

# ***Report to the Council***

**Subject: Housing Portfolio**

**Date: 5 November 2013**

**Portfolio Holder: Councillor D Stallan**

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**Recommending:**

**That the report of the Housing Portfolio Holder be noted.**

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## **Submission of planning application for first Council Housebuilding Scheme**

Following the meeting of the Council House-Building Cabinet Committee in July 2013, design work has progressed on the Phase 1 sites at Roundhills and Harveyfields in Waltham Abbey, comprising five sites to provide a total of 25 new affordable rented homes, which are proposed to form the first year of the Council's own Housebuilding Programme.

A planning application was submitted for the site at Harveyfields in early October 2013, with applications expected to be submitted for the remaining four sites in Roundhills later in October.

An artist's impression of the Harveyfields development is shown below.



## **Variation of Existing Tenancy Conditions**

At its meeting on 15 April 2013, the Cabinet adopted the Council's new Tenancy Policy. Under the Policy, from 1 September 2013, the Council has introduced a Pilot Scheme for Flexible (fixed-term) Tenancies, to be granted to all new tenants who sign-up to the tenancy of a property of three bedrooms or more, for a fixed term of 10 years including the Introductory Tenancy period.

Since it was necessary for the Council to have a new Flexible (fixed-term) Tenancy Agreement in place by 1 September 2013, officers undertook a detailed review of the Conditions under the Council's current Standard Tenancy Agreement. The main proposed changes were considered by the Housing Scrutiny Panel and the Tenants and Leaseholders Federation and agreed by the Cabinet on 22 July 2013.

The Cabinet further agreed that in order to ensure that, generally, the same Conditions of Tenancy applied to both flexible (fixed-term) tenants and secure tenants in the future, the Council should seek to formally vary its Standard Tenancy Agreement with all existing and future secure tenants, with the intention of the Conditions of Tenancy for all existing and future tenants being the same.

The arrangements for making changes to existing tenancy agreements are governed by the Housing Act 1985. In the first instance, the Council must serve a Preliminary Notice, which will be served during November this year, consulting on the proposal to vary its Standard Tenancy Agreement for existing secure tenants.

The Notice will explain the effect of the proposed changes and state the Council's intention to serve a Notice of Variation (which will actually change the Tenancy Conditions). It will also invite comments within the statutory 28 days.

A report will then be submitted to the Cabinet on the responses received to the Preliminary Notice, prior to the Cabinet's formal adoption of the new Standard Tenancy Agreement and the Notice of Variation being served.

It is expected that the new Tenancy Conditions will apply to all existing and new secure tenants from 1 April 2014.

## **HRA Financial Plan – Quarter 2 Review**

In March 2013, I formally adopted the Housing Revenue Account (HRA) Business Plan for 2013/14, following detailed consideration by the Housing Scrutiny Panel. An important part of the HRA Business Plan is the HRA Financial Plan, which sets out the HRA's anticipated income and expenditure over the next 30 years.

Although Housing and Finance officers formally review the Financial Plan every quarter, the Cabinet has asked the Housing Scrutiny Panel to review updates to the HRA Financial Plan every six months, and the latest review was undertaken by the Scrutiny Panel at its meeting on 22<sup>nd</sup> October 2013.

Although the HRA continues to be in a relatively healthy state, two proposed changes announced by the Government as part of its Spending Review in July 2013 could have a significant detrimental effect on the HRA in the long term.

The first proposed change is to limit annual rent increases to the Consumer Prices Index (CPI) + 1%, instead of the current rent increase limit of Retail Prices Index (RPI) + 0.5%. Although the current effect is neutral (since the difference in the two indices is currently

around 0.5%), the Government's own long term forecasts predict that the difference will increase in the long term, resulting in lower rental income expected to the HRA.

The Government's second proposed change is to end its rent convergence policy in 2015. Rent convergence is where steps are taken to ensure that, over time, similar rents are charged by councils and housing associations for similar properties in the same area. Since our HRA Financial Plan is predicated on many of the Council's rents converging with housing association rents after 2015, officers have calculated that the HRA could lose rental income of around £40million over the next 30 years if the current rent convergence policy is not pursued.

A Consultation Paper is currently expected on how the Government intends to put this policy proposal into practice.

### **Mobile Homes Act 2013 – Information Evening**

Members will be aware of the new Mobile Homes Act 2013 which came into force on 26 May 2013. In response to a number of requests, I chaired an event arranged by the Housing Directorate for park home residents on the 2 October 2013 to promote education and awareness of the new legislation.

As it was not possible, for logistical reasons, to invite all the park home residents in the District, four representatives from each of the recognised park home site residents associations were invited to the event, which was also web-cast for the benefit of those who could not attend. Members whose wards include park homes sites; the Safer, Cleaner and Transport Portfolio Holder; Portfolio Holders from seven neighbouring local authorities and the District's three MPs were also invited.

The Leasehold Advisory Service (LEASE) gave a presentation on the main effects of the new Act and the implications it has for both residents and local authorities. LEASE is an organisation funded by the CLG to provide free advice on the law affecting residential leasehold property and park homes. Three legal experts from LEASE gave presentations on different aspects of the legislation and answered questions from residents and Members.

The feedback from those attending was that they had found the event very useful. LEASE continues to respond to individual queries on the park homes legislation and have said that they are willing to host similar events in future.

### **Mobile Homes Act 2013 – Charging for Licensing?**

One of the changes introduced in the Act is that, from April 2014, local authorities will be able to charge park home site owners a fee for carrying out their licensing functions. However, councils can only do this after first publishing a Fees Policy, detailing what the charges will be. Our officers are therefore considering a range of options and approaches, such as whether to introduce a charge and, if so, whether this should vary for different sites or be the same across the District.

Once this work is completed, Members will be advised of the different options. If the proposal is to make a charge, residents and site owners will be consulted before a decision is made by the Cabinet. Our officers have also been selected to be members of a CLG (Government) working group which is also considering charging options nationally.

### **New Arrangements for Funding Disabled Facilities Grants (DFGs)**

The Council has been notified that there is to be a radical change in the way the Government funds Disabled Facilities Grants (DFGs), the provision of which is a statutory function of the

Council. DFGs are means-tested grants to disabled people living in the private sector, who require adaptations to their homes to help mitigate the effects of their disability on their home environment.

In order to help meet the cost of providing DFGs, local authorities receive an annual 'Specified Capital Grant' (SCG) from the CLG. The Council is currently receiving an annual SCG of approximately £290,000. Any expenditure over and above this is met from the Council's own Capital Programme. It is currently expected that the total DFG expenditure in 2013/14 will be £350,000, approximately £60,000 of which will be paid for by the Council.

It was announced in the Government's Spending Review in July that, from 2015/16, the Government's total national contribution towards DFGs will remain unchanged. However, it has emerged that, in future, this funding will be provided through the Department of Health (DoH) and not the CLG. This DoH funding will be included in the new 'Integration Transformation Fund' (ITF), which is a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.

Although the ITF does not come in to full effect until 2015/16, plans for both that year and the use of interim funding in 2014/15 are being developed in 2013, to be signed off before March 2014. There is a concern that, if no mention of the need for adaptations is included within the plans, local authorities may not receive sufficient funds to meet the ongoing demand for DFGs. This might mean that, as we are legally required to give DFGs, a greater cost – or even the full cost - of all the DFGs the Council gives annually (which is likely to be at least £350,000 per annum), would have to be met from the General Fund's Capital Programme.

In addition, failure to include housing and home adaptations in the ITF plan could result in a lack of funding for housing-related support that funds other housing services, such as C.A.R.E. and Careline. As these are services which support older and disabled people to live safely and independently at home, this could have a serious impact on our most vulnerable residents.

Our officers have been in contact with colleagues at other local authorities in West Essex and I understand that the matter is to be raised for discussion at the West Essex Joint Health and Wellbeing Board. I am also aware that the issue is to be considered by the West Essex Clinical Commissioning Group and Social Services.

I will keep members up to date on developments.

### **Information Evening for Tenant Representatives**

On 16 September, the Housing Directorate held a 'meet and greet' session for the members of the new Tenant Scrutiny Panel. This was to provide an opportunity for Tenant Scrutiny Panel members to meet representatives of the Council and of other resident involvement groups. I also attended the event, along with Cllr Stephan Murray, Chairman of the Housing Scrutiny Panel.

In addition to Tenant Scrutiny Panel members, the event was also attended by members of the Tenants and Leaseholders Federation, representatives of some of our residents' groups, the Director and Assistant Directors of Housing and the ten Housing Managers. Brief presentations were given by each of the Housing Managers on the work of their teams.

Feedback received was that the event was very worthwhile, giving residents an opportunity to discuss housing matters with one another, and to get to know Housing Managers who they might not normally meet.

The Tenant Scrutiny Panel will shortly be reporting on their review of the way in which the Housing Service deals with complaints. Officers are also planning to work with South Essex Homes to train our own tenants to undertake 'mystery shopping'.

### **Out of Hours Call Handling Service**

At its meeting held on 21 October, the Cabinet agreed that the Council's Repairs Management Contractor, Mears, should provide the Council's Out of Hours Call Handling Service from 1 April 2014, instead of the service being provided in-house by the Council's own Standby Officers.

Under this arrangement, Mears will handle all housing repair calls (both emergency and non-emergency), as well as all emergency calls for other Council services received out of hours. This will result in a significant service improvement for our Council tenants since, for the first time ever, they will be able to report *routine* repairs calls, and make repair appointments, any time of the night or day - instead of just during office hours.

Not only will the new approach provide an enhanced and more resilient service, the cost of delivering the service will also result in savings of around £76,000 per annum, compared to the cost of the current in-house service, excluding the additional costs required to continue to have an on-site presence at the Civic Offices out of normal office hours.