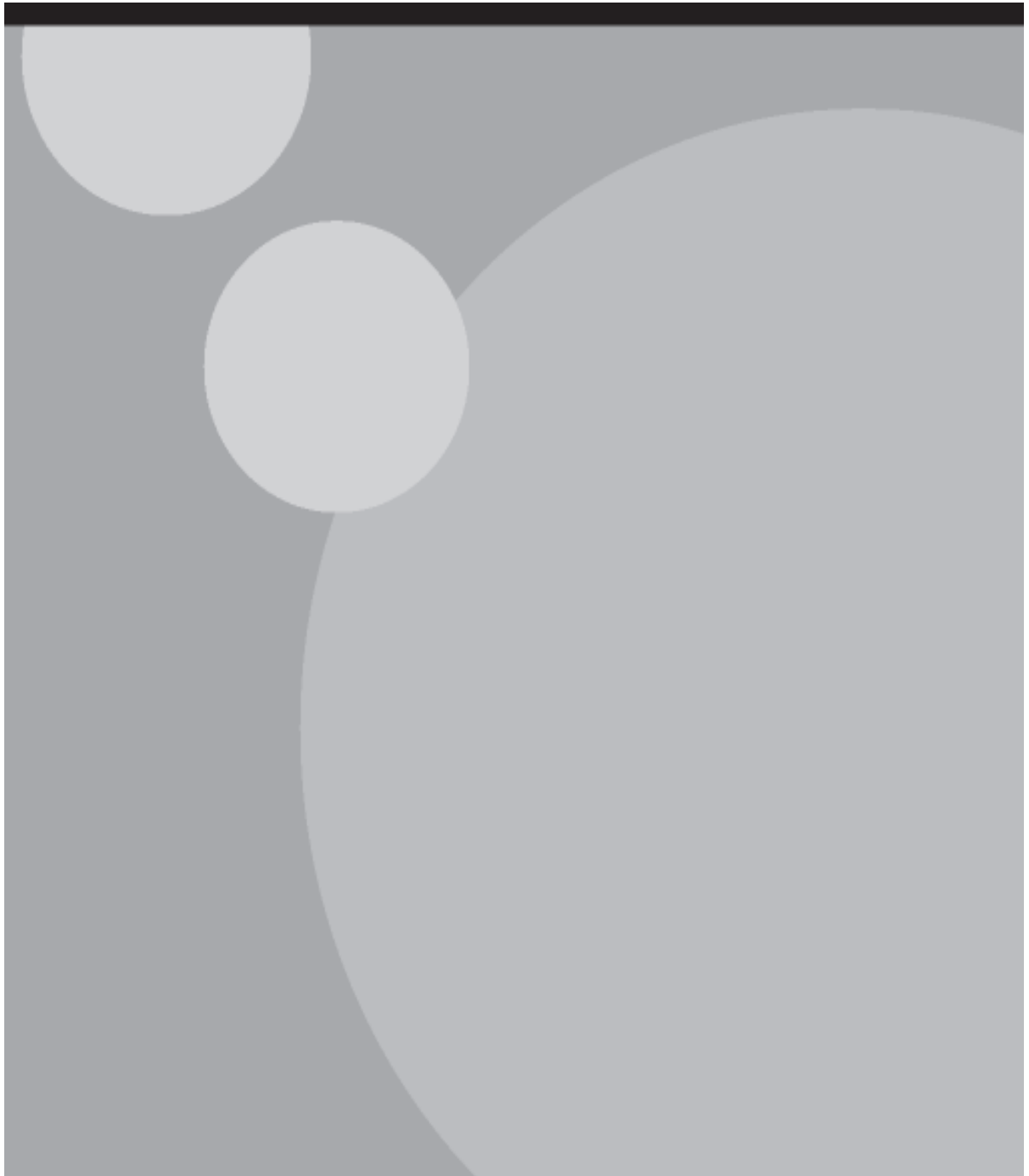




Giving Tenants Control: Right to Transfer and Right to Manage Regulations

Summary of Consultation Responses





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July, 2012
Department for Communities and Local Government

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Section 1

Introduction

Consistent with the aims of the Open Services White Paper and the wider principle of localism, Government is keen to see more social tenants play a bigger role in managing services and having more say about who owns their housing stock.

To help deliver more tenant control, a public consultation exercise was carried out by the Department for Communities and Local Government on *Giving Tenants Control: Right to Transfer and Right to Manage Regulations*, published on 15 March 2012.

The consultation sought views on proposals to make it easier for tenants to take the lead locally – either by taking over responsibility for managing housing services, or by exploring options for transfer from their local authority. Giving tenants a greater say about the management or ownership of their homes and communities would help to deliver the Big Society.

The consultation posed seven questions related to the proposed changes set out in the consultation document:

Question 1: Do the Regulations (together with the guidance) meet the objective of being robust, but workable?

Question 2: Do the Regulations (together with the guidance) meet the objective of ensuring that the local authority has a route to halt the process if it is has a detrimental impact?

Question 3: Do you agree that we should remove unnecessary requirements for local authorities to notify the Secretary of State of the results of the ballot and to send copies of Tenant Management Organisation agreements to the Secretary of State?

Question 4: Do you agree with our proposal to remove the requirement to prepare a feasibility study whilst retaining the 'offer' upon which tenants will vote?

Question 5: Do you agree with plans to work with the sector to streamline the guidance to help tenants exercise their Right to Manage?

Question 6: Are there other ways in which Government could encourage voluntary or alternative routes to housing management?

Question 7: Could these Regulations lead to any unintended discriminatory impacts?

Section 2

About the Responses

The closing date for receipt of responses was 23 May 2012.

A total of 56 responses were received within the closing date from a variety of organisations, falling into categories as follows:

	Number of respondents
Local Authorities	32
Tenant Groups	5
Registered Landlords	7
Representative Bodies	10
Other	2
Total	56

A summary of their comments is contained in this report. Additionally, 4 responses were received after the closing date. Although their comments have not been included in the summary below, we have taken account of these responses in developing a final position.

Not all respondents commented on, or responded to, every question raised as part of the consultation exercise, and 3 responses focused solely on the Right to Transfer proposals.

This summary focuses on the responses received to questions 3 to 7 in relation to the proposed changes to the Right to Manage Regulations as set out in the consultation paper.

The introduction of Right to Transfer regulations is to be taken forward alongside our work on the transfer programme, which we are committed to bring forward. We will therefore be producing a separate summary of responses submitted in relation to the Right to Transfer Regulations.

Section 3

Summary of responses to the Right to Manage consultation

Generally respondents welcomed the proposals to streamline the Right to Manage Regulations and supporting guidance. A summary of responses to each question regarding the Right to Manage proposals and the Government's response are outlined below:

Question 3: Do you agree that we should remove unnecessary requirements for local authorities to notify the Secretary of State of the results of the ballot and to send copies of Tenant Management Organisations' agreements to the Secretary of State?

The majority of respondents agreed with our proposals to simplify the process for tenants to take over the management of local services and felt this would reinforce the principle of local decision making.

However, a few respondents, particularly from the tenant sector, felt that the Secretary of State should retain a role in the process especially because they thought this would help to ensure that the process remained open and transparent (as the use and management of council housing was perceived as a matter of national importance), as well as encouraging local authorities to adhere to their agreements with Tenant Management Organisations.

In view of the support for this proposal, we intend to proceed with plans to streamline the Right to Manage Regulations, as outlined in the consultation paper.

Recognising comments regarding Government's role in the process, we will also work with the local authority and tenant sector to ensure that greater clarity is provided in guidance about the role of central government in the Right to Manage process.

Question 4: Do you agree with our proposal to remove the requirement to prepare a 'feasibility study' whilst retaining the 'offer' upon which tenants will vote?

Almost all respondents to this question supported our proposal, but some gave support conditional upon:

- a clear and strong 'offer' to enable tenants to make an informed decision;
- greater clarity on the timetable for producing that 'offer' and on the role of Approved Assessors, as a result of the proposed changes; and
- more guidance on dispute resolution between a local authority and a Tenant Management Organisation over the 'offer' to tenants.

A couple of respondents suggested that it might be practical for tenant groups to hold preliminary discussions with a local authority prior to the formal submission of the 'offer' to tenants, as a way of ensuring a consistent and mutual understanding of the objectives of the 'offer' and dealing with any constraints that might exist. One respondent suggested that it could be more appropriate for the 'offer' to come from the landlord as it does under the stock transfer arrangements.

In view of the overwhelming support for this proposal, we intend to proceed with plans to introduce streamlined Regulations to remove the requirement to prepare a feasibility study.

Recognising comments from partners about the importance of clarity, we will work with the local authority and tenant sectors to prepare guidance on the process and timetable for producing the tenant 'offer', and options for dispute resolution (see comment to question 5 below).

Question 5: Do you agree with plans to work with the sector to streamline the guidance to help tenants exercise their Right to Manage?

There was almost unanimous support for the proposal in the consultation paper to streamline guidance to help tenants exercise their Right to Manage. Many respondents put forward detailed ideas for streamlining or improving existing guidance including:

- reducing the number of detailed standards contained within the Common Assessment Model;
- reviewing existing guidance for tenants on drafting Schedules to their Agreements and for calculating allowances;
- increasing flexibility within the Modular Management Agreement;
- improving the training available to tenant groups by widening the opportunities beyond training by lead advisers;
- simplifying the process for existing Tenant Management Organisations to expand; and
- enhancing collaboration between local authorities and tenant groups.

In view of the overwhelming support, we intend to proceed with plans to work with partners to develop streamlined, sector-led guidance that provides practical help for tenants in exercising their Right to Manage.

Question 6: Are there other ways in which Government could encourage voluntary or alternative routes to housing management?

Most respondents supported exploring alternative routes to housing management, particularly using an approach suggested in the consultation paper for small-scale services via Local Management Agreements. Respondents from the tenant sector felt that these should not replace the Right to Manage. Relatively few respondents expressed interest in an idea that was floated in the paper for fast tracking Tenant Management Organisations through the process. However, several alternative models were proposed, including:

- The Community Housing Mutual;
- Community owned models and;
- Council-owned, community-owned models known as “CoCos”.

A couple of respondents also proposed the possibility of developing Tenant Management Organisations in new build social housing schemes with housing associations (or local authorities) who are willing to do so, and learning from the experience of successful social enterprises. One of the responses suggested extending the Right to Manage to all registered providers of social housing.

A few respondents, mainly local authorities, questioned the need for new routes to housing management, until the benefits of existing models had been evaluated, with some local authorities concerned about the cost involved in supporting tenant groups. Moreover, a few respondents felt that additional resources might be required to build capacity among tenants to enable them to consider any new options.

In view of the high-level of support for this proposal, we will continue to work with the sector to explore ways in which voluntary or alternative routes to housing management could be developed and encouraged.

Question 7: Could these Regulations lead to any unintended discriminatory impacts?

The majority of respondents to this question felt that any tenant group that wished to exercise its Right to Manage should be aware of its equality and diversity obligations to their community. A few felt that these obligations should be a defined feature of the Right to Manage and Right to Transfer processes.

As part of the planned Right to Manage guidance, referred to in the response to question 5, we will encourage the tenant sector to prepare guidance to tenant groups which includes advice on engagement strategies, achieving inclusion and avoiding discrimination.