

Report to the Council

Committee: Cabinet

Date: 21st April 2015

Subject: Housing

Portfolio Holder: Cllr David Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Review of the Housing Allocations Scheme and Tenancy Policy

At its meeting on 9 March 2015, the Cabinet agreed both the revised Housing Allocations Scheme and Tenancy Policy. The main changes are as follows:

Housing Allocations Scheme

- An increase in the current 3 year Residency Criteria, with any new applicant who has lived in the District for less than 5 continuous years immediately prior to their date of registration not qualifying for inclusion on the Council's Housing Register. Existing homeseekers already on the Housing Register for less than 4 ½ continuous years will be removed;
- A lesser residency requirement of 3 years applied to those leaving care and supported housing, which will enable the Council to continue to provide valuable support to this client group and meet with its corporate parenting responsibilities;
- In accordance with the Government's Code of Guidance and recent Consultation Paper "Right to Move", an exception to be made to the Residency Criteria for existing tenants who are seeking to move from another local authority district in England across boundaries to be closer to their work, or to take up a job, apprenticeship or full-time training that will lead to employment, subject to certain conditions;
- The Financial Criteria limits for when lead applicant/s are ineligible to join the Housing Register reduced, with those who have a gross annual household income including; residential property equity, savings, shares or any other assets, exceeding £76,000 not qualifying to join the Council's Housing Register, regardless of the size of accommodation required;
- The incentive payments offered to existing tenants downsizing accommodation, where both properties are owned by the Council, increased - with the amount paid for each bedroom released rising from £500 to £1,000. The amount paid for removal costs will remain the same at £500, but a standard additional decoration allowance payment of £500 will be paid, subject to a total maximum payment of £4,000 being made; and
- The penalties for refusing offers of accommodation strengthened - with any home seeker who refuses two offers of suitable accommodation for which they have expressed an interest within any period, having their application deferred for a period of twelve months. A lesser penalty will be applied to existing Council tenants who are under-occupying and

wish to move to smaller Council accommodation. In these circumstances, homeseekers must refuse three offers of suitable accommodation before being penalised in the same way.

Tenancy Policy

- Extension of the use of Flexible (fixed-term) Tenancies - to include all Council properties (except for sheltered accommodation and grouped dwelling schemes, and existing tenants of the Council who are transferring and downsizing accommodation); and
- Introduction of an additional requirement under the Assessment Criteria (which determines whether, at the end of the fixed-term, a further tenancy is granted) that a further tenancy will not generally be granted where, in accordance with the Council's Housing Allocations Scheme, the tenant has sufficient income and/or assets to meet their own housing need themselves.

The target date for both the revised Housing Allocations Scheme and Tenancy Policy to come into force is 1 July 2015. This is due to the necessary implementation arrangements which include:

- Re-designing the on-line application form to comply with the new policies;
- Writing to around 1,600 home seekers on the Housing Register, explaining that they must re-register on-line and giving a final deadline for re-registering, after which they will be removed from the Housing Register;
- Working with the Council's Choice Based Lettings system administrator, Locata Housing Services (LHS), to ensure their IT system meets with the requirements of the revised Scheme; and
- Reviewing the cases of all qualifying homeseekers, contacting those who fail to re-register to ensure that appropriate advice/assistance is given to either vulnerable applicants or those who do not have access to a computer.

The Cabinet agreed that both the Housing Allocations Scheme and the Tenancy Policy should be reviewed by the Housing Select Committee following 2 years of operation, with the further reviewed Scheme coming into force on 1 April 2018.

Housing Improvement and Service Enhancements Programme – 2015/16

Following detailed consideration by the Housing Scrutiny Panel, the Cabinet recently considered the Scrutiny Panel's recommendations on the most appropriate use of the Housing Improvements and Service Enhancements Fund for next year.

The Fund was set up when self-financing of the Housing Revenue Account (HRA) was introduced in 2012, and uses the additional money that has become available to the Council to fund housing services as a result of self-financing.

As a result the Cabinet has agreed the following new housing service enhancements for 2015/16:

- Increasing the financial incentives offered to Council tenants to downsize their accommodation (see separate report above);
- Increasing the size of the new Corporate Fraud Team to combat more social housing fraud;
- Introducing paperless and daily direct debit facilities for Council tenants, leaseholders and Careline clients, to replace the current facility of offering just four dates each month;
- Providing a grant of £37,800 to the Epping Forest Citizens Advice Bureau to fund the continuation of two temporary full-time Debt Advisors for a further 12 months;

- Extending the opening hours of the Limes Centre, Chigwell to the afternoon and expanding the range of services provided for a pilot period of 12 months; and
- Allocating £284,000 to the Major Capital Housing Projects Reserve to fund future improvements schemes in future years

I am grateful to the Housing Scrutiny Panel for all their work in identifying appropriate schemes that will really improve the housing service given to our tenants.

Telecare Service Association (TSA) Accreditation

The Telecare Services Association (TSA) is the organisation that sets the industry standard for the delivery of “telecare” and “telehealth” services.

Following a challenging external audit by the TSA, the Council’s Careline Service was first awarded TSA accreditation in March 2011. In order to retain accreditation, the TSA undertakes an annual one-day audit, and a full two-day audit, every 3 years.

Following the full two-day audit by the TSA in March 2014, which assessed the service as meeting all of the required standards, the annual audit was successfully completed again in March 2015.

The audits, which confirm ongoing accreditation under the Code of Practice, are conducted by the National Security Inspectorate (NSI), an independent body on behalf of TSA. They give confidence to members that our Careline Service provides a safe and reliable service.

Annual Report to Tenants 2014

Under the *'Housing Regulatory Framework for Social Housing in England'*, all registered housing providers, including the Council, are required to produce an annual report for their tenants.

There are four Consumer Standards in the Regulatory Framework and the annual reports have to set out the ways that the Council is meeting its obligations under these standards, which are:

- Tenant Involvement and Empowerment (Involving our tenants)
- Home (Housing repairs and maintenance)
- Tenancy (Housing applications and lettings, Setting and collecting the rents)
- Neighbourhood and Community (Managing tenancies and estates, older people’s services)

The Council has now produced its *'Annual Report to Tenants 2014'* which shows how the Housing Service has performed against its own targets and previous performance, including performance against its ‘tenant selected indicators’, a suite of performance indicators agreed with the Tenants and Leaseholders Federation. The Framework also requires the Council to publish information on complaints on an annual basis, so this is also included in the report. It also covers the objectives and key achievements of the Housing Service, and plans for the future.

The Annual Report is being sent to all Council tenants and has been published on the Council’s website. Copies of the report are also available from the Communities Information Team at the Civic Offices.

The Epping Forest District-Wide Tenant Participation Agreement

The Epping Forest District-wide Tenant Participation Agreement between Epping Forest District Council and Epping Forest Tenants and Leaseholders Federation outlines the way in

which the Council and the Federation will work together to promote tenant participation and to provide good quality and relevant information to tenants. The Agreement sets out how the Federation will operate and both the Council's and the Federation's commitment to involving tenants in the provision of housing services, including the ways in which tenants who wish to become involved will be supported and encouraged.

The Agreement is updated and renewed every three years and is signed by the Chairman of the Federation and the Housing Portfolio Holder on behalf of the Council. The latest version of the agreement was approved by the Federation's Executive Committee on 3rd December 2014.

Funding for Housing Related Support from Essex County Council – 2015/16

In my last report to Council, I reported that officers had been advised by Essex County Council (ECC) officers that they had been asked to save £2million (10%) from their county-wide Housing Related Support (HRS) budget in 2015/16, and that this saving requirement may need to be increased to £3million, depending on the outcome of internal discussions.

For this reason, ECC established an "HRS Savings Working Group", including representatives from HRS providers, to discuss how the £2million saving could be most appropriately implemented. Following consideration of the Working Group's proposals, ECC officers formulated their own proposals based on the Working Group's suggestions.

The Council currently receives funding of just over £300,000 from ECC towards the cost of providing the Council's Careline and Scheme Management Service to Council tenants living in sheltered housing and other housing designated for older people. However, I explained in my last report that, from April 2015, ECC intended to cut this funding by £133,000 per annum (43%).

I therefore undertook a review on how this expected lost income could be replaced through the charges made to service users. Following my review, the Finance and Performance Management Cabinet Committee agreed my proposal to spread the required increase in charges to service users over the next two years. Therefore, the charge for the Careline Service was increased by 27p per week from April 2015, and the charge for the Scheme Management Service was increased by 71p per week for sheltered housing tenants and 39p per week for tenants in other designated housing for older people.

Tenants in receipt of housing benefit (who previously paid nothing towards the cost) now have to meet this additional cost themselves for the first time, plus an additional 56p and 13p per week for sheltered housing tenants and tenants in other designated housing for older people respectively.

Letters were sent to all the tenants affected, to explain the increased charges and the reasons.

As a result of spreading the required increases in charges over two years instead of one year the Housing Revenue Account (HRA) was expected to subsidise the loss of the Essex CC funding by around £58,000 during 2015/16.

However, just less than two weeks before the start of the financial year (25th March 2015), out of the blue, we received a letter from Essex CC advising that "there are no plans for changes to HRS funding in 2015-16" and that, for services to older people "we will build on work we have already done to work with stakeholders to identify the best way to support vulnerable older people. We intend to have a clear agreed position in place for 2016-17". Therefore, the proposed reduction in funding for HRS in 2015/16 has not been implemented.

Whilst this is clearly good news I consider it very unsatisfactory that, after receiving a clear indication from Essex CC officers that a significant cut in HRS funding would be made - to which the Council responded in a prudent and responsible way by making appropriate increases in charges to tenants – we hear, after our budget process has been completed and the new charges implemented, that the proposed cuts are not now being made. Indeed, our Director of Communities, along with officers from other councils, has expressed his concern to ECC officers about how this process has been handled by the County Council.

Since the increased charges have already been implemented and tenants have been notified and are now paying the increased charges, it is not at all straightforward to simply rescind the increases without significant administrative difficulties and causing a lot of confusion for tenants.

I am therefore currently considering with officers the options for the most appropriate way forward to respond to this latest information from the County Council, in terms of the HRS charges made, with a view to a report setting out the options being submitted the Cabinet meeting on 11th June 2015 for a decision.

“Home Truths” – Report on the Housing Market in the East of England (NHF)

Each year, the National Housing Federation (NHF – effectively, the national “trade body” for housing associations) produces a report on housing costs and related data in the East of England Region. This year’s report has just been published.

In its publication, the NHF highlights Epping Forest as one of the areas with the lowest levels of housing affordability in the region. The report gives useful comparisons of average house prices, incomes and ratios of incomes to house prices in 2013 across the Region. This latest report identified that, for the Epping Forest District:

- The average property price was £381,450 and the gross income required for a mortgage was £87,190 – both the highest in Essex and the 4th highest in the Region;
- The average ratio of property prices to income was 11.8 - the highest in Essex and the 4th highest in the Region; and
- The average monthly private rent for a 3 bed house/flat was £1,123 – again, the highest in Essex and the 4th highest in the Region

As members will appreciate, property prices and private rents have increased since 2013.

Launch of the Association of Retained Council Housing’s (ARCH’s) Manifesto

In February, the Association of Retained Council Housing (of which the Council is a member) launched its manifesto *“For a Council Housing Renaissance”*, in conjunction with the National Federation of ALMOs, in advance of the forthcoming parliamentary election.

The Manifesto argues for councils that have retained their housing stock to be given opportunities to make the best use of the freedoms that the self-financing of housing revenue accounts provides, in order to maintain and improve the existing housing stock and deliver more homes. It encourages the Government to lift the current cap on how much councils can borrow for landlord purposes and to explore opportunities for councils to build homes for sale and market rent, in order to support the provision of homes at affordable rents. It also seeks to ensure that the current policy of replacing homes sold under the Right to Buy on a one-for-one basis continues, and that council tenants get a fair deal out of the Government’s welfare reforms, particularly the introduction of Universal Credit.

Council House-building Programme

At its meeting in February 2015, the Council Housebuilding Cabinet Committee considered a number of reports, starting with a report on the future use of the site at Burton Road, Loughton, which makes up Phase 2 of the Housebuilding Programme. Members considered two alternative design options, one for 43 new homes and 100% parking on the site, and another for a similar scheme to the one that was previously submitted and refused permission by the Area Plans Sub-Committee, comprising 52 homes - but with the flat blocks reduced in height by between ½ and 1 metre to overcome the concerns of the Sub-Committee. Other options considered including selling the site or appealing this planning decision.

The Committee, after consulting with the local Ward Councillors, decided to submit a revised design for 52 new homes, but to link the development with an off street parking scheme in nearby Torrington Drive and to recommend to the Cabinet that the parking scheme be given priority.

The Cabinet Committee also considered revised feasibility studies for Queens Road, North Weald and Centre Drive, Epping - which were agreed and added to the Programme as Phase 3, along with 8 other sites in Epping, Coopersale, Ongar and North Weald. The Committee also agreed that sites in Buckhurst Hill and Ongar should make up Phase 4 of the Programme, in line with the Cabinet's policy on the prioritisation of sites.

The Committee was made aware of the need to bring forward and overlap Phases 2, 3, 4 and 5, with only 3-month gaps between each of the phases starting on site, in order to keep up with the accumulation of one-for-one receipts that have built up from the higher than expected Right to Buy sales that have competed in the last 2 years. The Cabinet Committee has also asked officers to look at a range of options on ideas of how to ensure these one-for-one receipts are spent.

Following consultation with Waltham Abbey Town Council and all three local Ward Councillors, the Cabinet Committee agreed the names proposed by the Town Council for some of the new developments being provided under Phase 1 of the Programme, currently on site. The development at the site of the former Red Cross Hall in Roundhills will be named "Hockley Court", after the late Fred Hockley, who was a long-time resident of Waltham Abbey and member of the Red Cross for over 60-years. The two homes near to Fairways are to be called "Wood Villas", named after the late Mr A E Wood, a local resident who in 1912 was an international athlete and broke three world lap time records during the World 15 mile Championship.