

Report to the Council

Subject: Housing Portfolio

Date: 20 February 2014

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Proposed Average Council Rent Increase – 2014/15

Following detailed consideration by the Finance and Performance Management Cabinet Committee, at its meeting on 3 February 2014 the Cabinet agreed my recommendation (subject to ratification by the Full Council) to increase Council rents by an average of 4.91% next year.

For many years, the Council has adopted successive Government's Rent Convergence Policies whereby, nationally, councils and housing associations have been required to bring their rents in line with each other, so that the rents for similar properties in the same location are the same - irrespective of whether they are provided by a council or a housing association.

To achieve this, all social landlords have had to calculate a "Target Rent" for each individual property, and then seek to increase or decrease rents to the Target Rent over time (which itself increases annually by RPI + 0.5%). The Council's objective has been to seek rent convergence by April 2017. However, since individual rents cannot be increased by more than RPI + 0.5% + £2 per week, and because of the large gap between what most rent levels are at the moment and what they need to be, very few properties will reach their Target Rent by 2017.

This has not been a problem to date, since the Government has always said that it would allow social landlords to reach each property's Target Rent in their own time. However, as I reported at the last Council Meeting, last year the Government announced its intention to cease its Rent Convergence Policy from April 2015, irrespective of whether individual properties had reached their Target Rent. This will have a significant detrimental impact on the Council's Housing Revenue Account (HRA), amounting to a loss of around £35 million over the next 30 years. This will have an effect on either the Council's Housebuilding Programme or the amount that can be spent on housing improvements and service enhancements – or both.

In order to reduce the impact of this expected loss a little, the Cabinet agreed that - from April 2014 - vacant Council properties should be re-let at their Target Rent, and not the same rent level as charged to the previous tenant, which is the practice already adopted by nearly all housing associations and many other councils. This is expected to increase the amount of rental income over the next five year by *an average* of £250,000 per annum (less in the early years, and more in the later years), without affecting any existing tenants.

Both the proposed average rent increase and the approach to re-let rents have been discussed with the Tenants and Leaseholders Federation, who fully support the proposals.

An average rent increase of 4.91% next year will increase the average Council rent by £4.49 per week - to around £95.60 per week.

Proposed Housing Improvements and Service Enhancements for 2014/15

At its last meeting in January, the Housing Scrutiny Panel considered a detailed report from the Director of Housing on the progress made with the housing improvements and service enhancements agreed for the current year, and a proposed list of housing improvements and enhancements for next year.

As a result, the Scrutiny Panel agreed to recommend to the Cabinet at its meeting in March 2014, seven new housing improvements and enhancements to be undertaken next year. These include: an extension of the funding for Voluntary Action Epping Forest (VAEF) to undertake garden maintenance for older and disabled Council tenants under its Mow and Grow Scheme; a scheme to subsidise the cost of leaseholders providing fire-protected front doors in blocks of flats; the installation of Wi-Fi at the Council's Homeless Persons Hostel; the refurbishment of 12 communal kitchens at the Council's sheltered housing scheme; the provision of around 25 new electric mobility scooter stores at sheltered housing schemes; and the allocation of £247,000 to the Major Capital Projects Reserve.

Oakwood Hill Environmental Improvement Scheme, Loughton

Another improvement scheme being proposed by the Housing Scrutiny Panel to the Cabinet is one that I recommended to the Scrutiny Panel myself - following discussions with the Ward and County members - to undertake an Environmental Improvements Scheme on the Oakwood Hill Estate, Loughton.

Over recent years, there has been a marked deterioration of the environment in and around the Oakwood Hill Estate - particularly the paths, roads, lighting, refuse facilities and landscaping - and I agreed with the Ward and County Members that the Estate would benefit from an Environmental Improvement Scheme. However, the main required improvements relate to the network of paths and roads (and their associated lighting), of which the majority are adopted by the Highways Authority and, therefore, maintainable at public expense by Essex County Council.

I therefore wrote to Cllr Rodney Bass, the County Council's Cabinet Member for Highways and Transportation, requesting that he gave consideration to the County Council providing a sum of £200,000 to match-fund a similar contribution from the District Council over the next two years, making a total budget of £400,000.

I am very pleased to report that I have now heard from Cllr Bass, who has agreed in principle to my funding request - in full. Furthermore, he said in his response that he would like to see this approach adopted as a template for the way the County Council and district councils work together in the future, across the County.

In addition, Loughton Town Council has also agreed in principle to making a financial contribution towards the improvement scheme.

If the Cabinet agrees to the Council's proposed allocation of funding, it is my intention to establish and chair a Member/Officer "Task Force", including senior housing officers, Ward and County Members and representatives from the Oakwood Hill Estate Residents Association (OHERA), the Oakwood Senior Citizens Club and Essex CC Highways.

Off Street Parking Programme

At its meeting this month, the Cabinet considered the next phase of the Off-Street Parking Programme. To date, 130 off-street parking bays have been constructed, across 8 sites around the District at a cost of around £0.5million - with 2 further schemes due to start on site by the end of March this year. Resident Satisfaction Surveys undertaken after individual schemes have been completed have resulted in high levels of satisfaction.

When considering which schemes on the Priority List of Potential Schemes were to go forward for the next phase of the Programme, the Cabinet agreed (subject to any call-in) to remove those estates which no longer have any Council properties in the locality. The way in which off-street parking schemes are funded was also reviewed. In the past, the cost of schemes has been shared almost equally between the HRA and the General Fund, to reflect the general proportion of Council properties remaining on estates, now that around half of all Council homes have been sold under the Right to Buy. However, it was agreed that, in future (and subject to any call-in), the funding split between the HRA and the General Fund will be calculated on a scheme-by-scheme basis, depending on the percentage of Council homes that will benefit from schemes.

The Cabinet agreed the next sites to go forward for off street parking, which are (subject to any call-in):

- Stanway Road, Fullers Close, Woodford Court, and Badburgham Court in Waltham Abbey;
- Roxwell House, Buckhurst Hill;
- Ladyfield Close and Paley Gardens, Loughton;
- Queens Road, North Weald; and
- St Peters Avenue, Ongar;

Council Housebuilding Programme

At the Council Housebuilding Cabinet Committee meeting held earlier in the month, following consideration of detailed Feasibility Studies and Financial Appraisals (and subject to any call-in), it was agreed to seek the development of a minimum of 31 new affordable rented homes (a mixture of houses and flats) at Burton Road, Loughton as Year 2, and part of Year 3, of the Council Housebuilding Programme. Such development was included within the Design and Development Brief for The Broadway, and the local Ward Members were invited to the meeting to participate in the discussion. The Committee also requested a report to its next meeting on the best way of programming and funding this number of new homes in one phase.

Planning Permission has already been granted for 9 flats at Harveyfields, Waltham Abbey for part of Year 1 of the Programme, and planning applications for a further three sites in Roundhills, Waltham Abbey are due to be considered by the Area Planning Sub-Committee (West) later in February, following one proposed site in Roundhills being withdrawn for the time being, resulting in 23 homes now proposed for Year 1 of the Programme in total.

At its meeting, the Cabinet Committee also agreed to recommend to the Cabinet the strategic approach to be taken towards the prioritisation of potential development sites for the future. In order to enable all parts of the District to benefit from the provision of new Council homes, the Cabinet Committee agreed that Council housebuilding should be spread around the District, with priority given to those areas with the most housing applicants on the Housing Register and the most potential sites – and agreed a rotational list of areas to benefit from Council housebuilding, which will be reviewed annually in accordance with the agreed strategic approach.

The Cabinet Committee also reviewed the level of the Rent Cap as part of the Council's Affordable Rent Policy, considered the current financial position of the Housebuilding Programme, the current Risk Register and the future Project Plan, and authorised the Director of Housing (in consultation with the Housing Portfolio Holder) to seek Investment Partner status with, and submit funding bids to, the Homes and Communities Agency. At the suggestion of a Committee Member, it was also agreed to review the level of the Code of Sustainable Homes to which Council developments should be designed in future.

Variation of Council Tenancy Conditions

In my report to the last Council meeting, I explained that under the Council's new Tenancy Policy, from 1 September 2013, a new Pilot Scheme has been introduced for Flexible (fixed-term) Tenancies to be granted to all new tenants who sign-up to the tenancy of a Council property with three bedrooms or more - for a fixed term of 10 years, including the Introductory Tenancy period.

It was therefore 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, which led to the Housing Scrutiny Panel and the Tenants and Leaseholders Federation considering, and the Cabinet agreeing (on 22 July 2013), a new Tenancy Agreement for Flexible Tenancies.

The Cabinet further agreed that, in order for generally the same Conditions of Tenancy to be applied to both Flexible (fixed-term) Tenants and Secure Tenants in the future, the Council should formally vary its Standard Tenancy Agreement for all existing and future Secure Tenants along the same lines as the Flexible (fixed-term) Tenancy Agreement.

A Preliminary Notice was served on all existing Secure Tenants in November 2013, explaining and consulting on the proposal (as required by housing law) and, at its meeting on 3 February 2014, the Cabinet considered the responses received. As a result of the consultation exercise, the Cabinet agreed four minor changes to the proposed Tenancy Agreement (subject to any call-in).

Following the Cabinet's adoption of the new Standard Tenancy Agreement from 1st April 2014, the required Notice of Variation will be served on all existing tenants at the end of February 2014.

In order to include those new tenants (around 80) who have taken up tenancies since the consultation exercise, the Cabinet agreed to authorise the Director of Housing to serve a Preliminary Notice on them as well, and deal with any minor changes which result from the consultation exercise. Should the outcome of the consultation process result in any major changes, then a report will be submitted to the Cabinet and the Tenants and Leaseholders Federation for consideration. From 18 February 2014, all new Tenants will then be required to sign up to the new Tenancy Agreement.

Charging for Licensing Functions at Park Home Sites - Mobile Homes Act 2013

In December, I asked that officers consult with site owners and park home residents on a proposal to introduce fees for the licensing of park home sites. This was because, when members agreed the conditions that would be attached to the District's park home site licences in July 2012, a commitment was given not to introduce fees without first undertaking consultation.

The Council cannot introduce licence fees without first publishing a Fees Policy. Fees can only be set at a level that will recover the Council's costs in carrying out the work associated with site licensing – both for existing and new sites. The fee cannot include the cost of

enforcement, although a separate power exists which allows local authorities to charge for enforcement; this may be considered as an option for the Council at a later date.

All members with park home sites in their ward were sent a copy of the consultation document. The consultation exercise is due to be completed shortly, and the results will be reported to the Cabinet in March 2014, to decide whether or not fees should be introduced for park home licensing from April 2014 and, if so, what the fees should be.

Officers are also in the process of arranging some more events to provide site owners and residents with additional information to help them meet the requirements of the new legislation. Members will be provided with further details about this shortly.

Out of Hours Call Handling Contract

Since the time the Cabinet agreed, in December 2013, to enter into a contract with Mears to take over the Council's Out of Hours Call Handling Service, including the receipt of routine repairs calls and booking repairs appointments, an Officer Project Team has been established, chaired by the Assistant Director of Housing (Property), to oversee the transition for an April 2014 start date.

Officers from all Directorates have been tasked with writing "scripts", which will help and assist the Mears Call-Centre Staff deal with telephone calls received out of hours. This process also involves compiling a full list of buildings, sites and other assets -- as well as Council policies and procedures - for Mears to follow, in order to ensure that they deal with calls in the way the Council wants.

A first draft of the contract documents has been drafted by the Council's external solicitors, and issued to Mears for consideration.

Arrangements for the security of the Civic Offices, once the Council's Standby Service transfers to Mears, are being progressed separately by the Director of Corporate Support Services and the Asset Management and Economic Development Portfolio Holder.

Annual Report to Tenants 2013

Our Annual Report to Tenants 2013 is being sent to all tenants during February.

The Council has always provided tenants with regular reports on our housing performance, achievements and issues. In 2010, however, we became regulated by the Tenant Services Authority (TSA) – now the Homes and Communities Agency (HCA) - which required us to produce an Annual Report in a prescribed manner, detailing our performance against five standards set out in the national Housing Regulatory Framework.

Our first Annual Report to Tenants in this format was produced in 2010. Prior to publication, the report was reviewed by a 'Reading Group' - one of our tenant involvement groups. The format of the Annual Report has proved successful, and has been highlighted as an example of good practice by four national tenant organisations.

The Annual Report 2013 provides tenants with an update on the work we have carried out during the year - such as the changes to our Allocations Scheme and tenancy policies, progress with our Council Housebuilding Programme and our performance against the Tenant and Leaseholders Federation's 'Tenant-Selected Indicators'. The Annual Report also includes a Feedback Form, so that tenants can give their views on its format and content, so that we can continue to provide tenants with information that they want, in a form that they can understand.

A copy of the Annual Report will be sent to all members.

Welfare Reform Mitigation Action Plan – Progress

As members will be aware, a Welfare Reform Mitigation Project Team was formed in September 2012, chaired by the Director of Housing and comprising officers from across the Housing Directorate and the Benefits Division, to consider and implement ways that the effects of the Government's Welfare Reforms could be minimised – or at least reduced.

The Project Team formulated a Welfare Reform Mitigation Action Plan, which was adopted by the Cabinet in October 2012, and which identified around 60 separate actions to be undertaken. In addition to progress with the Action Plan being monitored at officer level by the Project Team, the Cabinet also asked the Housing Scrutiny Panel to monitor progress with the delivery of the Action Plan at its quarterly meetings, which it has done since January 2013.

I am very pleased to be able to report that 70% of all the tasks (41 actions) have now been achieved, and that there is now *only one task* that is able to be undertaken now, but has not yet been achieved. This relates to a longer-term ambition to work with the Council's Preferred Housing Association Partners to secure and provide private-rented housing as part of the non-affordable housing provision on new developments, or through acquisition from the open market. Although the Director of Housing has raised this issue with the Council's Preferred Partners, due to the long lead-in times for such projects, it will be some time until this task will be able to be achieved.

All the remaining actions relate to issues on which the Government still needs to make decisions, or issues which the Government needs to implement – particularly the proposed introduction of Universal Credit and the direct payment of housing benefit to Council tenants.