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Opportunities and choice



OPENhouse

Issue No.4 November 2001

TAKE YOUR TIME ON HOUSING CHOICE



Partnership in action...

■ THE new Neighbourhood Wardens patrol the Collingwood Estate, as well as Bethnal Green & Victoria Park HA and Tower Hamlets Community Housing estates, in a joint approach against anti-social behaviour.

In our biggest ever consultation with residents, estates can consider their future safe in the knowledge that they will not have to choose whether or not to stay with the Council until 2003

Stage 1 of the Housing Choice consultation culminates next February with a referendum on every estate.

The referendum will give residents the opportunity to say if they would like to work with the council on new ways of running their estate.

If residents choose to go on to Stage 2, they will then take part in a detailed consultation with the council over the level of service and investment they would like for their homes, and who should provide it.

Cllr David Edgar, Lead Councillor for Housing said: "Readers

of Openhouse will know that the council, for reasons beyond its control, is facing a £290 million shortfall in the housing budget over the next five years."

"This situation, combined with the Government's target to bring all homes up to a decent standard, is forcing us into a radical rethink of the housing service. We simply cannot go on as we are."

"But we want residents to be involved in any decisions, which is why we have launched such a thorough consultation exercise. Tenants can decide that they want to stay with the coun-

cil, even if that may mean a reduced level of service. Or they can look at some of the options."

It is important to stress that these decisions will not be taken hastily. Whatever the outcome of February's referendum, people will still be council tenants. Stage 2 of the consultation will last two years, and give residents every opportunity to look at the options.

Openhouse will bring more information about the Housing Choice consultation, and the options for housing, in the run up to the referendum.

This paper is distributed free to all council residents of the London Borough of Tower Hamlets

Editorial

Have your say

THIS month's front page story is about Housing Choice, the major consultation exercise that the council is conducting with residents on the future of housing in the borough.

This is the biggest ever consultation carried out by the council's housing department. It will give every estate a say in how services are provided and how much money is available for investment.

It is crucial that every resident gets an opportunity to consider all the proposals and that all residents get the information they need to make an informed choice.

That is why the consultation is being staged over two years. Estates will have plenty of time to consider all the options, from staying with the council to working with a new landlord.

There will be no hasty decisions. Whatever the outcome of the referendum on your estate in February, you will still be a tenant of the council. The council has never carried out a consultation like Housing Choice before. It is determined that Housing Choice will be your choice. It's about your home. Make sure you have your say.

Drop-in surgeries

Morning Surgeries

Monday 12th November, One Stop Shop, 1 Gladstone Place off Roman Road, Bow, London E3 5ES, between 10am-12noon

Monday 19th November, One Stop Shop, 1 Gladstone Place off Roman Road, Bow, London E3 5ES, between 10am-12noon

Tuesday 20th November, Cheviot House, 227/233 Commercial Road, London E1 2BU, between 10am-12noon. Wednesday 21st November, LEB Building 225/279 Cambridge Heath Road, London E2 9NN, between 10am-12noon

Thursday 22nd November, Jack Deth House, 2 Lawn House Close, London E14, between 10am-12noon
Until further notice, between Monday & Thursday, 10am till 12noon we will be holding morning surgeries at the above venues. Please see above for your area.

Please note: Due to renovation work taking place at Gladstone place at the end of November, One Stop Shop will be moving to 225 Armagh Road, London E3. We will continue with our scheduled surgeries from Armagh Road One Stop Shop.

Drop-in sessions

Thursday 8th November, 1 Wigram House Wades Place, London E14, between 4-7pm

Monday, 12th November, Cherry Tree School, Campbell Road, London E1 between 6.30-8.30 pm

Tuesday, 13th November, Brady Centre, 192/196 Hanbury Street, London E1 5HU, between 4-6.30 pm

Wednesday 14th November, Stifford Bengali Community Centre, 2/6 Cressy Place, London E1 3JG, between 4-7 pm

Wednesday 21 November, Community Centre, William Place, Roman Road, London E3, between 4-7pm

Tuesday 27th November, Harmitage Primary School, Vaughan Way, Wapping, London E1W 2PT, between 4-7pm

Monday 3rd December, Dorset Social Club, Ravenscroft Street, London E2, between 4-7pm

Tell us what you think

Do you have any questions, concerns or views about anything that you've read in Openhouse?

We want to hear them.

Send your letters to:

Openhouse
c/o London Borough of Tower Hamlets
New Partnerships & Initiatives Team
Millharbour Block D
FREEPOST LON6467

London E14 9BR

Or email to: cpt.towerhamlets@dial.pipex.com

Tel: 020 7531 0220

In previous issues, we invited you to write and tell us what you think about what you have read in Openhouse. Here are some of the letters we have received so far.

Dear Sir or Madam,

I read the first issue of "Openhouse" with interest. I was particularly pleased to see that Sue Benjamins actually mentioned the concerns of leaseholders, a group one would assume does not exist, & which apparently has no rights at all.

Only tenants are mentioned – "tenants will decide", "tenants will be consulted", etc. Yet another article clearly shows the high percentage of leaseholders, & this percentage is increasing all the time. We pay service charges, but have no control at all on how the money is spent, & in our case it certainly does not go on the maintenance of the fabric of our estate.

The council's motto seems to be "wait until it rots, breaks or collapses, then we'll see if we can afford to do something about it". We know that the condition of much of the housing stock in Tower Hamlets is very bad. There is demand for funding for repairs from all sides & unfortunately we never get to the top of the list. But why should our service charges be used for repairs to other estates when nothing is done to our own?

Incidentally, why is it not possible to increase rents by a reasonable amount, & why is not the 25% of the receipts from RTB sales spent exclusively on Housing? **Francis Wall (Mrs)**
Maudlin's Green. E1.

We will be covering leaseholders' concerns in future issues. Readers should refer to page 4 to see why the council will not be able to raise rents "by a reasonable amount" because the Government is introducing a system of controlling all social housing rents, including the council's. As for the 25% of Right to Buy receipts that the council is able to spend, some does come back to housing each year. The rest is used for other desperately needed new investment to schools and other services. However, even if all these receipts were spent on housing, they would be a mere drop in the ocean compared to the amount of money required to bring all homes up to a decent standard.

What residents are telling us about Housing Choice...

Your letters

Dear Openhouse

I am a leaseholder with the council. I have been quoted £6,000 for new windows. My cousin is a Poplar HARCA leaseholder in Broomfield Street and he has had to pay just £10,000, for a new roof, new windows, new insulation, new garden walls and a door entry system. Is that true? If my block goes over to another landlord we will only have to pay £10,000 for all works.

M. Islam
Norbilton Road. E14

Poplar HARCA and THCH have "capped" recharges for owner-occupiers for their refurbishment work. This means there is a maximum charge of £10,000 towards major repairs and improvements.

Dear Openhouse,

I am 16 years old and live with my mum in a council flat. I am worried that when the time comes for me to get my own flat that there won't be any left. If everyone buys their council flat where will I live?

Sure I want to buy my own place someday, but looking at the prices, I don't see I will be able to afford it.

What is the point of changing your lettings system if there are no flats?

My sister has a housing association flat on the Island and her rent is £55.00 per week, which isn't too bad. I wouldn't mind something like that.

The council should do everything it can to do up its homes and get new ones built. Otherwise they will be storing up trouble when all the people my age realise they will never have a place of their own. It doesn't matter if they are council or housing association so long as we can afford the rent.

Name and address supplied

Free and independent advice

PPCR are the advisers selected by the Tenant Compact Group to provide independent advice to all residents during Stage 1 of Housing Choice.

This service is available to all residents who call the PPCR freephone numbers below.

"PPCR were selected by residents from those com-

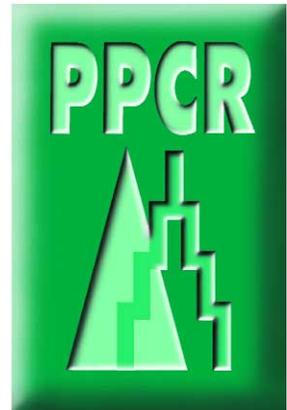
panies that put themselves forward as residents' advisers," said Bernard Cameron, Chair of the Compact Group.

"They will be working closely with the Compact Group during Stage 1 of Housing Choice.

"If any tenant or leaseholder wants to query what the Council is telling us, they should contact PPCR."

0800 317 066 (English speakers)

0800 587 4559 (Bengali speakers)





■ **TELLING it like it is.** Cllr Helal Abbas is encouraging everyone to get involved in the Housing Choice process.

New finance rules will not help Tower Hamlets, says Leader of the Council

Cllr. Helal Abbas is the first Bangladeshi Council Leader in the Country. Before being elected Leader, Cllr Abbas was Lead Member for Education.

He has lived in Tower Hamlets for many years and is a Councillor for Limehouse Ward.

Openhouse talked to Cllr Abbas about the Housing Choice consultation.

Openhouse: Why is the council carrying out the Housing Choice consultation?

HA: The Government requires each local authority landlord to show how it will bring its homes up to a decent standard by 2010. We know from our business plan that we won't have the necessary money to do this.

In fact the business plan predicts very difficult times ahead for the Housing Service and tells

us that there will need to be substantial expenditure savings in the next few years. We feel that it is only right that we tell residents about our financial difficulties and involve them in deciding what we do. So our consultation is about giving each estate a real choice about the future.

We want to encourage everyone in the community to get involved in the Housing Choice process.

So far not all of our drop-in sessions have been well attended but we will be holding more and will advertise these locally. We are holding these sessions to provide people with the chance to come and talk to us about what Housing Choice could mean for their estate.

There will be bilingual staff at each event so I would urge people to go along to a session in their area.

People may not be aware but we already have

social landlords in the borough that specialise in providing homes for black and ethnic minority residents.

These organisations have a proven track record of providing housing tailored to the needs of different sections of the community and may provide a suitable option that some estates may wish to explore.

But unless people get involved in the consultation process they will not have the best information.

If residents have doubts about what council staff and Councillors are saying about Housing Choice, then they should contact PPCR for an independent view.

Residents from the Borough-wide Compact Group have selected PPCR as independent advisers. All residents can contact PPCR on a freephone number (see page 2).

OH: Is this just another attempt at transferring

homes to a new landlord?

HA: No, it's about making genuine choices about the future level of investment and the type of service that the different options might achieve.

Unfortunately the council will only have roughly half what it needs to spend on the stock. Real savings will have to be found, which will have implications for the management of our estates. We have to be honest with people about this and give them the opportunity to explore the alternatives.

If estates choose not to look at the alternatives at the referendum stage or not to transfer at the end of the process they are free to make that choice based on the best information we can give.

Of course, like many other local authorities, we will continue to press the Government for more resources for Tower Hamlets as we have done consistently at every

opportunity.

However the Government has made clear where it will be increasing its spending and health, education and law and order currently take priority over housing.

OH: The Government has recently announced that councils are to be given new powers to borrow for investment. Isn't this good news for Tower Hamlets?

HA: No. This proposal will not make any difference to Tower Hamlets

Although the Government is proposing to remove the need for councils to seek permission before borrowing, this must be self-financing and only the wealthiest local authorities will be able to take advantage of this.

Tower Hamlets Housing has debts of over £500million and we rely on Government subsidies because tenants' rents cannot cover the repayments.

So even if we were allowed to we could not afford to borrow any more than the government currently allows.

OH: If the real vote is two years down the line, why bother voting in February's referendum?

HA: It is important to express an opinion in next February's referendum because if estates don't opt to explore the possible choices in Stage 2 two years down the line, there won't be real ballots for transfer.

OH: What choice would you advise estates to make in the referendum?

HA: My advice would be to look at the alternatives and choices that are available because while you are doing this you will remain council tenants. Therefore it makes sense to me to investigate what is on offer. No one will be committing himself or herself to leaving the council until the Stage 3 ballots.

Drop-in sessions answer tenants' concerns

Although no-one will be voting to leave the council in the referendum next February, tenants are already asking what a possible change of landlord would mean. Openhouse answers some of the most frequently asked questions...

IS THE COUNCIL TRYING TO SELL OFF ALL ITS PROPERTIES TO THE HARCA?

Housing Choice is not about the council deciding to sell off its housing stock; it is about estates deciding the best way forward for the future of their homes.

If residents decide in the referendum next February that they wish to look at alternative arrangements for their estates, then they will be able to consider a range of social landlords. These may include existing social landlords as well as new ones. If Poplar HARCA puts itself forward as a potential new landlord to some of the council's estates, it will be for the residents to decide whether they want to work with Poplar HARCA or someone else. Some may choose to work with Poplar HARCA if they think that it is the best deal for them. In fact we have already received a petition from one estate asking for this to happen. It will be the residents' choice that counts.

WOULD SWAPPING LANDLORDS AFFECT THE RIGHT TO BUY?

Tenants would keep their

Right to Buy. This will mean that the maximum discount of £38,000 will remain the same as for council properties. This is set by the Government not the council.

Time spent as a council tenant or tenant of another social landlord will count towards calculating the discount just as would happen when tenants apply to buy a council property.

Tenants who change landlords will keep their Right to Buy if they move to another property owned by their new landlord.

Tenants who transferred to Poplar HARCA and THCH have kept their Right to Buy and 128 tenants took up this right last year.

WOULD THE RIGHT TO BUY PRICE BE HIGHER WITH A DIFFERENT LANDLORD?

The price paid for any Right to Buy is calculated from the open market value at the time the application is made. As property values have increased in the past 3 years, the price that someone applying to buy now, whether from Poplar HARCA, THCH or the Council, will also be higher.

Market valuations depend on many factors including property condition. Therefore refurbishment and improvement works may also increase the open market value and final discounted price. The major works carried out by Poplar HARCA may have contributed indirectly to higher Right to Buy prices but the effect would have been the same if the council had carried out the work.

WHAT ABOUT TENANTS' RIGHTS AND SECURITY?

Council tenants are known in law as "Secure Tenants". The legal term for tenants of other social landlords is "Assured Tenants". A "secure tenancy" sounds more protected than an "assured tenancy" but in practice there is very little difference when tenants swap landlords because the council will ensure that any new landlord guarantees their rights.

Those tenants who decide to look at the alternatives to the council can do so in the knowledge that they will keep their:

- right to buy;
- right to take in lodgers;
- right to make certain improvements;
- right to pass on their tenancy to another member of their household;
- right to have repairs carried out within set time scales;
- right to be consulted;
- right to exchange properties with another tenant.

The council cannot evict a tenant without first getting a court order and the same will apply to any new social landlord. The court can only grant a possession order if there are proper legal grounds for doing so.



■ RESIDENTS on the council's half of this estate want the same improvements delivered by Poplar HARCA.

While in theory there are more grounds for possession of assured tenancies the council will require guarantees from any alternative social landlord that they will not use these.

AREN'T HOUSING ASSOCIATION RENTS MUCH HIGHER THAN THE COUNCIL'S?

Up till now the way council and other social landlord rents have been set and controlled have been different. Many social landlords have higher rents than those of councils as a result.

However, just looking at rent levels does not tell the whole story. In Tower Hamlets most of the council's properties are flats and maisonettes while a lot of homes provided by other social landlords such as housing associations are houses built in the last 20 years. Rents for this type of property reflect the higher cost of building houses in an inner London borough.

As can be seen from the table below, tenants who joined Poplar HARCA or THCH have not had to face higher rents. Both new landlords have kept to their rent guarantees which limit the amount rents can be increased for a specified number of years.

The figures in the table

are the average rent charged by each landlord last year for each size of property. They do not include water rates or charges for heating and hot water that are also collected with the rent.

As we reported in an earlier issue of Openhouse, the Government has introduced a new system for setting and controlling the rents of all social landlords to remove any unfair differences between councils and social landlords. In future all rents will be based on a formula made up of three elements:

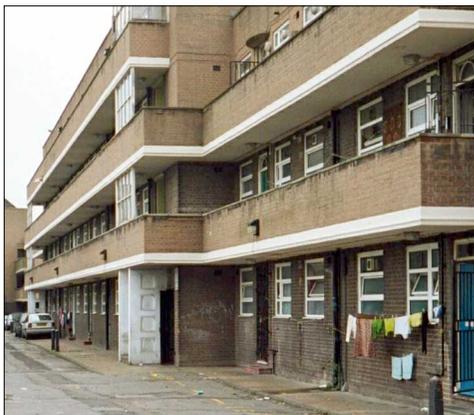
- The market value of the property;
 - Local average earnings;
 - The number of bedrooms.
- This formula will be

applied to all properties to fix a target rent. Social landlords have to prepare a plan to show how they will set their rents to meet their target over the next ten years.

At the end of the 10-year period, all social housing tenants should be paying similar rent for a property of a similar standard, size and location regardless of who is their landlord.

Therefore, where tenants are considering a change of landlord, they will be able to do so in the knowledge that their rents will continue to be set on this basis.

Furthermore, if they want additional security, tenants can require a new landlord to provide them with a rent guarantee for up to five years.



■ WHY have residents on one estate asked to join Poplar HARCA?

Average Rent at 31st March 2001

Bedsit		£
	THCH	£44.94
	Poplar HARCA	£40.19
	LB Tower Hamlets	£45.98
1 Bed	THCH	£56.55
	Poplar HARCA	£48.05
	LB Tower Hamlets	£56.40
2 Bed	THCH	£60.21
	Poplar HARCA	£55.42
	LB Tower Hamlets	£65.67
3 Bed	THCH	£67.52
	Poplar HARCA	£62.61
	LB Tower Hamlets	£75.17
4 Bed	THCH	£68.17
	Poplar HARCA	£68.04
	LB Tower Hamlets	£81.82
5 Bed	THCH	£76.67
	Poplar HARCA	£78.15
	LB Tower Hamlets	£86.89