

Report to the Council

Committee: Cabinet

Date: 29 September 2015

Subject: Housing

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Request for assistance to Syrian refugees

On 14th September 2015, the Leader of Council received a letter from the East of England Local Government Association (EELGA), on behalf of the East of England Strategic Migration Partnership (SMP), regarding assistance for Syrian refugee resettlement to the UK. The SMPs across the UK have been tasked by the Home Office to coordinate responses in their regions.

The purpose of the letter, which was sent to all Leaders in the East of England, was to ask the Council to advise EELGA (within the following four days) whether or not we would be prepared to offer support to Syrian refugees and, if so, what indicative numbers we would be prepared to assist. If we offered to provide support, we were also asked to specify whether our preference would be for adults, children or families.

EELGA said that they would then collate the responses from all councils to establish a fuller regional picture, and that an extension to the existing Syrian Vulnerable Persons Relocation Scheme was the most likely model to be used to support new arrivals.

At the time of writing, the Leader and I are considering the Council's response to this request, which I will report orally at the meeting.

Effects of the Government's required 1% Council rent reductions – Options for the Housing Revenue Account (HRA) Financial Plan

In my report to the last Council meeting, I reported on the potential implications that the announcement within the Chancellor's Summer Budget (which has now been included within the Welfare Reform and Work Bill) - that council and housing association must reduce their rents by 1% per annum from April 2016 for the following 4 years - will have for the Council's Housing Service.

In 2013, the former Coalition Government made a commitment that council and housing association rents should increase by CPI + 1% per annum over the following 10 years, to give giving stability and certainty to housing finances and landlords' business plans. Therefore, the assumption within the Council's current HRA Financial Plan is that CPI will be at 2% for each of the next 4 years and that, therefore, rents would **increase by 3% per annum**.

The Council's HRA Business Planning Consultants, CIH Consultancy, have assessed that the estimated loss in rental income to the Council's Housing Revenue Account (HRA),

compared to our current HRA Financial Plan expectations, will be around £14million over the next four years and around £228million over the next 30 years.

At its meeting on 17th September 2015, the Finance and Performance Management Cabinet Committee is due to consider a report from CIH Consultancy on the options available to the Council to ensure that our HRA does not fall into deficit. The report identifies a number of options available to the Council to recast its HRA Financial Plan for the future, including:

- Ceasing all or some of the funding currently available within the Financial Plan for future housing improvements and service enhancements for HRA services;
- Reducing investment in improvements to the Council's housing stock (and reducing the Council's Modern Home Standard accordingly);
- Reducing/ceasing the Council's own Housebuilding Programme;
- Undertaking further borrowing for the HRA, repaid by the end of the Financial Plan period;
- Combinations of the above.

The report also explains that the implications of the Government's proposal to require local authorities (but not housing associations) to sell "high value" void properties cannot yet be quantified, since the Government has not yet provided any further details of this requirement.

The recommendation from the Director of Communities, that the Cabinet Committee will be considering, is that since no immediate corrective action is required at present, no decisions should be made to re-cast the HRA Financial Plan until further information becomes available on the effect of the Government's requirement for local authorities to sell their "high value" void properties, and that the options for the HRA Financial Plan should be reviewed again in 2016 – with decisions for the future made at that time.

In order to inform the proposed review in 2016, the Cabinet Committee is also being recommended to consult the Housing Select Committee and the Tenants and Leaseholders Federation for their views on the options.

The Cabinet Committee is also due to consider whether or not the uncommitted funding within the HRA's Housing Improvements and Service Enhancements Fund for 2016/17 should be spent at present – although, in any event, the recommendation is that funding for VAEF's successful Mow and Grow Scheme for older and disabled Council tenants should continue.

Housing Providers Fund and Epping Forest JobStart Scheme

I am pleased to report that, following discussions between the Director of Communities and the Council's five Preferred Housing Association Partners, an "Epping Forest Housing Providers Community Fund" has successfully been established. Under the scheme, each of the Council's Preferred Partners has agreed to contribute 2% of the income they receive from their rented properties in Epping Forest to the Fund. The funding will be targeted at housing association tenants and their families, by supporting individual projects that no one housing association would be able to sustain on its own.

It is expected that the total contribution to the Community Fund in the first year (2015/16) will be around £55,000. The first project that the Fund will resource is a new initiative that has been developed called Epping Forest Housing JobStart, whereby the Fund will support 2-year business administration and construction apprenticeship places within local companies and the Council for family members of the Preferred Housing Association Partners' tenants, aged 16-18 years of age, who live in homes within the Epping Forest District.

The Scheme is being administered and led by the Council's Community Services Team,

supported by the Council's HR Team who will co-ordinate the training arrangements and work-based mentoring as an extension to the Council's own Business and Construction Apprenticeship Scheme.

Following our Preferred Partners promoting the JobStart Scheme amongst their tenants living in the District, I am pleased to report that 3 suitable young people have been identified for the first year's placements.

Increase in expenditure on Disabled Facilities Grants (DFGs)

Disabled Facilities Grants (DFGs) are means tested grants for people with disabilities living in the private sector. Grants are provided up to £30,000 to provide essential facilities within the home. Common adaptations are level-access showers, stairlifts and ramps but, less often, grants are given towards extensions to provide bathing and sleeping accommodation. As the grants are mandatory, the Council must provide them if applicants meet the eligibility criteria.

Each grant is initiated by a recommendation from Essex County Council's Occupational Therapy (OT) Service. However, following changes in the way that the OT Service is provided, there has been a dramatic increase in the number of referrals received. It appears that this position has now stabilised but there is no evidence to suggest that numbers, which increased from around 60 in 2012 to 165 in 2014/15, will reduce.

The budget for DFGs is held within the General Fund and had been set at £380,000 a year until 2018/19. It is now obvious that this will be insufficient and it has been estimated that a further £120,000 a year until 2018/19 will be required. Accordingly, the Cabinet has agreed to make a recommendation to the full Council that a supplementary capital estimate of £120,000 be approved for 2015/16 and that a capital growth bid is made for a further £120,000 for the following 3 years until 2018/19.

The Government contributes to DFG expenditure through the Better Care Fund, which is also administered by Essex County Council. Their contribution in 2015/16 was £363,000 (meaning that the Council's portion of the DFG budget was only £17,000), but there is no indication of how much will be contributed from the Better Care Fund in 2016/17 or thereafter.

The allocation of the Better Care Fund is the subject of negotiations between County Health and Wellbeing Boards and Clinical Commissioning Groups (CCGs) and it is not currently clear how the Council can play a role in discussions on the distribution of DFG funding in future years. There will be a serious cause for concern if the Better Care Fund contribution is reduced and the number referrals being received remains the same or increases. In these circumstances the Council would either have to make up the funding shortfall or fail in its statutory duty to provide DFGs within the required timescales.

New Private Sector Housing Enforcement Policy

At its meeting on 3 September 2015 the Cabinet agreed a new Private Sector Housing Enforcement Policy. This sets out the approach that officers will take to achieve compliance with housing standards in privately-owned properties, where owners fail to meet the requirements set out in legislation.

The new Policy updates the previous Policy, which was approved by the Cabinet in 2010. It takes account of changes that have taken place since then, such as legislative changes and the introduction of new codes of practice. Its main principles are to promote proportionate, consistent and targeted regulatory activity through the development of transparent and effective dialogue and understanding between the Council and those we regulate.

The approach outlined in the Policy is that a staged approach will be taken wherever possible to ensure solutions are initially sought through advice, co-operation and agreement. However, where this is not successful, formal action may become necessary - and this may ultimately lead to prosecution or other summary action. There may also be instances where the risk to health and safety of people living in, or visiting, the properties is such that more urgent action is required, such as where fire precautionary measures are inadequate.

The new Private Sector Housing Enforcement Policy can be found on the Council's web-site.

Implementation of the Revised Housing Allocations Scheme

At its meeting on 9 March 2015, the Cabinet agreed the recommendations of the Housing Scrutiny Panel, following its detailed review of the Housing Allocations Scheme. The revised Scheme came into force on 27 July 2015. Under the previous Scheme, the Council had around 1,800 homeseekers on its Housing Register and around 210 applicants on the Supplementary Waiting List (which is for applicants over 60 years of age, who do not meet the Residency Criteria and have no housing need, who wish to apply for sheltered accommodation for older people).

Following the re-registration process, the Council now has 1,399 homeseekers on our Housing Register and 140 applicants on our Supplementary Waiting List.

Housing Service Standards

For many years, the Council has published a range of Housing Service Standards, covering all of the Housing Service's main areas of activity. All tenants are provided with a leaflet setting out all the Housing Service Standards, which is included as part of the Tenants Handbook given to new tenants.

Performance against the Service Standards, and whether any changes to the Service Standards should be recommended, are considered by the Housing Select Committee (previously the Housing Scrutiny Panel) annually.

Performance against the Housing Service Standards in 2014/15 (compared with our performance in 2013/14 and 2012/13), and the Standards themselves, have been reviewed by the Housing Select Committee and the Tenants and Leaseholders Federation and I will shortly be agreeing a small number of changes to be made to the Service Standards, based on their recommendations.