



Summary Report to Shropshire Council Tenant and Leaseholder Consultation about the Council's ALMO Proposal

Report Prepared by PS Consultants

Shropshire Independent Tenant Adviser (ITA)

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1. Introduction

PS Consultants (PSC) were appointed in April 2012 to conduct a comprehensive consultation exercise with all tenants and leaseholders of Shropshire Council. The main objectives of that exercise were: to advise and inform tenants and leaseholders of the Council's proposal to set up an Arms Length Management Organisation (ALMO) to manage Council homes in Shropshire; to find out the extent of their knowledge of that proposal, and to ascertain if tenants and leaseholders were in favour of that proposal.

1.1 The scope of this report

This is a **Summary Report** presenting the overall findings of the work.

The **Main Report**, giving much greater detail, has been separately provided to the Council.

1.2 The Method

The consultation, carried out between June/September 2012, included:

- The distribution of a **newsletter** in June and another in August to all tenants and leaseholders of Shropshire Council providing them with information about the ALMO proposal and of the opportunities and venues for consultation and information provision, and for communication with PSC, their Independent Tenant Adviser (ITA).
- Over **70 Drop-in sessions** in the Bridgnorth and Oswestry areas.
- A **Freephone (landline) and a mobile phone service**, made available for all tenants/leaseholders to call the ITA to raise issues/ask questions about any aspect of the Council's proposal.
- PSC being available to receive and respond to **emails and letters** from tenants/leaseholders enquiring about the proposal and/or the consultation process.
- The production of **8 fact sheets** – available both in a printed version and on the ITA Shropshire web site
- The issue of a brief **questionnaire** to tenants seeking their views at drop-in sessions during Phase 1 of the consultation process.
- The distribution of the same questionnaire as a **Freepost reply card (white card) inside of the ITA newsletter 2** to 4,170 tenants and 140 leaseholders at the start of Phase 2, seeking their views on the Council's proposal. The same freepost questionnaire was given out on blue card by request to attendees of the Phase 2 drop-ins.

- The setting up of an on-line **Tenants' Forum** where tenants could register as Forum Members and raise issues with, and ask questions of the ITA.
- A **study visit** for interested tenants to **Solihull Community Homes (ALMO)**.
- **Tenants' Conferences** in both the Bridgnorth and the Oswestry areas.
- **Door knocking and walkabout exercises** during Phase 1 to consult tenants about the proposal.
- **Development and training sessions** with the Oswestry Tenant Working Group (TWG) - currently, the only area wide tenant representative group within the Council area.
- **Verification** that all participants recorded and responses received were from Shropshire Council tenants or leaseholders.

2. The Consultation Exercise and Levels of Participation

2.1. Table 1 - Number of individual tenants and leaseholders who actively participated in the consultation process:

	No.	%
Number of Council Tenants	4170	100%
Number of Council Tenants who actively participated in Consultation Process	601	14.4%
Number of Leaseholders	140	
Number of Leaseholders actively who participated in the Consultation Process	4	2.9%
Total Number of Council Tenants AND Leaseholders	4310	
Number of Council Tenants AND Leaseholders who participated in the Consultation Process	605	14.0%

Highlights

- 14.4% of all council tenants took part an active part in the Consultation Process in one form or another.
- Only 2.9% of leaseholders took part.
- The overall response was 14% of all Shropshire council tenants and leaseholders.

2.2. Number of participation instances

Tenants and Leaseholders participated in a number of different ways, many in more than one way e.g. many tenants attended one or more drop-in sessions **and** completed a freepost questionnaire. Levels of participation for each type of participation are shown in Table 2:

2.3 Table 2 – Number of participation instances by type of participation

	Phase 1	Phase 2	Total
Drop-ins	172	202	374
Completed Questionnaires	121	325	446
Freephone	11	28	39
Email/Letter	11	5	16
TWG Open Meeting	20		20
Walkabout/Door knocking	11		11
Tenant Conference	18		18
Study Visit	10		10
Online Forum (posts)		42	42
Total	374	602	976

Highlights:

- The number of instances of participation was significantly higher during Phase 2 than in Phase 1.
- Although 42 posts were added to the online Forum during phase 2, they were submitted by only 5 active Forum members.
- In Phase 1, most of the instances of participation by tenants were through attendance at drop-in sessions (172 – 46%).
- For Phase 2, most instances of participation (281 – 46.7%) were through the completion and return of the Freepost questionnaire distributed with Newsletter 2 although a significant number (202 – 33.5%) attended drop-in sessions.

2.4.1 Table 4 – Number of participation instances by area

	Phase 1	Phase 2	Total
Bridgnorth	182	310	492

Oswestry	190	234	424
Area not specified	2	58	60
Total	374	602	976

Highlights:

- Marginally more (492 - 50.4%) of all instances of participation were by tenants from the Bridgnorth area and 424 (43.4%) were from the Oswestry area; the remainder were not specified. This level of involvement broadly reflects the percentage of council properties in the Bridgnorth and Oswestry areas.

3. Responses to Questionnaire questions 1, 2 and 3**3.1 Question 1: Had you heard about the Council's proposal to set up an ALMO before you received the ITA newsletter and/or attended this meeting?**

Table 5

	Yes		No		Not Answered		Total
	No.	%	No.	%	No.	%	
Phase 1	55	45.5%	66	54.5%			121
Phase 2	183	56.3%	141	43.4%	1	0.3%	325
Phases 1 and 2	238	53.4%	207	46.4%	1	0.2%	446

Highlights:

- A higher percentage of tenants in Phase 2 (56.3%) said they had heard of the Council's proposal to set up an ALMO, than in Phase 1 (45.5%)
- Overall, 53.4% of tenants said that they had heard of the Council's proposal.

3.2 Question 2: Do you think you have enough information to make a decision about the future management of Council housing for rent in Shropshire?

Table 6

	Yes		No		Don't Know		Total
	No.	%	No.	%	No.	%	
Phase 1	65	53.7%	25	20.7%	31	25.6%	121
Phase 2	165	50.7%	100	30.8%	60	18.5%	325

Phases 1 & 2	230	51.6%	125	28.0%	91	20.4%	446
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Highlights

- The percentage of tenants, who thought that they had enough information to make a decision about the future management of Council Housing for Rent in Shropshire, was lower in Phase 2 (50.7%) than in Phase 1 (53.7%). In Phase 2 some tenants were seeking specific information eg a copy of the proposed Management Agreement, which was not yet available.
- Taking both Phases, 51.6% of respondents thought that they had sufficient information.

3.3 Question 3: From what you know now, are you broadly in favour of the Council's proposal to set up an ALMO to manage and maintain Council housing for rent from April 2013 onwards?

Table 7

	Yes		No		Don't Know		Not Answered		Total
	No.	%	No.	%	No.	%	No.	%	
Phase 1	69	57.0%	12	10.0%	39	32.2%	1	0.8%	121
Phase 2	149	45.8%	99	30.5%	77	23.7%			325
Phases 1 & 2	218	48.9%	111	24.9%	116	26.0%	1	0.2%	446

Highlights:

- Q.3 – The percentage of tenants who were broadly in favour of the proposal was lower for Phase 2 (45.8%) than for Phase 1 (57.0%).
- All of the responses during Phase 1 (121) were given at drop-in sessions, while 281 of the total number of responses given during Phase 2 (325) were given via Freepost questionnaires.
- The number of tenants who were still undecided in Phase 2 (77 – 23.7%) is significant.
- Taken together 74.9% of respondents said they were either broadly in favour or had not yet decided (did not know), as opposed to 24.9 % who said they were against the ALMO proposal.

3.4 Question 3: From what you know now, are you broadly in favour of the Council's proposal to set up an ALMO to manage and maintain council housing for rent from April 2013 onwards?

Table 8 – Comparison between the numbers of “Yes” answers (Broadly in favour of the Council’s Proposal) given by:

- (A) Tenants/leaseholders who attended Drop-ins** and answered this question (blue card)
 (B) Tenants/leaseholders who completed Freepost Questionnaires (white card)*

Type of participation	Number Completing Questionnaire and answering Q.3	Number Answering “Yes” to Q.3	%age Answering “Yes” to Q.3
Phase 1 – All (Drop-ins)	121	69	57.0%
Phase 2 Drop-ins (Blue card)	44	33	75.0%
Phase 2 – Freepost questionnaires *	281	116	41.3%
Phases 1 and 2 – All	446	218	48.9%
Phase 1 (All) and Phase 2 Drop-ins **	165	102	61.8%

Highlights:

- The percentage of “Yes” responses from tenants who attended drop-ins (61.8%) was significantly higher than from those who completed Freepost Questionnaires (41.3%).
- The percentage of “Yes” responses from tenants who attended drop-ins in Phase 2 (75%) and then completed the blue card Freepost questionnaire was significantly higher than from those who attended drop-ins in Phase 1 (57%), although the sample for Phase 2 (44) was much smaller than Phase 1 (121).
- The higher percentage of ‘No’ responses in Phase 2 was, we believe, due to the fact that those who are in principle opposed to any change in council ownership and management arrangements used the postal questionnaire to make that point. In fact the early returns from that questionnaire (i.e. being returned to us within 7 days or so) had a majority of ‘No’ responses. Thereafter the responses were much more strongly ‘Yes responses. This reflects the fact, in our view, that there is a core of tenants who are strongly opposed to the ALMO, and may well remain so irrespective of arguments made by the Council in support of an ALMO. That group tends to express an opinion, and to do so early, when given the opportunity by such thing as a questionnaire.

4. Issues and Themes raised by Tenants during the Consultation process

4.1 Tenants Forum

Excluding the ITA, there are 6 members of the online Tenants Forum set up by the ITA, 5 of whom were active in posting Threads and Posts.

The number of ‘hits’ (visits to the web site) was almost 5,000. But, as explained in the Main Report, we believe that the actual number of hits from people interested in the process was probably in the region 15-20% of that number (the remainder likely to have come from commercial web sites).

A total of 42 posts were added by Forum Members under 13 “Threads” as shown in the table below. Within these posts, members raised many issues that related to 20 main themes summarised in the table below, in descending order of the number of times the issues/themes were raised.

Themes	Number of times raised
What difference will tenants' views make? The Council will decide. Why is a ballot not being held? Will the Council listen to Defend Council Housing's petition against transfer?	7
Concern that Council might dispose of Council homes to a third party/privatisation.	5
The Tenants' Working Group/Information provided to the TWG/How representative of tenants is the TWG?	5
Why change at all?	4
Consultation costs	3
What is the ALMO experience elsewhere?	3
Who will do the work/what will their terms and conditions be?	3
How independent is the ITA?	3
How does the Council plan to show to the Homes & Communities Agency that the “requirement to demonstrate the support tenants is fulfilled?”	2
Ring-fencing the ALMO budget/Debt/Self financing	2
What about the Board of Management? Who will be on it? What is the constitution of the ALMO? Will the ALMO Board be truly representative of both Bridgnorth and Oswestry?	2
More specific information is needed on how the ALMO would work in Shropshire	1
Will the Council publish the Memorandum and Articles of Association agreed by the Council?	1
The Council is not being open and honest with tenants	1
Repairs outstanding	1
Costs- isn't the ALMO a more expensive option or is it about budget cuts?	1

What about the Board of Management? Who will be on it?	1
The Council is not being open and honest with tenants	1
Consultation and validation of feedback data from tenants	1
Rent levels/will the Council still control and set rents?	1
Total	48

Activity levels from 5 of the 6 tenant forum members were generally high and the nature of posts was questioning, searching and somewhat sceptical. However, as this number of tenant contributors (5) is very low compared with the total number of Shropshire Council Tenants and Leaseholders (4,310), their views can't be said to be representative (0.12%) of that total.

4.2 Issues/Themes raised by tenants from all sources including the online Tenants' Forum

The most commonly recurring themes (over 77% of all themes raised) raised by tenants were:

- **Questions and concerns about how the ALMO will operate once set up**
 - What about the Board of Management? Who will be on it? What is the constitution of the ALMO? Will the ALMO Board be truly representative of both Bridgnorth and Oswestry?
 - What is an ALMO and what would it do? How would it work? When will it happen? What are the differences between ALMO and the Council?
 - Who will do the work? What will their terms and conditions be?
 - Why change at all?
 - What is the ALMO experience elsewhere?
 - How will tenants be affected?
 - Costs- isn't the ALMO a more expensive option or is it about budget cuts?
 - What other options has the Council considered and why?
 - Concern that Council might dispose of Council homes to a third party/privatisation.
- **Tenants' Views/Influence**
 - What difference will tenants' views make? The Council will decide anyway. Why is a ballot not being held? Will the Council listen to Defend Council Housing's petition against transfer?
 - How will the ALMO respond to tenants?

- **Matters relating to the consultation process**

- Communication with ITA/consultation events - frequency, timing, access.

Highlights:

- Tenants were very interested to know how the ALMO Board of Management would be structured (raised 35 times), who would be on the Board and if would be truly representative of both the Bridgnorth and the Oswestry areas.
- Tenants were also concerned to know that their views would be taken into account. Questions relating to this theme were asked on 7 occasions on the online Tenants' Forum and 22 times by tenants who attended drop-in sessions.
- Of equal importance to tenants was to acquire more knowledge about what an ALMO is, what it would do, how it would work and the difference between it and the Council (raised 30 times).

5. Summary

- The total number of tenants (4170) and leaseholders (140) consulted during the period June to September was 4310.
- 601 **individual** tenants and 4 leaseholders took an active part in the consultation process, resulting in 976 instances of participation due to many tenants participating in more than one way.
- 446 tenants returned completed questionnaires during Phase 2 and answered questions 1, 2 and 3 at drop-in sessions during Phase 1 of the consultation process.
- 48.9% of tenants who completed the questionnaire/answered questions 1-3, said they were broadly in favour of the Council's proposal to set up an ALMO.
- 23.7% of tenants, who answered Question 3 in Phase 2, answered "Don't Know" to indicate that they were unsure if they were broadly in favour of the Council's proposal to set up an ALMO. That number had dropped from 32.2% in Phase 1, implying that the flow of information since spring 2012 has begun to have an impact, and that people are beginning to form a definite view on the proposal.
- Across both phases of the work those currently opposed to the ALMO proposal totalled 24.9%
- Tenant members of the online Tenants' Forum posted 42 posts under 13 main threads. The ITA posted 26 detailed responses to members' posts.
- Tenants raised issues relating to 42 main themes during drop-in sessions and other meetings, via email/letter, the Freephone and the online forum. Issues were raised most

frequently (35 times from all sources) under the theme; “What about the Board of Management? Who will be on it? What is the constitution of the ALMO? Will the ALMO Board be truly representative of both Bridgnorth and Oswestry?”

6. Conclusions and Recommendations

From an ITA perspective, an Arms Length Management Organisation proposal is the most difficult of the available council housing options to explain to tenants.

All tenants understand the option of remaining as council, tenants, with ownership and management options unchanged. And most tenants can easily understand the concept of stock transfer, whatever their views on it. But an organisation owned by the council, but functionally independent of it, which takes over the management, but not the ownership, of council homes, is a difficult concept to grasp.

Our experience elsewhere is that when concepts are difficult to grasp people tend to switch off, rather than to take an active part in seeking clarification. So active participation in the process tends to be low. This has been the experience here, as described in this report.

Nevertheless:

- The statistical analysis suggests that knowledge of the proposal grew as the consultation exercise progressed.
- Support for the proposal was significantly higher when people took the trouble to come to a meeting to discuss the proposal in some detail, rather than simply send back the ITA questionnaire.
- Opposition to the proposal is based in part at least, on a conflation of ALMO establishment with stock transfer, and ALMOs with housing associations.

If the Council moves to the establishment of an ALMO in 2013, it will have to follow the requirements of S27 of the 1985 Housing Act. Part of those requirements are in relation to tenant consultation.

Our **key recommendations** about what that consultation should focus on, therefore, are as follows:

- The distinction between establishing an ALMO and stock transfer should be constantly emphasised. Additionally, the Council should make clear that the ALMO proposal is itself ‘stand alone’ i.e. it is not seen as an, inevitable precursor, or stepping stone, to stock transfer.
- What came out strongly in the discussions at the drop-ins, although it is not easily reflected in the statistical analysis, is that tenants reacted very positively to the idea of an ALMO having well defined sub, or area, boards, based on both the Oswestry and Bridgnorth areas. The idea of a further devolution from the ALMO to sub or area boards

is one that should, we believe, be given public endorsement by the council during any S27 consultation. It would also strengthen support for the ALMO proposal if first steps in identifying possible terms of reference and membership of such boards, could be given during any S27 process.

- The text both of the Articles of Association of the ALMO, and the proposed Management Agreement between the Council and the ALMO, should also be given the widest publicity as early as possible. Although the actual documents may only be of interest to a very small number of tenants, an understanding of their content will be important in countering mis-perceptions that the ALMO is a form of housing association, or that the ALMO will act as some kind of independent private contractor setting its own standards, and adjudicating on their delivery.
- There should be as much transparency as possible in the establishment both of a Shadow ALMO Board, and the actual ALMO Board, should the Council agree the ALMO proposal. In practical terms this probably means publishing details of the Board(s) and its activities on a regular basis on the Council's web site, and through a dedicated Council (or ITA) newsletter.

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