;*

- *Paint the communal areas in each sheltered scheme;*
- *Provide access to digital TV in each sheltered block scheme;*
- *Provide free specialist white goods (cookers and fridges) for tenants in the sheltered block schemes;*
- *Set up an older peoples forum;*
- *Provide internet access within each sheltered scheme, and training on the use of computers.*

### **3 Services to older people & those with disabilities**

Chorley Community Housing knows how important it is to provide homes that meet the needs of all our tenants, especially older tenants and the disabled. Adapting properties to meet changing requirements is important in promoting independence, and helping people to carry on living in their home.

Chorley Community Housing would:

- *Pay for a dedicated Occupational Therapist, to reduce waiting times for an assessment;*
- *Fast track minor adaptations, such as fitting handrails and lever taps;*
- *Aim to carry out all adaptations within 13 weeks of receiving the recommendation from the Occupational Therapist;*
- *Provide a budget of £250,000 for disabled*

*adaptations each year, for the first five years after transfer, at least.*

### **4 Improvements to homes and services**

Tenants in sheltered housing would also benefit from the range of improvements that Chorley Community Housing would provide.

This would include:

- *Bringing homes up to the Chorley Standard;*
- *A free repairs service. Appointments would be offered, except in the case of emergency;*
- *Setting up a dedicated anti-social behaviour team;*
- *The introduction of new service standards, with a compensation scheme if those standards aren't met;*
- *The appointment of Neighbourhood Officers, co-ordinating the delivery of all housing services at the local level.*

More information about these, and other, improvements, can be found in sections 3 and 4 of this document.

### **Would I have to pay more?**

No. As with all the promises set out in this document, the service improvements for sheltered tenants have been included in the business plan for Chorley Community Housing.

You would not have to pay any extra rent for these services, over and above the annual rent and service charge increase for all tenants, as explained in Section 5 of this document.

**FACTBOX**

*The rent you would pay after transfer would be the same as the Council would charge.*

*Chorley Community Housing would give you a Service Charge Guarantee.*

*You would get more for your money with Chorley Community Housing.*

**Summary of Section 5:**

If the transfer were to go ahead your rent would be same with Chorley Community Housing as with the Council. BUT with Chorley Community Housing you would get more for your money.

Service charges will be based on the actual amount it costs to deliver the service.

No new service charges will be introduced, unless new services are introduced following consultation with tenants.

Transfer would not change your entitlement to Housing Benefit.

**1 What Would Happen to Rents?**

If transfer goes ahead, you would pay the same rent to Chorley Community Housing as you were paying to the Council. As with the Council, rent increases would be due in April of each year. The first rent increase by Chorley Community Housing would be in April 2007. The increased rent you would be charged would be the same as the increased rent you would be charged by the Council.

**Future Rents**

Future rents would be set in accordance with a national formula set by Government. This means that your rent would be the same whether the Council stays as your landlord or the transfer to Chorley Community Housing goes ahead.

The table below sets out the average 'target' rent for 2011/12 for both the Council and Chorley Community Housing, for different types of property.

Property Type	Target Rent (weekly) 2011/12	
	Chorley Community Housing	Chorley Borough Council
1 bed	£60.86	£60.86
2 bed	£67.57	£67.57
3 bed	£75.71	£75.71
4 bed	£82.01	£82.01



## Section 5

**Rents and other charges****FACTBOX**

*Service charges would be based on the amount Chorley Community Housing actually spends on delivering the service;*

If the transfer does not go ahead, the rent you pay to the Council would be the same as you would pay to Chorley Community Housing. But, the Council would have a lot less money to invest in your properties. After transfer you would get more for your money.

For more information on the Government's national rent policy see part 11 of this section.

**3 Service Charges**

The Government is keen to ensure that all social landlords (including Councils and organisations like Chorley Community Housing) should make a charge for communal services separate from the rent. This covers services such as:

- *Communal heating and lighting;*
- *Grounds maintenance;*
- *Cleaning and caretaking;*
- *Door entry systems.*

In April 2006 the Council introduced Service Charges. The average service charge is £1.53 per week for sheltered tenants and £1.43 per week for general needs.

Chorley Community Housing's charges would be identical to the Council's, unless new services are introduced. New services would only be introduced in response to tenant demand and following tenant consultation.

Chorley Community Housing would be able to give you the following Service Charge Guarantee:

- *Any savings on the costs of providing services covered by a service charge would be accounted for in the following years charges;*
- *Service charges would follow the Council's agreed phasing and therein after would rise by no more than 0.5% above Retail Price Index (RPI) for 5 years (RPI is used to measure inflation);*
- *No new service charges would be introduced, except where new services are introduced;*
- *New services would only be introduced in response to tenant demand and following tenant consultation.*

**FACTBOX**

*Chorley Community Housing would not introduce new service charges, except where new services are introduced.*

*New services will only be introduced in response to tenant demands and consultation.*

#### **4 Rents and Service Charges with the Council**

As explained above, if the transfer does not go ahead, rent increases with the Council would be the same as those that would be set by Chorley Community Housing. Service charges would also be the same.

However, the Council would have a lot less money to spend on services to tenants, and would not be able to invest as much money in improvements to your home.

#### **5 Methods of rent payment**

With Chorley Community Housing you would be able to pay your rent in the same way you do now. There are a number of different ways to pay your rent, including:

- *By Direct Debit or Standing Order;*
- *By Post (cheque payment);*
- *By debit or credit card;*
- *Swipe card at post offices and other PayZone outlets.*

#### **6 What rent would new tenants pay?**

New tenants are those who move into a Chorley Community Housing home for the first time after the date of transfer. They would be charged the same rent as existing tenants. Chorley Community Housing would NOT operate a two tier rent system.

#### **7 Housing Benefit**

The transfer would not affect your entitlement to Housing Benefit. In addition, most service charges would also be covered by Housing Benefit.

Applications would still be made to the Council, and advice would be available from both the Council and Chorley Community Housing.

You would not need to re-apply for Housing Benefit, and your benefit claim would be automatically updated.

If transfer goes ahead tenants on Housing Benefit would have a choice as to whether they want their benefit payments to be made to them or direct to their rent account with Chorley Community Housing.



## Section 5

**Rents and other charges****8 Council Tax**

If the transfer goes ahead, there would be no change to the way your Council Tax is charged. You would still get yearly bills and be required to pay in the same way as you do now.

Your entitlement to Council Tax benefit would not change as a result of the transfer.

**9 Chorley Community Housing's policy on rent arrears**

Your rent would pay for the housing service and the investment in the homes. Chorley Community Housing believes it is not fair to the majority of tenants who do pay their rent on time, to allow a minority not to do so. However, it also realises that some tenants do sometimes have financial difficulties through no fault of their own.

Chorley Community Housing would contact any tenant who falls behind with their rent. They would work with them to find a way for arrears to be cleared over a mutually agreed time. As a responsible social landlord, Chorley Community Housing would, like the Council would, adopt a 'firm but fair' approach to tenants.

Chorley Community Housing would continue to work closely with the Citizens Advice Bureau to ensure that tenants get fair and independent advice about rent arrears.

As a last step, Chorley Community Housing, like the Council, could take court action to end the tenancy. This would only normally be done when the tenant has ignored an agreement to

pay off the arrears without any good reason. And like the Council, Chorley Community Housing would have to obtain a Court Order to obtain possession.

If the transfer goes ahead any rent arrears would transfer to Chorley Community Housing. Any tenant who owes rent to the Council would then owe that rent to Chorley Community Housing.

**10 Would there be a home contents insurance scheme?**

Chorley Community Housing would provide tenants with information about home contents insurance.

**11 Government Rent Policy**

The Government has introduced a national formula for the setting of rents (called a Target Rent) for each type of home. All Councils and registered social landlords, such as Chorley Community Housing, have to use this formula. The intention is that by 2012 rents are similar for similar properties in similar locations, regardless of whether the landlord is a Council or a registered social landlord.

The target rent is calculated using a formula made up of three elements:

- *The market value of the property compared with the national average value of social rented property;*
- *Local average earnings compared to national average earnings;*

**FACTBOX**

*Chorley Community Housing would adopt a 'firm but fair' approach to collecting rent and chasing arrears.*

- *The property's size, in terms of the number of bedrooms it has.*

It is expected that it will take until 2011/12 for Councils and registered social landlords to reach target rents. They will then be expected to set their rents in line with annual target levels.

**This means that whether your landlord is Chorley Community Housing or the Council, you would pay the same rent for your home.**

Importantly it also means that there would be no extra rent payable for the works and improvements Chorley Community Housing would undertake as outlined in this document.

After transfer, this Government rent policy means that, on average, rents would increase by RPI (Retail Price Index) plus 0.5% each year. There would also be an appropriate adjustment until the Target Rent has been reached. The maximum increase is currently capped at 5% for 2007/08.

Chorley Community Housing would guarantee to follow Government policy and guidelines in setting rents each year. All its financial plans are based on the Government rent formula.