



THE KEY TO YOUR FUTURE

INFORMATION ABOUT THE FUTURE OF YOUR HOME



ISSUE THREE NOV 2003

**CHECK THE FACTS
- SEE CENTRE**

**MEET THE
SHADOW
BOARD – SEE CENTRE**



**YOUR QUESTIONS
ANSWERED -
SEE BACK**



RENTS WITH TRANSFER – THE FACTS

Existing tenants would receive a rent guarantee for the first five years after transfer – if transfer goes ahead.

This would mean rent increases of no more than inflation plus 2.4% for the first five years after transfer.

This increase is lower than any of the increases imposed by the Council over the last five years.

The Welsh Assembly Government's rules on rents say tenants should pay a similar rent for a similar property in a similar area whether they rent from a Council or a housing organisation like Wrexham Housing – Tai Wrecsam. In short, the Assembly wants to create a rent system that is fairer to everyone.

This policy means that by 2015, all tenants would pay a similar rent whether they are with the Council

or with Wrexham Housing – Tai Wrecsam.

For those tenants who already pay the Welsh Assembly Government's (WAG) benchmark rent or above, Wrexham would guarantee that their rents would be frozen until all rents reach the benchmark figure. They would then increase by inflation plus ½% per year in line with current Welsh Assembly Government guidelines.

Tenants can also be assured that rents would **not** go through the roof after the five year rent guarantee.

Wrexham Housing – Tai Wrecsam's business plan has been built around these rent assumptions:

- Benchmark rents would increase by the WAG guidelines of inflation plus ½%



Tenants Sylvia Jarvis and Cath Wright of Cefn Mawr, who visited the housing transfer roadshow with Alun Jenkins, Deputy Leader of Wrexham Council and Carol Tinsley, a member of the housing staff.

- Rents above the benchmark level would remain frozen until the benchmark is higher and then that rent would increase by the WAG guideline of inflation plus ½%
- Rents below benchmark level would continue to increase at inflation plus 2.4% a year until the benchmark is reached.

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WHAT HAPPENS IF THERE IS A NO VOTE?

If tenants vote against transfer and homes stay with the Council – things would not stay the same as they are now.

The Council is committed to being open and honest with you about the transfer proposal. We have set out what would happen if transfer goes ahead and, just as importantly, we want you to know the position the Council would be in – if there is a no vote.

In giving this information we are not trying to scare tenants, we are not trying to blackmail you. Instead we are giving you the facts, setting out the truth of the situation – so that ultimately tenants know what to expect for their homes and housing service in the years after a 'yes' vote and in the years following a 'no' vote.

Regrettably staying with the Council would not mean things stay as they are now, in the future things would get considerably worse.

The Welsh Assembly Government requires all authorities in Wales to produce plans to demonstrate how they will achieve the Welsh Housing Quality Standard by 2012.

Additionally, it is a legal requirement that the Council's Housing Revenue Account (HRA) does **not** go overdrawn.

The forecast for Wrexham shows that if the homes stay with the Council next year alone the HRA will go overdrawn by up to £1.5 million. This figure would substantially increase in following years.

The Council will face enormous financial pressures to balance the books and will continue to seek changes in the rules from Government. However, to make ends meet it will have to consider a combination of the following options:

- The closure of some or all of the estate offices and, as a result, consider reductions in staffing levels
- Increasing rents above the guideline increases
- Cease to provide certain discretionary services such as the OAP gardening scheme or consider introducing service charges to pay for such schemes
- Stop providing certain non-urgent and non-statutory repairs such as fencing and the decoration allowance for new tenants

The Housing Working Party, made up of tenants, councillors and other representatives, and the Wrexham Tenants' Assembly, have discussed the financial problems facing the Council and considered a variety of options to meet the funding gap but it is evident that under current rules, the Council simply cannot meet the Welsh Housing Quality Standard by 2012 or set a legal budget without considering drastic cuts in services.

We would not be consulting tenants properly if we did not explain what staying with the Council would mean.

Please read all the information you receive, and make your own mind up about what you want for the future of your home.

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RENTS – WHAT IT MEANS FOR YOU

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All rents will achieve benchmark levels by 2015 with these increases. This follows the Welsh Assembly guideline on rent increases for Registered Social Landlords such as Wrexham Housing – Tai Wrecsam.

Rents have increased with the Council by an average of inflation plus 3% for the last five years, and this is likely to continue if tenants stay with the Council.

Once benchmark is reached, tenants would pay the same level of rents with Wrexham Housing – Tai Wrecsam as they would with the Council if transfer goes ahead – but they would get much more for their money.

Wrexham Housing – Tai Wrecsam would not be governed by the same rules as the Council and would be able to borrow the money needed to repair and improve tenants' homes and keep them that way in the future.

For every £1 of rent the Council receives, 43 pence goes towards the housing subsidy bill and repaying existing loans, leaving only 57 pence to be spent on the housing service.

But Wrexham Housing – Tai Wrecsam would be able to keep all the rent money to invest in homes and services and to run the organisation, because it is not subject to the same housing subsidy rules and the Government has agreed, in principle, to write off all the old housing debt if transfer goes ahead.

This means every £1 of rent collected by Wrexham Housing – Tai Wrecsam could be used for services, improvements and to run the organisation

Re-let rents for new tenants would be at benchmark levels.

Tenants' entitlement to claim Housing Benefit would not be affected.

If transfer does not happen, and the Council remains your landlord, the Council would still have to comply with the guidelines set for local councils by the Welsh Assembly Government.



The Council would still have to contribute to the cost of housing subsidy and would not have all the money needed to repair and modernise homes or improve services.

WHAT DOES THIS MEAN IN REAL MONEY?

The table below indicates the level of rent you would pay for the rent guarantee period of five years. i.e not more than inflation plus 2.4%. For the purposes of these tables inflation is presumed at 2.5%.

Current Rent Per Week	Year 1	Year 2	Year 3	Year 4	Year 5
£	£	£	£	£	£
30	31.47	33.01	34.63	36.33	38.11
35	36.72	38.51	40.40	42.38	44.46
40	41.96	44.02	46.17	48.44	50.81
45	47.21	49.52	51.94	54.49	57.16
50	52.45	55.02	57.72	60.54	63.51
55	57.70	60.52	63.49	66.60	69.86

The above table refers only to the basic rent and not water rates, Council tax or any other charges.

After the guarantee period between year six and year 10, following transfer, it is proposed in the business plan that Wrexham Housing – Tai Wrecsam rents would continue to increase at the same level i.e. 2.4% until reaching the benchmark rent level.

Wrexham Housing - Tai Wrecsam would be committed to keeping rents affordable and the Welsh Assembly Government would be checking that they do this.

There are two important points to remember:

- Whether or not tenants vote for transfer, rents will change in line with the Welsh Assembly Government's policy. This policy means, you will be paying a similar rent for your home whether it is owned by the Council or by Wrexham Housing - Tai Wrecsam. With Wrexham Housing – Tai Wrecsam there will be a written five year guarantee. The Council cannot give such a commitment.
- Wrexham Housing - Tai Wrecsam plans to invest £274 million in the homes over the first eight years after transfer. Even though the Council's rents would be similar, we would only be able to invest about £65 – £75 million over the same eight year period. This is because councils operate within different financial rules.

Introducing Wrexham Housing – Tai Wrexham

Wrexham Housing – Tai Wrecsam would be the brand new, independent not-for-profit, local housing organisation, officially known as a Registered Social Landlord (RSL) that would own and manage tenants' homes if the majority of tenants vote yes and transfer goes ahead.

It would be run by a voluntary Management Board made up of five tenants, five Councillors and five independent people chosen for their particular skills and experience.

The tenants would be appointed to the Board following

tenant elections. The Shadow Board tenant members were selected by the Tenants' Assembly at open public meetings earlier this year and Councillors were nominated to the Board by the Council. The independent people were elected by the members of Wrexham Housing – Tai Wrecsam. All tenants would be invited to become members of Wrexham Housing – Tai Wrecsam.

The Board Members will use their combined skills and experience to make the best decisions and shape the future of affordable homes in Wrexham.

At this stage the Board will only be set up in 'shadow form' and would only become a full working Board if transfer to the new local housing organisation goes ahead.

The Board Members would all be unpaid volunteers.

And remember, the local housing organisation would be run on a not-for-profit basis. Any surplus cash would be put back into improving tenants' homes and services and running the organisation. There would be no shareholders and no dividends would be paid.

The new housing organisation would have to keep to its promises. The Welsh Assembly Government, the regulator of Registered Social Landlords, would monitor the new organisation to make sure it follows its published guidance, met its performance standards and promises to tenants are kept.

Council housing staff would also transfer over and continue to run the service but be able to say 'Yes' to tenants requests more often than they are able to do now.

TENANTS

Chris Thomas

Chris has been involved in the tenant movement for over 20 years, she is a member of the Afon Tenant Resident Association and has held the post of Secretary and Chair. She is a founder member of the Wrexham Tenants' Federation, is a member of the Joint Councillor/Tenant Forum and has been on the Housing Working Party since its inception. Committed to social housing, she believes tenants deserve a first class housing service.



David Rimmer

A Council tenant for over 34 years David has been a member of the Tenants' Association for 15 years, and chair for seven years. He is a member of the Wrexham Tenants' Federation and a member of the North Wales Tenants' Federation Steering Committee. He has been a Sea Cadet for 28 years, is a trustee of Caia Park Centre and a board member of Caia Park Community First.



Charles Devlin

Charles has been involved in the Ruabon Tenants' and Residents' Association and the Wrexham Tenants' Federation. He has been a member of the Welsh Tenants' Federation North Region Management Committee for five years. He has been a member of the Joint Councillor/Tenant Forum and the Housing Working Party since their inception.



Elaine Humphries

Elaine has been chairperson of the Pant Tenants' and Residents' Association for six years, was the vice chair of Wrexham Tenants' Federation for four years. She is the former vice chair of the North Wales region of the Welsh Tenants' Federation. She has been a member of the Joint Councillor/Tenant Forum for four years and the Housing Working Party since its inception. She is 100 percent behind the transfer, which she believes will benefit all tenants.



Eric Moore

Eric has been a Council tenant for 29 years and has been involved in the tenant movement since 1987. He is currently Vice Chair of the Welsh Tenants' Federation and a former Chair of Wrexham Tenants' Federation. Eric is also a school governor, charity trustee and a member of the Management Board of the National Tenants' Resource Centre, Trafford Hall. Eric is committed to raising the standard of housing for tenants in Wrexham and throughout Wales.



COUNCILLORS

David J Griffiths

Since David's election to the Council in May 1999, he has become Vice Chair of the Environmental Licensing Committee. He represents Gwerysllt East and South and works at Wrexham Maelor Hospital. His experience working in the NHS will help Wrexham Housing - Tai Wrecsam deliver the social housing tenants need.



Jim J Colbert

As a member of Wrexham Maelor Borough Council from 1979, and subsequently of Wrexham County Borough Council since 1996, Jim represents the Whitegate Ward. Having previously held the position of Deputy Leader, he is currently Co-Chair of the Financial Scrutiny Committee. He will bring experience in human resources, financial management and his interest in social housing to the board.



Rodney Skelland

Rodney has been Councillor for Bronington since 1989, and was elected Mayor in 2002/03. He has farmed at Willington Cross farm since leaving school, and is an active member of the local branch of the Farmers Union. His Council duties include serving on various scrutiny committees and the Environmental Licensing Committee.



Christopher M Stubbs

Chris has dedicated over 30 years to public service, having served in the Royal Air Force, Police Service and as a teacher. He was elected councillor for Maesydre in 2000 and was on the housing working party for three years before he came onto the shadow board. He runs his own business and is committed to improving the quality of all aspects of Council housing.



INDEPENDENTS

Michael Williams

Michael is a former leader of Wrexham Council. He lives in Wrexham and is currently the Executive Director of Sharp Electronics of the UK and the Director of Sharp Precision Manufacturing of the UK. He plays a full role in the decision making processes of the companies and shares in the corporate responsibility of the company's profit and loss statements and in the creation of the company's sales and marketing strategies.



Alun Hughes

Alun has been the Chief Executive of Wirral Methodist Housing Association since 1989. In his position he has gained a wide and varied experience of all aspects of running a housing organisation. Alun, who has previously worked as a technical officer for the Housing Corporation, is very interested in moves to create new housing organisations from local authority stock.



Graham Arthurs

Graham, a medical practitioner, established and chaired the board of the Nightingale House Hospice, which has an annual turnover of around £1.5 million. He also founded Dynamic, a centre for disabled children and sits as the chair of the board. In the past he has been involved in many medical educational, training and examination activities in Wales as well as nationally and abroad.



William Hatcher

William is a solicitor practising in Shropshire and a part time member of the Midland Rent Assessment Panel, part of the Residential Property Tribunal Service, where he sits on the Rent Assessment Committee. He is also a part-time Asylum Appeals Adjudicator. William's primary motivation is to contribute his experience to something which will be of a positive benefit to the local community.



Rhys Davies

Rhys' career as a project manager and consulting engineer has involved him in negotiating multi-million pound contracts in terms of both cost and scope – experience he believes will benefit Wrexham Housing – Tai Wrecsam, if transfer goes ahead. He has strong commercial skills and is used to assessing tenders both as a client and a contractor. Rhys wants to give something back to his local community.



FIVE YEAR RENT GUARANTEE FOR TRANSFERRING TENANTS

YOUR QUESTIONS ANSWERED



Here are the answers to some of the most frequently asked transfer questions.

Q: I've heard the Council has got extra money and can now afford the work needed on tenants' homes?

A: The Welsh Assembly Government has increased its Housing Budget to £211 million for all 22 local authorities in Wales. This is for both public and private sector housing. This is just £4 million more than last year. It has a marginal effect on Wrexham's finances and it does very little to address the £274 million Wrexham alone needs to bring homes up to the Welsh Housing Quality Standard. We will still be subject to the same subsidy rules and lose around £7 million a year.

Q: Who decides if transfer goes ahead?

A: You do. Transfer will only go ahead if the majority of tenants who vote in the ballot vote in favour of it.

Q: All these repairs and improvements sound great but would I have to pay extra rent for them?

A: No. There would be no 'one-off' rent increases if you have a new kitchen, bathroom or any other work promised in the Consultation Document, if the transfer goes ahead.

Q: How could Wrexham Housing – Tai Wrecsam not be run for profit?

A: Wrexham Housing – Tai Wrecsam would not be allowed to be run for profit. There would be no shares or shareholders so it would not be concerned with increasing its share price or paying dividends. Any surpluses made must be put back into the organisation – into improving homes and services and to run the organisation – for the benefit of tenants.

Q: Could Wrexham Housing – Tai Wrecsam sell tenants' homes at a later date to a profit making landlord?

A: No, Wrexham Housing – Tai Wrecsam would be set up as a not-for-profit organisation with the purpose of providing a quality housing service which meets the needs of local people.

If you have any questions about transfer write to Michelle Berry at Transfer Project Team, Redwither Tower, Redwither Business Park, Wrexham, LL13 9XT or e-mail: michelle.berry@wrexham.gov.uk

The Welsh Assembly Government does not allow it to sell your homes to a profit-making landlord.

Q: I've heard the Board are going to get paid. Is this true?

A: Absolutely not. Contrary to some rumours Board Members are unpaid volunteers. The constitution of Wrexham Housing – Tai Wrecsam does not permit Board Members to be paid. The Welsh Assembly Government rules for all RSLs in Wales do not allow Board Members to be paid except for legitimate out of pocket expenses.

CHECK THE FACTS

The Council is determined you will receive open, honest and fair information about the transfer proposal so that you can make up your own mind about what you want for the future of your home when the time comes for you to vote.

In the coming months you will receive more information from the Council about the transfer proposal and what it would mean for you, if it goes ahead.

Every piece of information the Council sends to you will have been through a rigorous approvals process.

It has been checked to ensure it is FAIR, BALANCED and ACCURATE by:

- *The Welsh Assembly Government*
- *The Council's lawyers*
- *MSC Associates, the Independent Tenants' Advisors who were chosen by Wrexham Tenants' Federation to work with tenants during the transfer consultation*

You may have already received information about the Council's transfer proposal from groups opposed to the idea.

Opposition material goes through no such process. The information is often misleading and sometimes plain WRONG.

If you receive information from sources other than the Council or your Independent Tenants' Advisors, MSC Associates, please check the facts.

You can contact the Council's Freephone information line on:

0800 032 0736

INDEPENDENT ADVICE FOR YOU

Tenants can get free, impartial advice about the Council's transfer proposal in the run up to the ballot from the Tenants' Independent Advisors, MSC Associates.

They were selected by tenant representatives to give tenants free, independent advice during the transfer consultation and up to the ballot.

Their job is to scrutinise on tenants' behalf the Council's offer to you including any publications the Council produces like this newsletter. If you do not understand anything said or you do not agree with what is written, you can ask their advice.

You can contact them on:

Freephone 0800 032 1981

or e-mail ita@msc-associates.co.uk or johnwmycock@aol.com

Council Freephone Information Line

Tenants with questions about the transfer proposal can ring the Council's freephone information line on

Freephone 0800 032 0736

Someone will be available to answer your queries during office hours. An answerphone service will operate outside office hours. Please leave your name and phone number, and a member of staff will call you back.

HOMES FOR THE FUTURE