



Chartered
Institute of
Housing
Cymru

Weighing the options

Local Government mergers
and the perceived impact on
housing delivery

Catherine May & Matthew Kennedy



Tyfu Tai Cymru -
Because Housing Matters

Background

Tyfu Tai Cymru (TTC) is a 5-year housing policy project with a focus on providing insightful analysis and filling evidence gaps to support policy progression. Funded by the Oak Foundation the project is managed by the Chartered Institute of Housing Cymru. TTC works across three key strands:

- Building the right homes to meet demand
- Making sure housing is always a priority for local government
- Demonstrating housing's role in keeping people well and healthy



Building the right homes to meet demand

is vital given the current housing need in Wales, the increase in the ageing population and the need to prepare the right homes for future generations. We welcome the Welsh Government's 20,000 affordable homes target and the emphasis on housing within 'Prosperity for All' - working towards this ambition alongside accelerating delivery should also drive up standards, quality and accessibility.

Making sure housing is always a priority

for Local Government, particularly as local authorities continue to consider how best to deliver high quality public services against the backdrop of austerity is vitally important. For us, understanding how housing functions within local authorities operate in this climate is imperative, particularly given the varying picture of housing functions across Wales, and the recent drive for local authorities to begin building homes again.

Demonstrating housing's role in keeping people well and healthy is something that is recognised as vital by many people from the housing sector across Wales. Innovative practices have led to reductions in delayed discharges from hospital, less pressure on GP services, and the speeding-up of the installation of vital home adaptations.

The TTC project will focus on how this practice can be spread and shared across Wales to ensure everyone is able to access fair and consistent services no matter where they live.

Mirroring the remit of CIH Cymru, the TTC project operates on a cross-tenure basis, recognising the need to ensure that whether renting or buying, people should have access to a safe, secure, affordable home.

In addition to a governance group made-up of experts from across the housing sector, the project team comprises:

Catherine.may@cih.org

(Tyfu Tai Cymru Manager, CIH Cymru)

Matthew.kennedy@cih.org

(Policy & Public Affairs Manager, CIH Cymru)

Matthew.dicks@cih.org

(Director, CIH Cymru)

Sharon.dean@cih.org

(Customer Support Coordinator, CIH Cymru)



1. Introduction

One of the aims of the Tyfu Tai Cymru project is to build the profile of housing in local government by amplifying the voices of professionals in housing departments across Wales. This report focuses on the proposed reforms of local government, with our response shaped by what staff told us about their expectations of this major shift in the public sector landscape.

Local government reform is being conducted in-line with the aspiration of Welsh Government, who stated in 'Prosperity for All' that:

“ Achieving our ambitions for Wales will require a different relationship not just between the Welsh Government and local authorities, but also between local authorities themselves. It is only through closer work, on a consistent regional basis, that the resilience and responsiveness of services can be maintained in the future ”

In progressing the practicalities of delivering on this aim the Cabinet Secretary for Local Government and Public Services launched the Consultation Green Paper, 'Strengthening Local Government, Delivering for People' on 20 March 2018.

The Green Paper puts forward different ways through which local authorities could potentially merge - from voluntary mergers, to a phased approach with early adopters merging first and then followed by others, to a comprehensive merger programme.

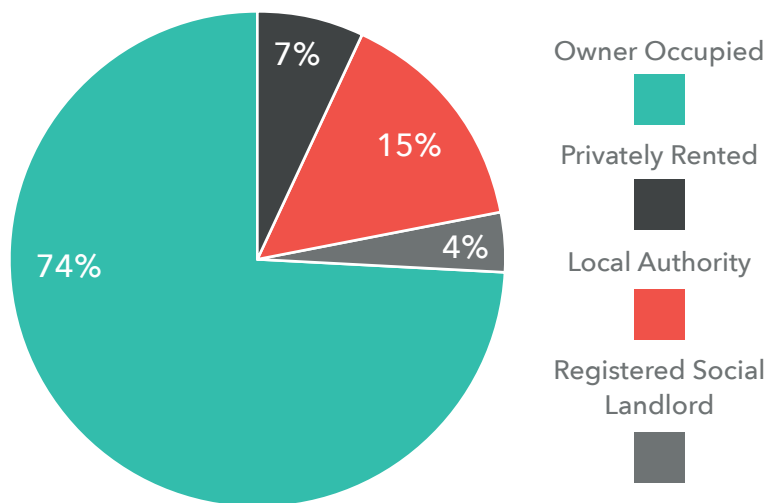
Recognising the desire of the Welsh Government to be informed by people with the most relevant experience, we launched a short survey to understand the experiences and views of housing professionals working within local authorities towards the proposed mergers. The purpose of this report is to provide a sense of how the proposed form of local government could impact the delivery of housing functions. Through this report, we wish to highlight the impact, both positive and negative. The findings demonstrate the range of opinions held about the reforms, from those who feel very strongly that they will have a negative impact on the services they deliver to those who feel the transformation is needed.

2. The housing picture in Wales

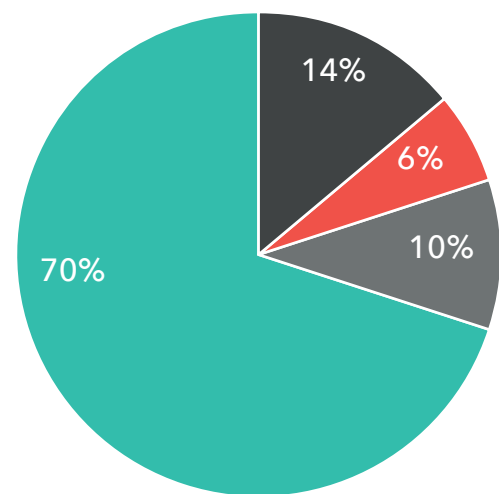
The housing functions delivered by local authorities differ greatly depending on how services are structured by individual authorities and if an authority has transferred its stock, or not. By 'housing functions' we are referring to the range of activities local authorities undertake to meet housing need - including preventing homelessness, housing management, stock improvement, managing empty homes and providing adaptations.

The state of housing tenure in Wales has changed significantly in the last couple of decades:

¹ Wales 2000-1



¹ Wales 2016-17



In the time period 2000/01 - 2016/17 the number of homes managed by local authorities has reduced from 15% of dwellings to 6% currently. This reduction is due in part to those authorities who transferred their stock wholesale via a large scale voluntary transfer arrangement and the sale of local authority homes. The period has also seen significant growth in the housing association and private rented sectors.

Over this time eleven local authorities have transferred control of their housing stock through a large-scale voluntary transfer.

This has resulted in a number of housing associations being formed to manage what was previously stock managed by a local authority. The following table reflects the current composition of housing stock between housing associations and local authorities across Wales according to the proposed regional areas set-out in the Green Paper.

¹ Stats Wales - <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure> - Accessed 01/06/2018

Dwelling stock estimate by local authority and tenure, 2016-17



Building new homes

The Welsh Government commitment to building 20,000 affordable homes by 2020 signified a policy-shift with the announcement that local authorities could build new homes once again. For local authorities the focus on continuing to re-invigorate their housing development function is entering a critical period:

“The ‘housing supply pact’ signed in 2016 commits associations to delivering 12,500 of the five-year target, with councils contributing 1,000 units. While the associations are close to achieving this, local authorities will need to double their output (they built just 121 new homes in 2016/17).”

(UK Housing Review, Chartered Institute of Housing, 2017)

As the picture of housing continues to change in Wales, the proposals put forward to reform local government could have a considerable impact on how local authorities play their part.

The following sections consider the findings of our survey of local authority housing professionals where we consider in detail the opportunities and challenges posed by the merger agenda.

3. Our research

Who did we speak to?

We surveyed staff from all 22 local authorities using contact details we held and social media to promote the survey.

We received 31 responses, from 16 different areas of Wales. All responses were anonymised to ensure that staff felt confident to share their views. We asked people about their role and respondents held a range of roles

in their organisations; including Tenant Liaison, Housing Officers and Managers, Heads of Services, Planning and Services and Commissioning.

We are really grateful to those who gave their time to complete the survey. The submissions were so rich in detail that we have included quotes throughout this report to ensure we are being led by the views of respondents.

4. Findings of our survey

Learning from experience

Recognising the importance of learning from experience, we asked people if they had experience of merging services before, 65% of respondents replied they had no experience of this. Those who had told us about:

- Positive experiences of services merging which had resulted in more streamlined services between contracted services and staff experiencing less travelling time
- Some larger mergers had been managed poorly, with long delays before they were able to deliver services in a meaningful manner
- A perceived sense of loss amongst some elected officials who then demonstrated a reluctance to engage in the process
- A sense that there was not enough preparatory work done beforehand to prepare staff and councillors for the change. Also that major decisions about the final structures were taken at the last minute

One respondent highlighted:

“ There should have been more done with councillors to stop them fighting over decisions not in their remit. Their fighting overshadowed what could have been a positive process. If the political process had been better, officers would have handled the change better. ”

Fewer, larger authorities - what would work well?

We then asked respondents what they thought would be the positive impact of creating fewer, larger authorities. Less than a third (8 out of 30) could not identify a positive impact.

The rest of the respondents identified the following positive implications of proposed mergers.

More resources

A number of respondents identified that merging would offer opportunities for capacity within their own department to be increased, highlighting that this would have better outcomes for tenants and communities.

Respondents told us that the pooling of financial and staff resources would facilitate greater opportunities to learn from best practice about what works. This included opportunities to realise savings through procurement and economies of scale in addition to access to skilled-trade staff to both build new homes and maintain existing properties.

“ less discrepancy in services for the public, more joined up working, better overview ”

“ share roles and research rather than reinventing the wheel ”

“ been talked about for a long time, needs to happen ”

Collaboration

Some respondents highlighted that for tenants, aside from the potential increase in the quality of service received there would be potentially a wider range of properties to access:

“ develop work around the private rented sector covering access to PRS accommodation...bringing empty homes back into use ”

Several respondents focused on the loss of knowledge and expertise in some local authorities that resulted from Large Scale Voluntary Transfer arrangements. The proposed reform would lead to 5 mergers between authorities who had retained stock and those who had transferred their stock. Respondents told us that they hoped this would lead to better resourced and experienced housing departments.

“ merge with a stock-retained Council where the strategic housing function is far better resourced ”

Respondents recognised the need for greater collaboration between authorities and the benefits of combining resources and knowledge. They suggested the public, and in particular, tenants would welcome a greater regional picture of available housing stock (and opportunities for including stock from the private sector and bringing empty homes back into use).

Fewer, larger authorities - what might not work?

Keeping it local

Respondents identified a range of concerns about the proposed merger programme. Over 50% highlighted concerns about losing touch with local needs and accountability.

“ tenants would lose their point of contact with whom they trust and have a relationship with ”

“ danger that the new LAs fail to connect with certain parts of the community by losing the knowledge of the local area and its intricacies ”

An example was given of an authority who had invested in homelessness prevention services fearing that merging with other areas would lead to their services being dominated by other priorities.

“ authority with only retained stock I'm concerned this would become diluted and lose focus ”

Getting it right

Some highlighted the difficulty of integrating with other authorities (including those who do not hold stock). Alongside the practical difficulties of merging services such as data-sharing and technology, respondents also identified the very different cultures between local authorities.

“ concern re LA getting consumed by larger, neighbouring authorities ”

“ demographics of different authority areas are very different ”

“ difficult to integrate with another authority that does not hold stock ”

Respondents told us that they were worried about job-losses, policy-drift and policies and strategies having to be newly written to reflect new areas. There were also concerns about loss of Welsh Government revenue and capital grant allocations and the impact on Welsh language in areas where services are delivered predominately in Welsh.

“ biggest concern is the time lost resolving issues, such as policies and strategies that will now need to be combined across wider, more diverse areas ”

“ requirement to work regionally is actually stopping some modernisation from going ahead as consensus is not possible ”

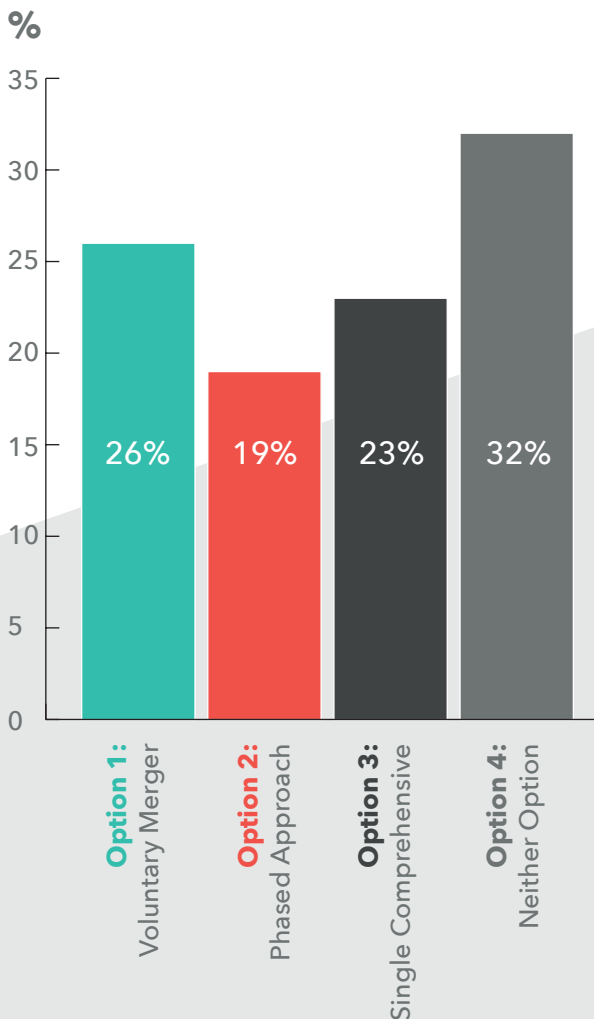
Communicating change

Some respondents told us that they were wary of the merger agenda as they were unsure what it would signify in their area

“it's happened so many times historically, there needs to be demonstrable positives as to why it will work this time”

Views on the merger options

Which option would be the most appropriate for the housing function in your area?



We gave respondents 4 options as according to the Welsh Government consultation.

Option 1.

26% chose **voluntary merger**, respondents citing that “forced merger would make working relationships very difficult”

Option 2.

19% favoured a **phased approach**, highlighting that this “would allow better planning and consultation”

Option 3.

23% preferred a **single comprehensive transfer programme**, describing their concerns that going down the voluntary route would lead to senior staff dragging their feet

Option 4.

the highest number of respondents (**32%**) selected that their preferred option would be **no merger** “a merger offers nothing but loss”.

Some respondents welcomed the suggestions of greater merger and collaboration, but were not in agreement with the proposed regional areas.

“there is a real opportunity to think afresh and reinvigorate a function that is suffering from a lack of capacity and under-funding”

“merger of services within a local authority can be much more productive than mergers between authorities”

5. What do you think would improve the housing function in your local authority?

The responses to this question demonstrate that housing professionals working within local authorities have lots of ideas about what could be done better. Respondents highlighted a number of opportunities including:

- General call for better resources, more staff, higher wages
- Better working in collaboration with housing associations, private rented sector and health colleagues
- IT developments such as an 'app' for tenants to report repairs and make payments on rent
- Opportunity to work with elected officials with no experience of housing to improve their knowledge
- A more integrated approach between housing, social services, job centre/DWP and health to support people to remain/become independent and sustain their tenancy
- Reduce bureaucracy around certain functions. More flexibility to concentrate on what matters and what makes a difference
- Improved staff engagement to challenge some of the top-down culture in some local authorities

6. Recommendations

- 1** Local authorities should review with urgency their internal communications on potential mergers and the opportunities for staff to feed-in their expertise. This should be done at an early stage and arrangements put in place to ensure opportunities are ongoing and the quality of communication remains high.
- 2** The Welsh Government must ensure that merger discussion and progression do not have any unintended consequences for local authorities to deliver towards the 20,000 affordable homes target.
- 3** The Cabinet Secretary for Local Government and the Minister for Housing and Regeneration should convene a joint meeting with representatives from local authority housing departments to facilitate an open discussion about the proposed changes and explore how local authorities can be further supported in meeting Wales's housing need.
- 4** Assembly members and local authority councillors should engage proactively with housing departments to gain insight into the impact of proposals, both positive and negative.
- 5** The Welsh Government should consider undertaking a comprehensive analysis of the impact merger could have on delivering housing functions where the areas merging are a mix of those who still develop and manage homes, and those who do not.
- 6** The voice of tenants should be at the heart of any proposed, large-scale change to how their services are delivered. The Welsh Government must offer further support to local authorities in engaging tenants at an early stage to ensure their voice is visible in considering changes which could substantially impact the housing services they receive.





Chartered
Institute of
Housing
Cymru

Meet the Team:



Catherine May

Tyfu Tai Cymru Manager, CIH Cymru

E: Catherine.may@cih.org **T:** 02920 741138



Matt Kennedy

Policy & Public Affairs Manager, CIH Cymru

E: Matthew.kennedy@cih.org **T:** 02920 741137



Matt Dicks

Director, CIH Cymru

E: Matthew.dicks@cih.org **T:** 02920 741131



Sharon Dean

Customer Support Coordinator, CIH Cymru

E: Sharon.dean@cih.org **T:** 02920 741131

Tyfu Tai Cymru -
Because Housing Matters