

Report to the Council

Committee: Cabinet

Date: 3 November 2015

Subject: Housing

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Housing provisions of the Housing and Planning Bill 2015

On 13th October 2015, the Housing and Planning Bill 2015 was published. As expected, the Bill contains a number of proposed housing provisions (as well as planning provisions). The main housing provisions are as follows:

Right to Buy for housing association tenants on a voluntary basis

This proposal is based on a “deal” between the National Housing Federation (an organisation that represents housing associations) and the Government, whereby housing associations will be generally expected to give tenants the Right to Buy (RTB) their home, with similar discounts to those given to Council tenants, but can (in exceptional circumstances) give their tenants a grant (equivalent to the RTB discount that they would otherwise have to give to tenants) to buy another property elsewhere instead. The Bill proposes to give power to the Secretary of State to make grants to housing associations to meet the costs of the RTB discounts and requires the Homes & Communities Agency to monitor compliance.

Sale of high value council housing

In order to fund the discounts to be given to housing association tenants under the voluntary Right to Buy arrangement referred to above, councils that keep a Housing Revenue Account will be under a duty to *consider* selling its interest in any “high value housing” that becomes vacant. It also gives power to the Secretary of State to require councils to make a payment to the Government each financial year, based on an estimate of the market value of the “high value housing” that is likely to become vacant during the year – less any costs or other deductions that may be determined by the Secretary of State.

Therefore, the provisions of the Bill suggest that the Secretary of State may simply set a tariff or levy based on the expected number of high value vacant properties that will arise in the following year, rather than compel a council to sell individual dwellings over specified values. This is a different approach than that previously suggested by the Government, which was based on requiring councils to sell all empty properties where the values were above specific value thresholds. The definition of high value housing is not set out in the Bill, but the Secretary of State must, by regulations, define “high value” for the purposes of the Act.

High income social tenants (“Pay to Stay”) Scheme

The Bill will give the Secretary of State power by regulations to make provision about the level of rent that a council or housing association must charge a “high income” tenant of social housing. It gives powers to introduce a mandatory “Pay to Stay Scheme” and gives the Secretary of State powers to require the rent to be either a market rent, a proportion of the

market rent or a rent determined by reference to other factors. It can also provide for rents to be different for people with different incomes, or for social housing in different areas.

The Bill will also give councils and housing associations power to require a tenant to provide information and evidence as to their income - and confirms the power of HMRC to disclose information to councils and housing associations on tenants' income for this purpose. The additional income received by councils must be passed to the Government, but housing associations may keep the increased rental income, provided that they use it to build new affordable homes.

The DCLG has issued a Consultation Paper on "Pay to Stay", on which I give more detail below.

Starter homes

The Bill will give the Secretary of State powers to introduce regulations providing that local planning authorities may only grant planning permission for a residential development of a "specified description" if the "starter homes requirement" is met. It is expected that the regulations will enable starter homes to be provided on private development sites instead of affordable rented housing and/or shared ownership as currently required.

Starter homes will be available to first-time buyers, under the 40 years of age - but the Secretary of State can change this criteria. The (reduced) price paid must be no more than £450,000 in London and £250,000 outside London (but the Secretary of State may change this criteria), and local planning authorities must keep reports of how it has approached the provision of starter homes. The Secretary of State may make a "compliance direction" setting out what a council must do to comply, if a local planning authority fails to carry out its functions in relation to starter homes - or has a policy in its Local Plan that is incompatible with those functions.

Rogue landlords & letting agents

The Bill will enable the First-tier Tribunal, on application from a local authority, to issue a "banning order", banning a person from letting housing or engaging in letting agency or property management work. A "banning order offence" means an offence to be described by the Secretary of State in regulations, and if a person breaches a banning order, a financial penalty may be imposed by the local housing authority of up to £5,000.

Councils must maintain the content of a database of rogue landlords and letting agents established and operated by the Secretary of State, and must enter a person in the database if a banning order is made against the person. If, for example, a landlord commits an offence under the Bill, the First-tier tribunal has the power to make a "rent repayment order" requiring a landlord to repay an amount of rent paid by a tenant or pay a council the amount paid in Universal Credit.

Recovering abandoned premises in England

The Bill will enable a private landlord to give a tenant notice bringing an assured shorthold tenancy to an end if: rent has been unpaid for 2-3 months; the landlord has given 2 notices to the tenant warning that the landlord believes the premises have been abandoned; and the tenant (or occupier) has not responded in writing to say that the premises are not abandoned.

Other housing provisions

Self-build and custom housebuilding – Places a duty on councils to grant planning permission for enough sites to meet demand arising from Self Build Register.

Licences for HMOS -Technical changes only.

Tenancy deposit information - Requires scheme administrators to give councils information, possibly for a fee.

Enforcement of estate agents legislation – Enables the Secretary of State to designate a “lead agency”.

Compulsory purchase – Gives powers to enter land to undertake surveys

Assessment of accommodation needs - In addition to assessing other housing needs from time to time, requires councils to also consider the needs of people living in caravans / mobile homes / park homes and houseboats.

DCLG Consultation on High Income Social Tenants “Pay to Stay”

The Government has recently issued a Consultation Paper on the proposed operation of a mandatory “Pay to Stay” Scheme, to replace the discretionary scheme that councils and housing associations can currently operate.

The Consultation Paper sets out the proposals, which build on the framework within the Housing and Planning Bill referred to above and are as follows:

- The policy will be implemented from April 2017 onwards.
- The Government has now decided that social housing tenants with household taxable incomes of £40,000 and above in London and £30,000 and above in the rest of England (reduced from the households incomes in the current discretionary scheme of £60,000) will be required to pay an increased level of rent for their accommodation, if their rent is currently being subsidised below market rent levels.
- “Households” will mean tenants or joint tenants named on the Tenancy Agreement and any tenant’s spouse, civil partner or partner.
- Money raised by local authorities through increased rents will need to be returned to the Exchequer to contribute towards national deficit reduction, but housing associations will be able to use the additional income to invest in building new housing.
- The Government will consider additional powers to require the provision of information on income by tenants
- The detail of the policy will be set out in regulations

The Consultation Paper seeks views on how it can ensure the policy supports work incentives and how it can be designed to achieve this, whilst ensuring tenants pay a fair rent. It also asks if there should be a starting threshold in relation to eligibility to receive housing benefit. It suggests that it may be appropriate to have a gradual increase in rent for social tenants as their incomes rise, which it is suggested may be a fairer system and could be in the form of a simple taper.

The Consultation Paper also refers to administration costs - which are likely to be high, bearing in mind the need to collate information on incomes from all tenants, dealing with tenants' changing incomes and the necessity to increase and reduce rents accordingly. The proposal is that local authorities (but not housing associations) will be allowed to recover any reasonable costs from increased rents before they return the additional income to the Exchequer. The Consultation Paper asks local authorities what they consider their costs are likely to be.

The Housing Select Committee will be asked to consider the Council's response at its next meeting on 12 November 2015.

Request for assistance to Syrian refugees

At the last Council meeting I explained that, in response to a letter received 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, I had offered the provision of up to two Council flats each year to Syrian refugees on non-secure tenancies for up to four years (1 X 1 bed flat and 1 X 2 bed flat).

Since that time, Essex County Council has been seeking to undertake a co-ordinating role amongst its own services, other councils and other statutory and voluntary organisations across Essex. The Assistant Director (Housing Operations) attended a recent meeting convened by Essex CC, where the County Council explained: the current national and local position; what may be expected of different organisations; and the role the voluntary sector could play. It is understood that families from Syria are expected to start arriving in November/December 2015.

Although the national details regarding funding have yet to be finalised, the Government has said that it will meet the reasonable costs incurred by organisations through them providing assistance.

New Customer Relationship Officer post

The Communities Directorate has recently appointed to its new Customer Relationship Officer post. This post was a recommended outcome from a review by the Tenant Scrutiny Panel of the way in which complaints are dealt with in the Housing Service and was created as part of the Phase 2 restructure for the Communities Directorate. The post was created primarily to improve the handling and co-ordination of Step 1 and Step 2 complaints, with a more customer-focussed approach. However, the post will also co-ordinate the provision of written responses to members of parliament and will deal with the provision of information under the Freedom of Information Act and data access requests under the Data Protection Act as well.

It is inevitable that a Directorate such as Communities - that provides customer-facing services and is the largest of the four Directorates - will receive a number of complaints. In 2014/15, the Communities Directorate received 117 Step 1 complaints, 13 complaints at Step 2 and 11 complaints at Step 3. In addition, there were 102 letters received from MPs requiring responses on various aspects of service. 269 compliments were also received over the same period.

Responding properly to complaints, in a comprehensive and customer-focussed way is often very time consuming, particularly as the more complex ones cover more than one service area and sometimes more than one Directorate. Having a single officer involved in all the Directorate's complaints saves officer time and provides a more consistent service.

The Customer Relationship Officer now liaises with, and provides information to, the Corporate Complaints Officer who still deals with all Step 3 complaints and Ombudsman appeals on the Council's behalf.

The early indications of this new way of working are extremely positive and it is hoped that by dealing with complaints much better at Step 1 it will reduce the number of Step 2 complaints and a significant amount of senior officer time at Assistant Director level.

Essex Landlord Accreditation Scheme (ELAS)

The Essex Landlord Accreditation Scheme (ELAS) - a joint initiative between ourselves (through our Private Sector Housing (Technical) Team) and 6 other Essex Authorities, managed by the Chief Fire Officers Association - was launched in September 2014. The aim of the Scheme was to improve the standard of properties available for private letting by accrediting private landlords that provide homes that are properly maintained and managed. By identifying these landlords, tenants are less likely to fall foul of poor property conditions and unscrupulous practices. One of the Scheme's functions was to provide a web-site through which private landlords and tenants could access detailed information on matters associated with renting in the private sector.

However, uptake of the scheme was poor and, with regret, in May 2015 the Chief Fire Officers Association gave twelve months' notice that they no longer wanted to manage the scheme. Officers are currently considering how to take forward the best aspects of ELAS's work and I will be reporting to the Council in future with specific details on any approach that I consider we should take.

Tenant Satisfaction ('STAR') Survey

We have just completed a Customer Satisfaction Survey of our Council tenants across the District, using an independent consultant called ARP Research. We conduct this survey every three years using the national 'STAR' system (Survey of Tenants And Residents). This anonymous postal survey was sent to a random sample of a third of our tenants, including both general needs and sheltered housing tenants, but not leaseholders.

We had a good overall response rate of 36%, which is in line with response rates achieved by many other councils and is well in excess of the STAR target. The results will be reported to the Housing Select Committee on 12 November 2015 and will be used to provide an up-to-date picture of residents' satisfaction with their homes and with housing services provided. The data will also allow us to compare our performance of the Council, over time and with other similar landlords, via the Housemark online benchmarking service.

Conversion Scheme - Marden Close and Faversham Hall, Chigwell Row

The works at Marden Close, Chigwell Row to convert 20 bedsits into 10 self-contained flats, together with the conversion of the community hall on the ground floor of Faversham Hall into 2 new 1-bed flats is nearing completion. There have been some minor delays, mainly due to some additional works needed to the structure once it was exposed and also due to new mains connections.

Council Housebuilding Programme

The four -sites that make up Phase 1 of the Council's Housebuilding Programme in Waltham Abbey are behind programme. Whilst the contract completion date is 13 November 2015, the contractor, Broadway Construction Ltd, is reporting that they will complete three of the sites on Roundhills by March 2016 and the site in Harveyfields in July 2016. No formal requests for an extension of time has been received.

Since obtaining planning permission for the provision of 51 new affordable rented homes at Burton Road, Loughton in September 2015, tenders are currently being sought based on a design and build contract. A Council Housebuilding Cabinet Committee meeting has been scheduled for early January 2016 to consider the tenders received and to appoint a contractor.

Planning applications have also been submitted for the 9 sites that make up Phase 3 of the Housebuilding Programme, which centres on Epping, Coopersale and North Weald. At the time of writing, approval has been received for sites in Centre Avenue and London Road. Further planning applications for sites that the Cabinet Committee has determined should be pursued for development are currently in the process of being prepared for Phases 4 and 5 - in Loughton, Buckhurst Hill and Ongar.