

# Feedback to residents on the merger consultation

Between 1 August and 22 September 2020, United Communities and Solon South West undertook a formal consultation on their proposals to merge.

This document provides feedback to residents of both associations on the outcomes of the consultation process.

First, here is a quick reminder of the case for merger and our proposals.

## **Why merge?**

United Communities and Solon South West face the same new challenges, such as increasing health and safety and energy efficiency requirements and adapting to welfare reform (including Universal Credit).

Both associations realise that the standard of customer service they offer needs to improve and believe that a merger can bring greater capacity (in terms of staff and resources) to deliver improved services to you, our tenant and leaseholder customers.

Both organisations share a common vision and values, are of a similar size, both Bristol-based, strongly connected with our local communities and already work together.

Merger will also enable our organisations to maintain our joint heritage and have greater influence in making the case for more affordable housing and stronger communities in Bristol.

## **What was the merger offer?**

This was set out in the Customer Service Proposal, co-developed with an interim Resident Panel. In summary, if the merger was approved by residents, the new association made the following commitments:

### ***Our pledges to you***

1. You will see big improvements in customer service after merger
2. You will continue to receive a local personal service
3. Your rent or service charges will not rise to pay for the merger
4. We will place residents at the heart of everything we do
5. We will become more accountable to residents for what we do
6. Your rights as a tenant or leaseholder will remain unchanged

### ***How the merger will benefit you***

1. We will improve and speed up customer services and provide an easy self-service option
2. We will invest in £10 million of home improvements and 500 new homes
3. We will invest more in energy efficiency works
4. We will invest more in the safety of your home - including an annual MOT
5. We will invest more in improving communal areas and tackling anti-social behaviour
6. You will be able to join our Resident Panel or Board

## **How was the consultation undertaken?**

The consultation started on 1 August and concluded on 22 September. It was initially due to conclude on 17 September, but the associations' Boards decided to extend the deadline to 22 September to ensure that every tenant who wanted to respond had ample time to do so.

A merger consultation pack was disseminated, first by email (and then by post to Solon and United Communities tenants. The pack:

- included the Customer Service Proposal
- included a leaflet which invited consultation responses
- set out a variety of ways (paper and digital) that tenants could respond
- offered the chance to attend on-line consultation events
- offered to respond via telephone for all tenants, including those without internet access or who have specific concerns
- offered the opportunity to join the Board or Resident Panel

Five online events (with 'onboarding' assistance provided) were held on 11th August, 20th August, 1st September, 9<sup>th</sup> September and 14th September, as public meetings were not feasible due to the ongoing COVID 19 epidemic.

The communications strategy involved continuing promotion of the consultation via email, social media, two mail outs and regional and broadcast media. This strategy ensured that every household was contacted and offered the opportunity to engage at least once, with almost every resident being contacted multiple times during the consultation period.

## **What were the outcomes of the consultation?**

At the close of the merger consultation on 22 September, 162 responses had been received. This represented 5.4% of the residents who were sent consultation packs. This is a much higher percentage of responses than most housing association merger consultations achieve.

Of residents who took the opportunity to express their view, 55% were in support of the merger and 7.4% are opposed. Some 9% of residents responded without expressing a view on whether the merger should proceed.

Some 29% of residents responding expressed concerns about the merger that fell short of opposition to the merger itself. Each resident received a personal letter from a senior executive of their association addressing their concerns. In most cases, the associations were able to provide reassurance, but some were more strategic and challenging and are discussed below.

## **How did the Boards of Solon and United Communities consider the consultation outcomes?**

### ***Views of the interim Resident Panel***

The Boards agreed that, before they considered the consultation outcomes, they would first hear the reaction of the interim Resident Panel that had co-developed the Customer Service Proposal.

On 22 September, the interim Resident Panel met again and formally took the view that, in the light of the consultation findings, there was no reason for the proposed merger not to proceed.

On 24 September Solon and United Communities Boards evaluated the consultation responses at their respective Board meetings. Their response now follows.

### **Reasons for support for the merger**

The Boards were pleased that the merger proposals were approved by 55% of those residents responding. Some of the reasons for this majority support were as follows:

- *If the correct approach is adopted at the beginning, we as tenants should see improvement in services offered*
- *If communal areas are going to be cleaner, I am all for the merger*
- *As the old adage says: change is essential for growth*
- *Thank you for all the new opportunities for residents to get involved*
- *One bigger association will enable you to invest more in providing better services*
- *Merging to form one HA can only be a good thing in my opinion, working to best serve the tenants, to give a good customer service, improve the repairs system*
- *I love the proposal that shared ownership tenants will be able to use reputable HA tradespeople for a set cost*

### **Reasons for ‘opposition to merger’**

As noted, 7.4% of residents responding opposed the merger. Reasons for opposition and the Boards’ response are as follows:

<b>Issue</b>	<b>Analysis</b>	<b>Assessment</b>
<i>Support withheld because of pre-existing dispute with the association</i>	The range of pre-existing disputes included a request for homes to be transferred to a more local association, a demand for extra car parking spaces and so on	Not material to an assessment of resident views on merger
<i>Negative feelings about the merger that created United Communities</i>	The respondent view was that the last merger was not successful and that this one would fail too	Lessons have been learned from the merger that created United Communities. An experienced Transformation Director has been appointed to oversee the merger
<i>Feeling that the decision has already been made</i>	It is difficult to provide the required information to the standard set out by the regulator without it appearing to be a ‘done deal’. However, all consultation material used conditional language and the genuine nature of the consultation was stressed at the online events that were organised and chaired by independent consultants.	The consultation has been genuine and has met all regulatory requirements. Indeed, the consultation has been of a higher standard than required by the regulator
<i>The consultation was too short and should have involved a ballot</i>	The consultation period was extended to give residents more time to respond. The consultation period was a minimum of 5 weeks for residents without email access and 7 weeks and 3 days for those with internet access	The regulator does not suggest a specific time-period for merger consultations, We consider the consultation period to have been adequate

		Ballots are not required by the regulator in respect of merger consultations
<i>As housing associations get bigger, service quality declines</i>	This was the most common concern expressed	This risk is real and will require effective management However, the merged association will still be small compared to most housing associations
<i>Suspicion of empire building</i>	There was some suspicion that the merger was being driven by executives seeking the salary inflation that would accompany an increase in homes managed	This merger proposal is, and always has been, led by the Boards of both associations rather than executive staff

### Concerns about the merger

As noted, 29% of residents responding had concerns regarding the merger proposals. Many of these concerns were comfortably answered. Indeed, most had already been covered in the FAQ's in the consultation pack:<sup>1</sup>

- Will my tenancy status change?
- Will my rent go up?
- Will I get my repairs done more quickly?
- Will you deal with neighbour disputes more quickly and effectively?
- Will our local housing officer be changed?
- Will there be more chance to transfer if the merger goes ahead?

However, some were more strategic, and the Boards' response was as follows:

<b>Issue</b>	<b>Analysis</b>	<b>Assessment</b>
<i>Absence of adequate reference to disability in the Customer Service Proposal</i>	This was raised directly by residents with disabilities	Customer Service Proposal to be amended to include commitments on service to residents with disabilities
<i>Concern about likely redundancies and consequent reduction in service quality</i>	This was a common concern	There are no current plans for redundancies below executive level. No action required
<i>The introduction of the customer portal will lead to the digital exclusion of 'hard to reach' tenants who have no internet or smartphone</i>	Digital is only part of a multi-channel approach and that no existing access channels will be closed	Customer Service Proposal to be amended to clarify approach to engagement with 'hard to reach' and 'digitally excluded' residents
<i>There is a risk of dip in performance as physical merger takes place - how is this risk going to be managed?</i>	Risk accepted as potentially valid	An experienced Transformation Director has been appointed to oversee the merger and a <i>Business as Usual</i> plan is being developed to mitigate the risk of

<sup>1</sup> The exception was "What will the merger mean in terms of my ability to buy my home?" – a topic that was not covered in the merger consultation pack

		distraction leading to reduced service quality
<i>Existing outstanding repairs must not be slowed down by the merger – they should be a priority</i>	The consultation process identified discontent with the repair services of both associations	Initially, the two repair services will operate independently but they will be aligned following discussion with the Resident Panel
<i>Lack of specificity about plans and funding for energy efficiency works to existing homes?</i>	It is difficult to be specific until grant funding is secured. The merger set out some potential options for works	Given the elapsed time and uncertainty involved in bidding for grant, this commitment will be less under the new association's control than others

### **What did the Boards decide?**

On 24 September, both association Boards decided that as a clear majority of residents responding were in favour, the merger should proceed.

Anna Klimczak, formerly interim Chief Executive of United Communities, has (after a competitive interview with outside candidates) been appointed as Chief Executive of the new merged association.

### **What happens next?**

- Residents are being appointed to the Board of the new association in October 2020
- An independent Resident Panel will be set up by early 2021
- The merger will formally happen in the spring of 2021, with the merged association having a new name and operating from United Communities current Eastville office

### **Thank you to every resident who responded to the consultation**

I would like to thank everyone who responded to the consultation and who took part in our consultation events.

I guarantee that we have listened carefully to the opposition and concerns we have received, and will take those views on board, mitigating concerns wherever we can.

**James Taylor, Chair**