



Review of Council Housing Finance
Summary of Findings from Tenant Engagement Work

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Background

As part of the Review we have been seeking the views of tenants on the key issues. This paper summarises what you have told us. These views will be crucial in informing the outcomes from the Review.

Tenant engagement strands

1. Tenant questionnaire

Working with national tenant organisations and a number of other stakeholders, we developed a questionnaire seeking the views of tenants on the key issues of the review including their priorities for the use of their rent, views on the use of service charges, views on redistribution and the standards of housing. This was distributed in a number of ways:

- Through the Housing Corporation panel survey of about 1,000 local authority and 1,000 registered social landlord tenants. Results weighted to give a representative sample.
- Online through the CLG website – 80 responses
- On paper through a facilitator pack sent to every local authority – 1,750 responses.

The paper questionnaire may not be fully representative of a cross-section of tenants since it is a voluntary response and this caveat is taken into account in the analysis of the results.

2. Focus groups

We commissioned independent focus group research covering both council and registered social landlord (RSL) tenants asking in-depth questions on the key issues of the Review. Seven sessions were held in total to cover a range of demographics and to compare attitudes in different parts of the country; each group comprised 6-8 participants. Even though the groups were designed to cover the range of demographics, such a small number are not fully representative of the entire country and the results should only be considered as indicative.

Headline results

1. There is a lack of knowledge of the current financing system and confusion between council and landlord service.

2. The number one priority is repairs and maintenance to the home.
3. Tackling anti-social behaviour is a priority but could be paid from council tax.
4. Rents are at an affordable level (although less so among those not on housing benefit).
5. There is strong support for the principle of similar rents for similar properties in similar locations.
6. A preference for one all inclusive rent and service charge, unless there is a choice about the level of service provided and the amount paid.
7. Assuming there is enough money to pay for services locally, they are not against the redistribution of surpluses in principle.

More detailed findings

1. Essential services the landlord should provide

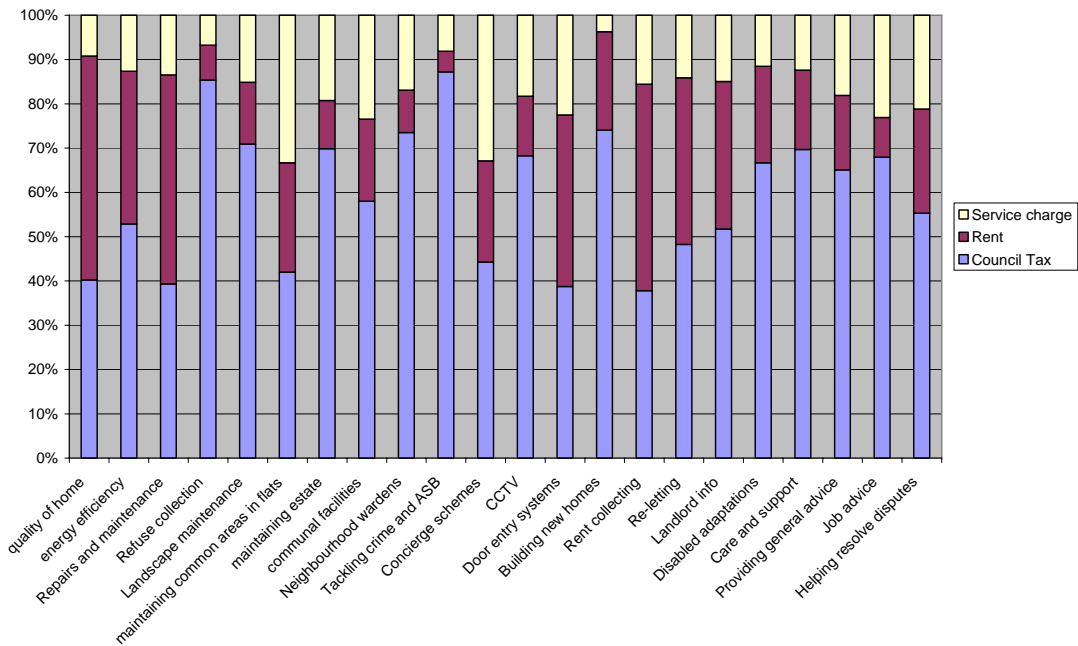
Overall summary

- Tenants are confused by the difference between a landlord service and a general council service as they do not make this distinction. They do not have specific views on how their rent should be spent.
- Most importance is placed on basic maintenance and repairs to their home.
- Other services such as anti-social behaviour initiatives are important but there is a feeling (if at all) that this is a general council/police matter rather than a landlord service.

Questionnaire summary

Tenants were asked to categorise services by how they should be funded from council tax, rents or as an additional service charge. There was a lack of consensus partly due to confusion over the difference in these terms but some trends did appear.

Tenant views on how their services should be funded



- Council tax was generally the most popular funding route especially for refuse collection (85 per cent) and tackling anti-social behaviour (87 per cent).
- Rents should be used to pay for improving quality of home and collecting rents (but quite a high number also thought council tax should pay for this).
- No service received a majority vote for it to be funded by a service charge. This partly may be due to confusion over what a service charge is. However of those who did answer the most favoured use of a service charge was maintaining common areas and concierge services.
- If resources are tight, the three services that should have highest priority were repairs, refuse collection and tackling crime and antisocial behaviour. The feeling was that council tax should pay for the latter of these two services.

Focus group summary

- Did not distinguish between landlord and general council services, and beyond basic repairs and maintenance they could not think of immediate housing services they would like to receive.
- Instead they considered wider community services they would like to see on their estates including:
 - Community centres
 - Playgrounds
 - Refuse sacks for garden waste; recycling
 - Street drains cleaned
 - LA / RSL staff talking to tenants in their home
 - Local housing office for RSL tenants
 - Rubbish bins and dog litter bins on streets

2. Views on rent policy

Overall summary

- Tenants are generally happy with the level of recent rent rises and the affordability of social rents.
- Generally thought that rents should be set locally but within controls set by central government.
- Strong support for principle of similar rents for similar properties in similar locations.
- Lack of consensus over most important factors in deciding rent.

Questionnaire summary

- Over half of respondents felt their latest rent rise was about right. Although fewer of those not on housing benefit thought it was about right (36 per cent) compared to those on housing benefit (over 60 per cent).
- Over 75 per cent felt social rent levels at their current level compared to the private sector were affordable.
- Although there is some support for rents to be set locally (39 per cent), the majority of these felt that it should be within controls set by central government.
- There was very strong support for the principle that similar properties, in similar locations should have similar levels of rents – over 80 per cent agreed with this principal.
- There was an even split between those who thought income should be a decisive factor in setting rent levels and those who thought it was not important.
- Size of property was thought to be the most important factor in setting a rent – but there was disagreement on this issue.
- Level of wages in the area, location of property and market value of the property were not generally considered very important factors in setting the rent.

Focus group summary

- Lack of awareness and understanding over how rent should be set. Not much awareness of service charges.
- Mixed views over the fairest way to set rents
 - Some tenants thought it was fairer for rents to be based on property value, ie similar rents for similar properties in similar locations, regardless of income
 - Some tenants thought rent should be determined by income
- Those on housing benefit engaged less in discussions on rent as this was of less concern.
- Generally happy with the value for money from their rent.

3. Views on service charges

Overall summary

- There is some confusion over what a service charge is.
- Generally though tenants would prefer to have only one all-inclusive rent and service charge.
- Tenants would like a greater say in what their service charge/rent pays for.

Questionnaire summary

- Most preferred paying for rent and service charges together – 49 per cent compared to 38 per cent who preferred them to be kept apart.
- That was contradicted by the next question where 72 per cent said they should be able to choose which services they want and how much they pay.
- There is probably some confusion amongst people who do not know what service charges are. But it also implies that tenants generally prefer one charge but would like to have more say about what this pays for.
- 70 per cent of tenants thought it was unfair if costs for community services were not recovered from leaseholders.

Focus group summary

- Lack of understanding over what a service charge is.
- Those that did have one sometimes complained that they were being charged for services they did not receive.

4. Views on the Housing Revenue Account subsidy system

Overall summary

- There is very little knowledge of how the current system operates therefore it is difficult to get meaningful analysis of what tenants would like to change.
- In principle tenants do not appear to be against redistribution in principle assuming there is enough money to pay for services locally.
- They do not approve of having to pay off debt interest in their rents.

Questionnaire summary

- 54 per cent said they knew nothing about the Housing Revenue Account.
- 43 per cent knew nothing about rents policy
- Tenants do not like paying interest on loans in their rent either for improvements to existing homes (78 per cent negative), or building new homes (81 per cent negative).

- Almost all want more transparency in what rent pays for (94 per cent)
- Not against redistribution in principle if there is enough money to pay for services locally – over half agree with the principle.
- But their preference for any surplus is to make local improvements (42 per cent).

Focus group summary

- Very little knowledge of current subsidy system or the fact that redistribution currently takes place.
- Some conflicting views as to whether current redistribution system was fair:
 - some felt that redistribution was inherently fair (eg pensioners, London)
 - while others felt it may not be in their interests
- Concern as to whether Housing Revenue Account encouraged local authorities to manage their finances less efficiently

5. Communications

Overall summary

- Tenants are not widely consulted over their rents/service charges
- They would though be interested if they were consulted

Questionnaire summary

- Tenants were generally not consulted over what their rent should cover (only 29 per cent were), but the vast majority would like to be consulted (76 per cent).

Focus group summary

- Tenants do not feel well informed but acknowledge that they tend not to read information sent to them by landlords unless it directly affects their rent/service charge.
- There was regular disappointment with the new emphasis on call centres which are more difficult to deal with than old housing offices.
- A new service tenants would like is for LA staff to come and talk to them in their homes.

6. Standards

Overall Summary

- There was a lack of awareness of the Decent Homes programme.
- Tenants though were generally satisfied with the standard of their home.

- Going forward, the continued maintenance of their home to a high quality was the top priority but there was also some desire for improved energy efficiency measures.

Questionnaire summary

- There was little consensus over the future priorities for improvements
 - 36 per cent wanted improvement to the home (kitchen/bathroom etc)
 - 26 per cent thought energy efficiency measures
- Equally there was no consensus over the willingness to pay extra rent to fund improvements to fuel efficiency.

Focus group summary

- Majority were happy with the standard of their housing and any recent work that had been carried out.
- Lack of awareness that some of the work might have been part of the Decent Homes programme.
- Majority felt homes met acceptable standards therefore attention should be focussed on community/communal areas such as community centres or playgrounds.
- When prompted groups agreed that initiatives to tackle fuel poverty should also be a priority.

Conclusion

There is strong support for the continued focus on basic repairs and maintenance. Beyond that there is support for measures to improve fuel efficiency and community services.

The vast majority of tenants believe in the principle of similar rents for similar properties. Most feel their rents are currently at an affordable level.

Assuming there is enough money to run local services, there is some support for the redistribution of rent income around the country.

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