EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF HOUSING SELECT COMMITTEE
HELD ON TUESDAY, 10 NOVEMBER 2015
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 5.35 - 8.15 PM

Members Present:	S Murray (Chairman), A Mitchell (Vice-Chairman), R Gadsby, L Girling, S Kane, J Lea, G Shiell, J H Whitehouse and W Marshall (Tenants and Leaseholders Federation)
Other members present:	D Stallan
Apologies for Absence:	K Chana and B Rolfe
Officers Present	A Hall (Director of Communities), L Swan (Assistant Director (Private Sector Housing & Communities Support)), R Wilson (Assistant Director (Housing Operations)), S Devine (Private Sector Housing Manager), Pradun (Senior Communities Officer (Quality and Performance)) and M Jenkins (Democratic Services Officer)

13. SUBSTITUTE MEMBERS (MINUTE ITEM 39 - 23.7.02)

There were no substitutions made at the meeting.

14. NOTES OF THE LAST MEETING

RESOLVED:

That the notes of the last meeting of the Select Committee held on 16 June 2015 be agreed.

15. DECLARATION OF INTERESTS

There were no substitutions made at the meeting.

16. TERMS OF REFERENCE/WORK PROGRAMME

The Select Committee's Terms of Reference and Work Programme were noted.

17. PRESENTATION ON THE CURRENT AND FUTURE APPROACH TO DEALING WITH PRIVATE EMPTY PROPERTIES

The Select Committee received a presentation from the Private Housing Manager (Technical) regarding the Current and Future Approach to Dealing with Private Empty Properties.

The Select Committee were advised that nationally, there had been a reduction in the number of empty homes:

(a) From 783,119 in 2008 to 610,123 in 2014;

(b) Within Epping Forest District Council the reduction had been from 1,837 in 2005 to 1,391 in 2014; and

(c) From the £548,829 received by the District Council through the New Homes Bonus, £57,946 was due to the reduction in empty homes.

However, it was noted that it was also likely that there was now an under reporting of empties to the Council because there had been a removal of incentives for people to inform their local authority that their home was empty. This had been due to previous exemptions being removed and local authorities having flexibility on discounts. Whilst the numbers for long term empties was steadily decreasing in the District (by 57 in the last year), the number of properties that had been empty more than 2 years had hardly changed (124 down to 122). The main reasons that these properties were empty was because they were being left for investment purposes, the owner had run out of money, properties were under major renovation or they were being marketed for sale possibly at an inflated price.

Officers proposed that in the future they would:

(i) Continue to offer advice, information and financial incentives to owners of properties which have been at least 6 months empty;

(ii) Consider recommending a reduction in the time limit for eligibility for the Empty Homes Repayable Assistant to 6 months (from 1 year);

(iii) Risk assess all properties that have been empty for at least 2 years against criteria based on length of time empty;

(iv) Risk assess probate properties that have been empty for more than 2 years;

(v) Actively pursue those properties with the highest risk score using enforcement if appropriate;

(vi) Pursue all empties causing issues to local residents or the environment;

(vii) Seek member approval for Compulsory Purchase or Empty Dwelling Management Orders; and

(viii) Consider the possibility of the Council purchasing empty properties to replace homes sold under Right to Buy.

RESOLVED:

That the presentation regarding the current and future approach to dealing with private empty properties be noted and that the Private Housing Manager (Technical) be thanked.

18. RESULTS OF THE STAR TRIENNIAL TENANT SATISFACTION SURVEY

The Select Committee received a report regarding the Tenant Satisfaction Survey for 2015 from the Assistant Director – (Private Housing and Communities Support) and the Senior Communities Officer – (Quality and Performance).

The Council's Communities' Directorate had been a member of Housemark, a national housing benchmarking club, for many years. They had a standard Tenant

Satisfaction Survey called STAR (Survey of Tenants and Residents) for its members to use.

The Council commissioned an independent research company to carry out the STAR survey which took place between July and August 2015. An anonymous postal self completion questionnaire was sent to a random sample of a third of the District Council's tenants, followed by a reminder questionnaire sent to every non-respondent. In total, 798 tenants took part in the survey, representing a 36% response rate. This was well in excess of the STAR target. There were 26 questions in total.

Overall the resident satisfaction survey results in 2015 were broadly similar in comparison to the last STAR survey with satisfaction scores varying by one or two percentage points, up or down, on the majority of core questions compared to 2012. Where benchmark information was available, the vast majority of results were generally at or above average when compared with other landlords. The most notable result from the survey concerned the quality of homes which showed an 84% satisfaction level.

RECOMMENDED:

(1) That the findings of the Tenant Satisfaction Survey Report 2015 be noted; and

(2) That the Tenant Satisfaction Survey Report 2015 be recommended to the Housing Portfolio Holder for approval.

19. RESPONSE TO DCLG CONSULTATION ON MANDATORY "PAY TO STAY" SCHEME

The Select Committee received a report from the Assistant Director (Housing Operations) regarding the District Council's proposed response to the Department of Communities and Local Government (DCLG) Consultation on Pay to Stay: Fairer Rents in Social Housing.

In June 2013, the DCLG issued a consultation paper entitled "High Income Social Tenants Pay to Stay." At that time, the Government set out its intention that local authorities should be given the flexibility to charge those with high income proposed at that time, as more than (£60,000 per year) a higher level of rent to stay in their own homes. The proposal at that time was based on the higher rent being set at 80% of market rents. The Housing Scrutiny Panel, which preceded this Select Committee, supported the proposal at that time but had concerns particularly around administration costs, the creation of "ghettos" which would inhibit mixed communities and felt that different thresholds should be applied to different parts of the country.

At its meeting in July 2014, the Panel considered the matter again. This time, the Government did not expect local authorities to adhere to its Social Rent Policy for properties let to households with an income of £60,000 per year, instead they could choose to charge up to full market rent. The Panel agreed at that time that as there were no powers to compel tenants to tell their landlords how much they earned, a further report should be submitted when such powers were in place.

In October 2015, the Government issued a further Consultation Paper – Pay to Stay: Fairer Rents in Social Housing. Particular attention was drawn to the two questions on which views were invited by the DCLG, these were:

Question 1: How income thresholds should operate beyond the minimum threshold set at budget, for example through the use of a simple taper/multiple thresholds that increases the amount of rent as income increases and whether the starting threshold should be set in relation to eligibility for Housing Benefit?

Members felt that the introduction of a simple taper could be a sensible approach on the basis that a tenant's taxable income increased the level of rent increase. However, this change would make the administrative arrangements difficult.

The Select Committee were advised that the Assistant Director (Benefits) had informed officers that there would be difficulties in setting a general threshold due to many variables, bearing in mind that each housing benefit claim was decided based on individual circumstances including rent, household composition and income. Varying rent levels throughout the year would cause increased administrative difficulties with the calculation of benefits.

The Housing Portfolio Holder was concerned that the consultation document, stated that the two highest incomes within a household would be included and therefore did not say as in previous guidance that it would be based on the incomes of those named on the tenancy agreement 9including spouses and civil partners). Officers confirmed that they would query this point with the DCLG in the Council's response.

Question 2: Based on the current system and powers that local authorities had, what was your estimate of the administrative costs and what were the factors that drive these costs?

Officers considered that to administer the scheme an additional 2 (FTE) members of staff would be required to deal with matters such as tenants changing incomes and rent levels, backdating increased payments and refunds, altering a tenant's rent in accordance with their tenancy conditions and undertaking regular reviews.

Alongside this, it would be necessary to undertake data matching exercises with the Department of Work and Pensions (DWP). It was further considered that an additional 1 (FTE) Fraud Officer would be needed as the scheme would clearly be open to fraud. The overall administrative costs were estimated to be around £75,000 per annum.

The Housing Portfolio Holder advised that the legislative power to require tenants to declare their income would be needed to make these proposals workable.

The Assistant Director (Housing Operations) advised that due to changes in income and benefit, officers would need to review cases several times a year.

A letter to the DCLG would be drafted and signed by the Select Committee Chairman.

RECOMMENDED:

That the Epping Forest District Council response to the DCLG Consultation regarding the Mandatory "Pay to Stay" Scheme be returned with a covering letter from the Housing Select Committee Chairman advising of the following:

(1) That the introduction of a simple taper would be a sensible approach but will lead to a significant administrative burden, particularly with the calculation of benefits and it should be considered if the taper ought to be income or time related or perhaps both;

(2) That the Government be asked to clarify if taxable income will be based on the two highest earners in each household or those named on the tenancy agreement;

(3) That the Council has assessed the administrative costs of the scheme at around £75,000 per annum;

(4) That legislative power to require tenants to declare their incomes will be required to make these proposals workable;

(5) That it will be difficult to set a threshold in relation to housing benefit due to there being too many variables; and

(6) That the Select Committee ask officers to include further general commentary in the consultation response.

20. HOUSING SERVICE STRATEGY ON HARASSMENT (3 YEAR REVIEW)

The Select Committee received a report regarding the Communities Directorate's Housing Service Strategy on Harassment from the Assistant Director – (Private Housing and Communities Support).

The Communities Directorate's Housing Service Strategies were originally produced more than 15 years ago in accordance with an agreed standard framework and had since been updated. In total 17 Housing Service Strategies had been produced detailing the various housing services provided.

The Select Committee considered and endorsed the updated strategy on Harassment.

RECOMMENDED:

That the Housing Service Strategy on harassment be recommended to the Housing Portfolio Holder for approval.

21. FUTURE APPROACH TO HOUSING SERVICE STRATEGIES

The Select Committee received a report from the Director of Communities regarding the future use of Housing Service Strategies.

He explained that over many years, the Housing Service had formulated a suite of Housing Service Strategies that individually set out the detailed approach taken by the Council and its officers to various housing activities. All the service strategies were produced in a common format and were then reviewed and updated by officers every three years and reported to the Housing Select Committee for consideration. Around the same time, service strategies relating to landlord services were also reported to the Tenants and Leaseholders Federation for their views as well.

Following consideration of updated Service Strategies by the Select Committee and Tenants and Leaseholders Federation, the final version was then formally reported to the Housing Portfolio Holder for adoption.

The strategies were originally introduced at the time of the former Housing Inspectorate being set up and in anticipation of a formal Housing Inspection being undertaken. However, the inspectorate had closed down a number of years ago, yet the production, review and updating of the service strategies had continued.

The process from first setting out to update Service Strategies to the Housing Portfolio Holder adopting them usually took around 2-3 months and each Service Strategy took around 10 hours of officer time to review, update, report to and attend the Select Committee and Tenants and Leaseholders Federation and make the final report to the Portfolio Holder. There were currently 16 separate Housing Service Strategies.

The Communities Management Team (CMT) had recently considered the cost-benefits of spending the significant amount of time to update these Housing Service Strategies. They identified that although the general principles set out in the Service Strategies were followed, the Service Strategies were hardly ever referred to by officers between the three yearly reviews. Moreover, most of the actions included within the Action Plans had usually already been identified and planned prior to the relevant Service Strategy being updated and were included and monitored through the Communities Directorate's Continuous Improvement Regime in any event.

The CMT was also aware that this approach to strategic service planning was not adopted by any of the other Directorates, Select Committees or Portfolio Holders. There was therefore an inconsistent approach both across the Council and the Communities Directorate. However, the CMT was also aware that the Select Committee appeared to find it useful to understand and review the Council's approach to the various housing functions.

The CMT did believe that there would be real benefit in continuing to review, update and maintain some of the service strategies in some form, due to their particular strategic importance or a legal requirement.

It was advised that the views of the Tenants and Leaseholders Federation had not been sought on this issue. However, the Chairman of the Federation advised the Select Committee that his members preferred discussing tenant orientated matters rather than strategies. He felt that perhaps two strategies per annum for discussion would suffice. The Select Committee had mixed feelings about reducing the service strategies as they found them useful and informative. Officers suggested that a further report be submitted to the Select Committee recommending that the number of strategies should be reduced, with some of them being combined, significantly reduced in content and reviewed every 5 years, instead of every 3 years.

RESOLVED:

That a report be submitted to the Select Committee recommending a reduction in the number of service strategies, with significantly reduced content and that they be reviewed every 5 years instead of every 3 years.

22. SIX MONTH REVIEW OF THE HRA FINANCIAL PLAN

The Select Committee received a report regarding the HRA Financial Plan – Half Yearly Update (Future Options Resulting from required Rent Reductions) from the Director of Communities.

As part of the Chancellor's Summer Budget in July 2015, it was announced that all social landlords must reduce their rents by 1% per annum for four years. The District Council's consultants had assessed that the estimated loss in rental income to the Council's Housing Revenue Account (HRA) would be around £14 million over the next four years and around £228 million over the next 30 years. In view of this significant reduction in rental income, the consultants were commissioned to provide a report on the options available to the Council to ensure that its HRA did not fall into deficit, which had been considered by the Finance and Performance Management Cabinet Committee.

The Select Committee were advised that the consultant's report identified a number of options available to the Council to re-cost its HRA Financial Plan for the future, including:

(a) Ceasing all or some of the funding currently available within the Financial Plan for future housing improvements and service enhancements for HRA services;

(b) Reducing investment in improvements to the Council's housing stock;

(c) Reducing/ceasing the Council's own Housebuilding Programme;

(d) Further borrowing for the HRA, repaid by the end of the Financial Plan; or

(e) Combinations of the above.

It was advised that the Housing Portfolio Holder had recommended to the Finance and Performance Management Cabinet Committee in September 2015 that most of the £702,000 uncommitted funding within the HRA's Housing Improvements and Service Enhancements Fund for 2016/17 should not be allocated or spent at present.

RESOLVED:

(1) That the commissioning of a report by CIH Consultancy on the options available to the Council to ensure that its HRA does not fall into deficit – following the inclusion of a requirement within the Welfare Reform and Work Bill that all social landlords must reduce their rents by 1% per annum for four years (instead of increasing their rents by CPI + 1% in accordance with previous Government guidance) – instead of the usual six month review of the HRA Financial Plan be noted;

(2) That the report from CIH Consultancy on the options available for the Council's HRA Financial Plan and the decisions of the Finance and Performance Management Cabinet Committee following its consideration of the report be noted; and

(3) That the consideration of the planned further review of the options for the HRA Financial Plan be added to the Select Committee Work Programme for 2016/17, prior to further consideration by the Finance and Performance Management Cabinet Committee in 2016.

23. SIX MONTHLY PROGRESS REPORT ON HOUSING BUSINESS PLAN ACTION PLAN

The Select Committee received a report regarding the Housing Revenue Account Business Plan Key Action Plan (2015/16) – 6 Month Progress from the Director of Communities.

In March 2015, the Council's latest Housing Revenue Account (HRA) Business Plan (2015/16) was produced incorporating the Repairs and Maintenance Business Plan. This document set out the Council's objectives, strategies and plans as landlord in relation to the management and maintenance of its own housing stock.

An important section of the HRA Business Plan was the Key Action Plan which set out the proposed actions the Council would be taking over the year. It was good practice that progress made with the stated actions was monitored during the year.

RECOMMENDED:

That the Six Monthly Progress Report on the Housing Business Plan Action Plan be recommended to the Housing Portfolio Holder for approval.

24. KEY PERFORMANCE INDICATORS 2015/16 - QUARTER 1 AND 2 (Q1 AND Q2) PROGRESS

The Select Committee received a report from the Director of Communities regarding Key Performance Indicators 2015/16 – Progress at Quarter 2.

The Local Government Act 1999 required that the Council made arrangements to secure continuous improvement in the way in which its functions and services were exercised, having regard to a combination of economy, efficiency and effectiveness.

As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPIs) relevant to the Council's services and key objectives were adopted each year by the Finance and Performance Management Cabinet Committee. Performance against the KPIs was monitored on a quarterly basis by Management Board and overview and scrutiny to drive improvement in performance and ensure corrective action was taken where necessary.

A range of 36 Key Performance Indicators (KPIs) for 2015/16 were adopted by the Finance and Performance Management Cabinet Committee in March 2015.

Members of the Select Committee were aware that the September committee meeting was cancelled and the Quarter 1 report which was due for consideration there had been overtaken by the Quarter 2 report.

The overall position for all KPIs at the end of Quarter 2 was as follows:

(a) 26 (72%) indicators achieved target at the end of Q2.

(b) 10 (28%) indictors did not achieve the Q2 target.

(c) 1 (10%) of these KPIs performed within their tolerated amber margin.

(d) 26 (72%) indicators were currently anticipated to achieve their cumulative year end target.

Housing Select Committee indicators – 10 of the Key Performance Indicators fell within the Committee's areas of responsibility. The overall position with regard to the achievement of target performance at the end of Q2 for these indicators, was as follows:

(i) 9 (80%) indicators achieved the Q2 target.

(ii) 1 (20%) indicators did not achieve their Q2 target.

(iii) 0 (o%) indicators performed within their tolerated amber margin.

(iv) 9 (80%) indicators were currently anticipated to achieve their cumulative year end target.

RESOLVED:

That the progress made on the Key Performance Indicators 2015/16 in respect of Quarter 1 and Quarter 2 be noted.

25. FUTURE MEETINGS

The next scheduled meeting of the Select Committee would be held on Tuesday 12 January 2016.