

Supplementary Committee Agenda



Housing Scrutiny Standing Panel Tuesday, 23rd October, 2012

Place: Committee Room 1, Civic Offices, High Street, Epping

Time: 5.30 pm

Committee Secretary: Mark Jenkins (The Office of the Chief Executive)
Tel: 01992 564607 Email:
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7.a Progress report on the Work of the Technical Officer dealing with Empty Properties and Park Home Sites (Pages 3 - 8)

(Director of Housing) To consider the attached report.

7.b Housing Directorate's Service Strategies on "House Sales and Leasehold Services" and "Rent Collection and Administration" (Pages 9 - 32)

(Director of Housing) To consider the attached report.

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Report to Housing Scrutiny Standing Panel

Date of meeting: 23rd October 2012

Portfolio: Housing – Cllr David Stallan

**Subject: Progress Report on the Work of the
Technical Officer dealing with Empty Properties and
Park Home Sites within the Private Sector Housing (Technical) Team Key Action Plan**



Officer contact for further information: Sally Devine (01992 56 4149)

Committee Secretary: Mark Jenkins (01992 56 4607)

Recommendations/Decisions Required:

That, following the Cabinet decisions in November 2009 and September 2011, the work carried out by the Technical Officer post in the Private Sector Housing (Technical) Team, that deals with empty properties and park home sites, be noted.

Report:

In November 2009, the Cabinet agreed to the addition of a part-time, temporary post in the Private Sector Housing (Technical) Team to assist with bringing empty properties back in to use and to help with the licensing of the District's park home sites (C-052-2009/10). This was with the proviso that a report was made after 12 months on the work undertaken by the Officer concerned.

In September 2011, the Cabinet agreed to the existing post being made full-time and permanent. This was agreed in order to maximise the potential income to the Council through the New Homes Bonus which at that time was estimated to be in the region of £210,000 over 6 years and also to complete the issuing of new standard park home site licence conditions to all the permanent residential sites in the District and once issued, to ensure their compliance.

The existing post holder had resigned in August 2011 and the new full-time permanent post was filled in February 2012. The fact that the post was empty for nearly 6 months will have undoubtedly affected outcomes in respect of bringing empty properties back into use and progress on the licensing of park homes. In addition, in the period prior to the Olympics, the Officer now in post was involved in inspecting the District's 6 touring and camping sites to ensure health and safety standards were met in preparation for visitors to the Games. This took her away from her general empty property and park home responsibilities.

Empty Properties

1. A systematic procedure has now been established for dealing with empty properties in the private sector. This begins with tracing and communicating with property owners or other interested parties to establish why the property in question has been left empty. Once communication has been established, the Technical Officer determines how best the Council can assist the owner in bringing the property back into use. This can be

time consuming, as a successful outcome is often as a result of gentle, but persistent, pressure towards letting or selling.

2. Since the last progress report to Cabinet in September 2011, the Team now has access to Council tax records which greatly assists the Technical Officer by providing up to date information on the status of a property, the contact details of the owner and other information that may be relevant in tracing them.
3. The Council can offer financial incentives to bring properties up to the Decent Homes Standard and, afterwards, to provide affordable accommodation for tenants or owner occupiers. As each property is brought back into use, the Council Tax data is updated and the property is removed from the long-term empty property list.
4. The PLACE (Private Lease Agreements Converting Empties) Scheme is one form of financial assistance available. The Scheme is funded by money originally received as a result of a consortium bid to the East of England Regional Assembly. The Scheme runs at no cost to the Council other than the administration process by the Technical Officer. It currently offers high level grants of up to £50,000 to an owner in return for leasing the property for 3 years to the Consortium's preferred partner, Genesis (formerly Pathmeads Housing Association), during which time the owner receives no rental income.
5. In June 2011 the previous Portfolio Holder for Housing agreed to the PLACE Scheme being extended to offer smaller grants and loans to owners of empty properties. The grant will allow an owner to take out a smaller grant to renovate their home and then lease it for an agreed period of time, dependant on the amount of grant, but also receiving some rent themselves during the lease period. The PLACE Small Grant is now available to owners and the first three applications are being considered.
6. Interest free loans will be available in the near future, once approved by Legal Services, up to a maximum of £25,000 per unit on either a 'loan-to-sell' or 'loan-to-let' agreement. The loans will be repayable and will be recycled back into the PLACE Scheme funds.
7. The Council previously offered an Empty Homes Grant of up to £10,000 to owners of empty properties who did not have the resources to fund essential works. However, following a major review of the Private Sector Housing Strategy and the Private Sector Housing Assistance Policy, the Council now attaches conditions requiring all grants to be repaid when the recipient sells the property. In line with this, the Empty Homes Grant has been replaced with the Empty Homes Repayable Assistance, which is effectively an interest free loan. This is up to £10,000, repayable on the sale of the property and is available to owners wanting to live in the property themselves. The loan has been available from July 2012 and officers are currently processing one application with several other owners showing interest.
8. In some cases, where a problematic empty property exists and the owner is either absent or is un-cooperative in bringing their property back to use, it is necessary to consider enforcement action. This could be Enforced Sale, Compulsory Purchase (CPO) or making an Empty Dwelling Management Order (EDMO). Officers follow the Private Sector Housing Enforcement Policy in such cases, seeking Member approval where appropriate.
9. The previous Housing Portfolio Holder agreed that PLACE funding can be used to support enforcement action where necessary. Following further Portfolio Holder approval, an Interim Empty Dwelling Management Order (EDMO) was made in May 2012 on a long term problematic property in Loughton. The effect of the Order is to focus the owner's attention on taking responsibility for their property and to bring it back in to use. Where there continues to be no progress, the Council will then make a 'Final

EDMO' which will result in the Council using PLACE monies to bring the property up to a lettable standard, housing a local family in need and then leasing it to Genesis Housing Association for the period of the EDMO.

10. The new Technical Officer spends approximately 18 hours a week dealing with empty properties, for which there is a target in the Private Sector Business Plan 2011-2013 to bring 30 empty dwellings per annum back into use. The table below indicates the number of long term empty properties that have been brought back into use through Council intervention in recent years. This clearly shows how effective the Technical Officer post has been in meeting and exceeding the Performance Indicator target, since the time the post was filled in July 2010. The figures have been maintained and are projected to be even better for 2012/13, even though the post was unfilled for 6 months from August 2011.

Table 1: Number of Empty Properties brought back into use annually since 2006/07

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
							Q 1	Q 2
Number of empty properties returned to use	0	4	4	3	45	60	8	20

11. The figures above indicate the number of properties brought back to use through local authority intervention. This means some positive action was taken by an officer that directly influenced the property being brought back into use. Writing a letter is not considered to be 'positive action', but giving information and discussing options that ultimately result in the property being occupied does count, as does taking enforcement action or providing financial assistance.
12. The New Homes Bonus (NHB) was introduced by the Government in April 2011 to create an effective financial incentive to encourage local authorities to facilitate housing growth. As well as applying to new homes built, the NHB also applies to long-term empty properties that are brought back into use. The Bonus is calculated by comparing the number of dwellings for which Council Tax is collected in a local authority area from October in one year to October in the following year and 'rewarding' any net increase. The number of long-term empty properties is deducted from the total number of dwellings on the Council Tax list. This 'netting off' of long-term empty properties means that any reductions in the number has the same effect as building new homes and, conversely, any increases in the number of long-term empty properties has the same effect as a reduction in new homes.
13. The table below gives a breakdown of action by the Technical Officer that directly and indirectly has resulted in empty properties being brought back to use. This is important because every property that is taken off the empty property list contributes towards the New Homes Bonus. While the bringing back into use of a total of 28 properties can be directly attributed to the work of the Technical Officer in the first two quarters of 2012/13, a further 178 properties have been taken off the empty property list following an initial standard letter or follow up letter – which also counts towards the NHB.

Table 2: Breakdown of means used to bring empty properties back into use in 2011/12

Empties returned to use by...	2012 Q1 (April to June)	2012 Q2 (July to September)
Letter 1	21	59
Letter 2	49	49
PLACE	1	0
PLACE small grant	0	0
Advice/ assistance	4	19
Empty Homes Renewable Assistance	0	0
Enforcement	3	1
Total	78	110
Total brought back through LA intervention (total minus Letter 1 and Letter 2)	8	20

14. To date, the actual amount of New Homes Bonus as a result of the 'empty homes element' is nil. However, this is as a result of the returns for October 2010 and 2011 during which time the Technical Officer post was either part-time or not filled. With a full-time officer in place (albeit tasked with dealing with empty properties for half a week), it is projected that the momentum for returning properties to use will now be maintained and that the 'empty homes element' will begin to contribute positively to the New Homes Bonus.

Licensing of Park Home Sites

15. It is a statutory requirement for local authorities to issue licences on all their park homes sites and to decide what conditions to attach. In 2008, the Government produced new standards for permanent residential park homes sites, providing a framework upon which councils can base the conditions they attach when re-licensing sites.
16. The existing site licence conditions for park home sites in Epping Forest District had not been reviewed for many years. New proposed standard park home site licence conditions for permanent residential sites were produced to ensure conditions are relevant, consistent and will adequately protect the health and safety of people residing at, or visiting, sites within the District. These were agreed by Cabinet in April 2011 following a second consultation exercise with residents and site owners (C-069-2010/11).
17. However, during the course of Officers' inspections, certain anomalies came to light which, not being specifically covered in the Conditions, officers felt that a determination from Members on the interpretation to be adopted was required. It was agreed that site owners and park home residents should be consulted on these further matters and that their views should be considered further by the Housing Scrutiny Panel. A meeting also took place in January 2012 between the former Leader, the former Housing Portfolio Holder, and representatives of Essex County Fire and Rescue Service (ECF&RS) at which they expressed their views. The Cabinet agreed on 23 July 2012 that revised 'Standard Park Home Site Licence Conditions for Permanent Residential Sites' be adopted which included clarifications and variations relating to smoke detection in porches; decking and porches being structures; fence height and definition of a hedge.
18. Following the Cabinet decision, the Technical Officer has written to all site owners and Residents' Associations informing them of the outcome. The site owners have been

provided with a summary sheet of existing contraventions that will be tolerated by virtue of the fact they existed prior to the issuing of the new site licence. The Technical Officer will use this as a basis for determining compliance with the site licence conditions.

19. It is anticipated that new site licences with standard site licence conditions will be issued to all site owners by November 2012. It will then be necessary to monitor them to ensure compliance with the site licence conditions and deal with any matters from residents or site owners relating to the licence or management of the site. This will continue to require two days a week of an Officer's time on an ongoing basis.

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Report to Housing Scrutiny Standing Panel

Date of meeting: 23rd October 2012

Portfolio: Housing – Cllr David Stallan

Subject: Housing Directorate's Service Strategies on 'Home Ownership' and 'Rent Collection and Administration' Key Action Plan



Officer contact for further information: David Clifton (01992 56 4035)

Alan Hall – Director of Housing (01992 56 4004)

Committee Secretary: Mark Jenkins (01992 56 4607)

Recommendations/Decisions Required:

That the Housing Scrutiny Panel considers and endorses the Housing Directorate's Service Strategies 'Home Ownership' and 'Rent Collection and Administration', attached as Appendices 1 and 2, and provides any comments to the Housing Portfolio Holder for incorporation.

Report:

1. The Housing Directorate's Service Strategies were originally produced around 15 years ago in accordance with an agreed standard framework, and have since been updated. The Strategies give more detail than the Council's main Housing Strategy on the various housing services provided. In total, 17 Housing Service Strategies have been produced to date, covering:

Equality and Diversity	Home Ownership
Rent Arrears	Rent Collection and Administration
Homelessness	Under-occupation
Housing Information	Tenant Participation
Private Rented Sector	Older Peoples' Housing Services
Housing Allocations	Housing Advice
Empty Council Properties	Energy Efficiency
Anti-Social Behaviour	Harassment
Housing and Neighbourhood Management	

2. The Strategies are produced to a common format that sets out how individual housing services will be delivered. They have assisted the Housing Directorate in achieving the Customer Service Excellence award and ISO 9001:2008 Quality Accreditation, and have been important to meeting the minimum requirement for Supporting People funding under the conditions of the contract.

3. The Housing Scrutiny Panel is asked to consider and endorse the updated Housing Directorate's Service Strategies on 'Home Ownership' and 'Rent Collection and Administration' attached as Appendices 1 and 2 to the report and provide any comments to the Housing Portfolio Holder for incorporation.

Reason for decision:

The Housing Scrutiny Panel reviews all Housing Directorate Service Strategies on a three-yearly basis. They have assisted the Housing Directorate in achieving the Customer Service Excellence award and ISO 9001:2008 Quality Accreditation, and have been important to meeting the minimum requirement for Supporting People funding under the conditions of the contract.

Options considered and rejected:

Not to review the Housing Directorate's Service Strategies on 'Home Ownership' and 'Rent Collection and Administration'.

Consultation undertaken:

The Tenants and Leaseholders Federation were consulted on the Strategy on Rent collection and Administration at their meeting on 11 October 2012 and had no comments.

Resource implications:

Budget provision: N/A

Personnel: N/A

Land: N/A

Community Plan/BVPP reference: N/A

Relevant statutory powers: As set out in the Strategies

Background papers: N/A

Environmental/Human Rights Act/Crime and Disorder Act Implications: As set out in the Strategies

Key Decision reference: (if required) N/A None

**Housing Service Strategy
HOME OWNERSHIP**

1. Introduction

- 1.1 This Housing Service Strategy relates to the statutory obligation of local authorities to administer the “The Right to Buy” scheme available to all secure tenants, and the management of residential leasehold properties.
- 1.2 In addition, this Strategy encompasses the sale of small plots of land within the management of the Housing Directorate and Council owned ‘stand alone’ garages.
- 1.3 The Home Ownership Team provide an essential service to the Housing Directorate co-ordinating the Right to Buy process and the day-to-day management of residential leasehold properties.
- 1.4 This Strategy sets out how the home ownership process will be delivered over the next three years.
- 1.5 The home ownership service is provided by the Housing Directorate and is supported by the Council’s Finance team and Corporate Support Services
- 1.6 This Strategy was formulated in consultation with representatives of the Epping Forest Tenants and Leaseholders Federation together with the Epping Forest Leaseholders Association and the Housing Scrutiny Panel. It was approved by the Portfolio Holder on xxxxxxxxxxxx.

2. Background to Service

- 2.1 Since the introduction of the Right to Buy (RTB) in 1980, it has been necessary for the Housing Directorate to provide staff to support and co-ordinate the RTB function and leaseholder manage process.
- 2.2 The Home Ownership Team (HOT) consists of 2 full time and two part time employees who co-ordinate all activities involved with the sale of Council housing stock and small plots of Council land and, the issuing of all accounts in respect of service charges for leasehold properties.
- 2.3 Between 1st April 1977 and 1st April 2012 the Council received 11,655 applications to purchase Council properties under the Right to Buy legislation and as a result, 6,171 homes were sold. These figures also include properties that were sold under a scheme that was run by the Council before the RTB legislation came into force.
- 2.4 As time went on, however, the number of sales declined significantly as a result of the sharp rise in property prices and the current financial climate. The number of sales was also impacted by the reduction of the maximum discount allowance from £50,000 to £34,000 in 1998. The Government increased this to £75,000 in April 2012 and this has resulted in a sharp increase in the number of applications as is shown in the Table below, however, in the current economic environment it is difficult to predict the effect that the increased cap will have on sales:

Table 1: Numbers of RTB Applications (yearly since 2007)

Year	N° RTB Applications	Of which completed
2007	67	28
2008	29	7
2009	34	8
2010	27	9
2011	23	7
Since April 2012	41	1

2.5 Of these dwellings, 940 were sold on a leasehold basis, with the Council retaining a freehold interest. As a result of this, the HOT provides leasehold services, such as the calculation and collection of an annual service charge and dealing with all the associated queries, on an ongoing basis.

2.6 The HOT works in conjunction with staff in other Council Directorates. Plans are produced by the Environment and Street Scene Directorate, valuations and conveyancing are undertaken by staff in Corporate Support Services and financial support is provided by Finance and ICT.

3. Coverage

3.2 This Strategy deals with all aspects of any request to purchase residential, Council-owned property from receipt of the initial enquiry to the completion of the sale at which time ownership transfers to former tenant(s), either on a freehold or leasehold basis. It also covers the sale of small plots of land that are within the management of the Housing Directorate.

4. Relationships to other documents

4.1 The Council's Housing Charter, Customer Charter and Service Standards apply directly to the work carried out by the HOT. These high-level documents relate to the service we provide to the public, our customers, which must be a key driver for any strategy concerning Housing services.

4.2 Any financial transaction involving the Council, including the sale of properties under the RTB, leasehold management and the sale of small pieces of land that are within the management of the Housing Directorate, are governed by the Council's Financial Regulations.

4.3 The Government's department for Communities and Local Government, the CLG, issues a number of forms and information booklets that the Council provides to those making enquiries or applications. The Council also produces a Tenant's Handbook, which contains important information for tenants including a booklet called 'Buying your home from the Council'. Information, including a link to the booklet, is also so available on the Council's website.

4.4 The Housing Directorate's Management System has also achieved ISO 9001.2008 approval. The Management System includes written processes and works instructions that are subject to ongoing review in order to provide continuous improvement.

4.5 The Council's Community Strategy, Corporate Plan, Housing Strategy, HRA Business Plan and Tenant Participation Agreement are also relevant to this Strategy.

- 4.6 The Council's website has a section on the Housing Directorate which includes information relating to home ownership. This can be found at www.eppingforestdc.gov.uk/housing.

5. Aims & Objectives

- 5.1 It is the aim of the Council's Housing Directorate Strategy on Home Ownership to: "administer the sale of residential properties and housing land, and to manage the collection of leasehold service charges, in an efficient and effective manner".

- 5.2 This aim will be achieved by:

- a) ensuring adequate procedures are followed in order to fulfil all statutory and Corporate requirements;
- b) monitoring performance against those requirements;
- c) providing applicants with accurate information to aid their decision-making;
- d) following best practice relating to the management of public services;
- e) calculating service charges using accurate information and apportioning the resulting costs fairly between the leaseholders and the Council;
- f) reviewing procedures on an ongoing basis and implementing improvements wherever possible;
- g) responding promptly to any changes in legislation;
- h) maintaining ISO 9001:2008 quality systems; and,
- i) consulting with customers when required by legislation and/or this would result in an improved service to customers.

6. Statutory Requirements

- 6.1 Right to Buy and leasehold legislation is contained within the Housing Act 1985, Part V, (sections 118-188 inclusive) as amended. The main provisions include:

- Right to Buy qualifying criteria;
- Procedure and time scales for the service of statutory notices;
- Valuation of properties;
- Calculation of discounts;
- Appeal procedures; and,
- Long term leases.

- 6.2 Further legislation concerning leasehold management is contained in the Commonhold and Leasehold Reform Act 2002. This includes:

- The provisions relating to commonhold;
- Leasehold Enfranchisement;
- Right to Manage;
- Forfeiture of Lease;
- Leasehold Valuation Tribunal Powers;
- Consultation under Section 20 of the Housing Act 1985;
- Long Term Contracts;
- Major Works;
- Service and Administration Charges; and
- Leaseholders Rights and Obligations.

- 6.3. Human Rights Act 1998 (Articles 6, 8 and 14)

- Appeal procedures.

- 6.4. Data Protection Act 1998.
- The management of data held by the Council
- 6.5. Health and Safety at Work Act 1994
- The Council's responsibilities as an employer in respect of Health and Safety Issues
- 6.6. The Landlord and Tenant Act 1985
- Matters relating to tenancies and leases
- 6.7. The Housing Act 2004, Housing and Regeneration Act 2008 and The Housing (Right to Buy) (Limit on Discount) (England) Order 2012
- Incorporate changes to the Right to Buy

7. Client Consultation, Information and Involvement

- 7.1 All leaseholders are included in the circulation of the Council's publication "Housing News" to ensure that they are kept up to date on housing issues, such as the RTB eligibility criteria and conditions. Housing News also includes articles encouraging tenants and leaseholders to participate in shaping services through consultation and information on any relevant, forthcoming changes in legislation.
- 7.2 The District-wide Tenant Participation Agreement sets out in detail the way in which leaseholders will be consulted on housing issues. The Housing Directorate includes a Tenant Participation Officer to take forward the obligations set out in the Tenant Participation Agreement.
- 7.3 Epping Forest District Council's Tenants and Leaseholders Federation includes a Leaseholders Association. The Association has 98 members and provides a channel through which the Council can consult with leaseholders.
- 7.4 The Chairman of the Epping Forest Tenants and Leaseholders Federation is a co-opted member of the Housing Scrutiny Panel, which considers housing issues in detail.
- 7.5 Statutory consultation procedures are adhered to when carrying out major repairs or improvements a block of flats/maisonettes where there are leasehold properties.
- 7.6 All the Council's tenants are issued with a Tenant's Handbook which provides useful and relevant information. This includes information on buying their homes from the Council.
- 7.7 Every new leaseholder receives a Leaseholders Handbook containing relevant information related to leasehold issues.
- 7.8 Each Right to Buy applicant receives a copy of the CLG's booklet on the right to buy which includes information on the implications of purchasing a property.
- 7.9 Customer satisfaction with the Directorate's RTB service is monitored through customer satisfaction questionnaires which are sent to each applicant after they have received their offer notice. A detailed survey of leaseholders' satisfaction with the service they receive from the Council was last carried out in 2008 and another is due to be carried out in 2012/13.

- 7.11 The Council's web site, Housing Section www.eppingforestdc.gov.uk also holds relevant information.

8. General Principles

- 8.1. The HOT includes two full-time and two part-members of staff dedicated to the activities covered by this Service Strategy. This is equivalent to three full-time members of staff (FTEs). Their time is split so that one FTE deals with freehold sales and two FTEs with all activities relating to leasehold sales and ongoing service charges.
- 8.2. The section is committed to respond promptly to any changes in legislation.
- 8.3. All land sales comply with Council policies and are administered in accordance with Standing Orders and Financial Regulations.
- 8.4. Throughout the processes undertaken by the HOT, staff are also mindful of the possibility of fraud, both with regard to the actual sale of the property and also fraud that may have been perpetrated in connection with Housing Benefits or Council Tax.
- 8.5. It is a priority for staff to respond to leaseholders and prospective purchasers promptly and accurately. In instances where an immediate response is not possible, staff will advise when they will be able to respond.
- 8.6. It is also a priority for HOT staff to attain the targets set out in the relevant legislation. Data on response times is monitored through Performance Indicators which are discussed at quarterly 'Continuous Improvement Meetings' between the Director of Housing, the Assistant Director of Housing (Private Sector and Resources) and the Housing Resources Manager.
- 8.7. By law, each leaseholder has to be fully consulted on all major works. Annual service charges are calculated on an estimated basis and charged each month. At the end of the financial year the actual charges are calculated and accounts raised accordingly. The HOT carefully monitors the calculation and collections of these charges.
- 8.8. The HOT has close links with other sections of the Housing Directorate. When properties are sold on a leasehold basis, the Council continues to be responsible for any external or structural work and details on the cost of that work, which must be passed to the leaseholder, are provided by the Housing Assets team. In addition, there are close links with Housing Management who provide information relating to both properties and leaseholders.
- 8.9. While the Directorate's integrated IT system already has a Right to Buy module, it does not yet include a module to assist with the management of leaseholder accounts. The implementation of the leasehold module has commenced and this is expected to be completed by the summer of 2013.
- 8.10. The Housing Directorate was successful in achieving the Customer Service Excellence award in 2007 and the accreditation was successfully reviewed in 2012. The Directorate was also successful in having its quality management system re-accredited to the ISO 9001:2008 standard in January 2012. The Directorate is committed to maintaining these standards by continuously improving services.

9. Future Developments

9.1 The following “SWOT” analysis identifies the strengths and weaknesses, opportunities and threats for the areas covered by this Service Strategy.

<p>STRENGTHS</p> <ul style="list-style-type: none"> ❖ Knowledgeable and committed staff ❖ Processes and Work Instructions available to staff on Intranet ❖ ISO 9001:2008 Accreditation ❖ Good relationship with tenants and leaseholders ❖ Comprehensive performance monitoring ❖ Good procedures and time-scales ❖ Good tenant and Leaseholder consultation framework ❖ An action plan is in place to improve the service 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ❖ Leasehold not on OHMS Integral System ❖ Unable to provide facility for payment by Direct Debit to Leaseholders
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ❖ Improvement of service through implementation of leasehold module of integrated computer system 	<p>THREATS</p> <ul style="list-style-type: none"> ❖ Major changes in legislation ❖ Major increase in volume of RTB applications as a result of increased discount ❖ Increase in number of leasehold accounts to manage as a result of more leasehold properties being sold under RTB

10. Action Plan

Action	Lead Officer	Time-scale	Resource Implications
Implement Norhtgate Ohms Leasehold Accounting Module	Principal Housing Officer (IT Systems)	Completion summer 2013	Existing resources
Maintain Quarterly Continuous Improvement Meetings	Assistant Director of Housing (Private Sector & Resources)	3 monthly	Existing resources
Maintain systems and control to retain ISO 9001:2008 accreditation	Housing Resources Manager	Ongoing	Existing resources
Update Leasehold Handbook and provide to all Leaseholders where the Council owns the freehold (regardless of whether they have purchased through RTB or on the open market)	Home Ownership Officer	Handbook to be revised in 2013	Existing resources
Invite all new leaseholders, where the Council owns the freehold, to participate in the Leaseholders Association	Housing Resources Manager Tenant Participation Officer	Ongoing	Existing resources
Provide appropriate information to tenants of their RTB.	Housing Resources Manager Principal Housing Officer (Information and Strategy)	Ongoing	Existing resources

Action	Lead Officer	Time-scale	Resource Implications
Provide a clear summary of leaseholder's rights and responsibilities with service charge bills.	Housing Resources Manager Home Ownership Officer	April 2012 and ongoing	Existing resources

11. Resourcing the Strategy

- 11.1 The number of staff resourcing this Strategy equate to 3 full time staff within Housing Services. This excludes management of the service and time spent by other staff within the Housing Directorate. It also excludes staff from other services who provide additional support in respect of sales such as Estates and Valuations, Legal and Finance. The service appears to be at the minimum level that can be achieved in order to maintain the service effectively, especially due to the increase in RTB sales as a result of the increase in the maximum discount to £75,000 in April 2012 which will also result in there being more leasehold properties.
- 11.2 The cost of administering the leasehold service is re-charged to the leaseholders. The cost of administering the sale of Council dwellings and land is met by the capital receipt generated.
- 11.3 The level of staffing is as described in paragraph 11.1. It is envisaged that these will remain the same for each of the three years until 2014/15.

12. Key Targets and Performance Monitoring

- 12.1 The key targets and performance for the service are as follows:-

Key Targets & Performance					
Performance Indicator	Target	2008/09	2009/10	2010/11	2011/12
Average time to acknowledge RTB (Leasehold) Working days	7.00	2.67	3.92	2.42	3.44
Average time to acknowledge RTB (Freehold) Working Days	7.0	4.68	2.82	2.67	3.92
Average time to admit/deny RTB application (Leasehold) Legislative requirement - 28 days Working Days	14	2.67	5.67	3.45	4.38

Performance Indicator	Target	2008/09	2009/10	2010/11	2011/12
Average time to admit/deny RTB (Freehold) Legislative requirement - 28 days Working Days	14	5.65	3.23	3.36	5.75
Percentage of formal RTB applications formally admitted/denied within statutory time-scales (leasehold)	100%	100%	100%	100%	100%
Percentage of formal RTB applications formally admitted/denied within statutory time-scales (freehold)	100%	100%	100%	100%	100%
Average time to serve S125 Notice (leasehold) from RTB2 Weeks	12	5.5	4.89	4.35	6.56
Average time to serve S125 Notice (freehold) from RTB2 Weeks	8	7.44	4.82	4.1	5.06
Percentage of S125 notices issued for leasehold property within 12 weeks from RTB2	100%	100%	100%	100%	89.89%
Percentage of S125 notices issued for freehold property within 8 weeks from RTB2	100%	60%	92.31%	100%	93.33%

- 12.2 In view of the legislative targets involved, ongoing monitoring is essential. The OHMS integrated computer system provides regular, detailed reports for the RTB, and will ultimately assist with Leasehold Service Charges when this module is introduced. This should ensure that the provisions of this Strategy are always achieved.
- 12.3 Legislative changes, and indeed the rumour of changes, can lead to uneven levels of demand which require managing to avoid backlogs developing. The monitoring of workload is essential to ensure that customer demands are met and timescales adhered to.

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Housing Directorate Strategy
Rent Administration and Collection

1. Introduction

- 1.1 This Housing Service Strategy relates to the administration and collection of rents for the Council's housing and garage stock.
- 1.2 This Strategy sets out how the Housing rent administration service will be delivered for the next three years.
- 1.3 The Service is key to the Housing Directorate as it co-ordinates the payment and collection of rent and rent account administration for all property and garage tenants. It is supported by the Council's Finance team and Corporate Support Services.
- 1.4. This Strategy was formulated in consultation with the Epping Forest Tenants and Leaseholders Federation and the Housing Scrutiny Panel, and agreed by the Housing Portfolio Holder on xxxxxxxxxxxxxxxxx

2. Background to Service

- 2.1 A rent accounting system is necessary to provide clear audit trails in the administration and control of income. Legislation lays down clear time-scales that must be met on implementation of a rent increase. Failure to meet these criteria could result in loss of revenue to the Authority, criticism and legal challenge. The Council also has an obligation to its tenants to ensure the income is correctly administered and accountable.
- 2.2 Rent accounting and collection is administered by the Housing Incomes Team who co-ordinate all the activities involved with the administration of rent accounts and the collection of rent including:
 - Notifications to tenants of their rent increases;
 - Administration of rent accounts (processing of successions and other tenancy matters);
 - Issuing of rent payment 'swipe' cards;
 - Calculation and processing of standing orders and direct debits;
 - Balancing and controlling the collectable weekly rent debit and reconciling the income in respect of all the Council's residential HRA properties and garages; and,
 - Co-ordination of Housing Related Support (previously Supporting People) payments.
- 2.3 The Housing Incomes Team consists of the Senior Housing Officer and two Housing Incomes Officers, all of whom are full-time employees. In July 2012 the number of live tenant rent accounts was 8,568; of which 6,477 were in

respect of dwellings and 2,091 were garage accounts. During the financial year 2011/12 there were 160,000 payment transactions to the rent accounts totalling over £14.5m

2.4 The Council's Housing stock in April 2012 was as follows: -

- **6486*** Residential properties
- **939** Leasehold properties
- **2814** Garages
- **1** Homeless Persons Hostel comprising 38 rooms and 10 chalets

*This figure excludes 48 rooms at the Council's Hostel, 5 Scheme Managers properties and 30 properties that were "out of charge".

Council Housing Stock by Type and Year (Excluding Homeless Persons Hostel)	
	April 2012
Houses	2725
Flats	2434
Maisonettes	536
Bungalows	791
	6486

2.6 The collectable rent debit in 2011/12 was £30m (including Norway House). This is the total annual income collectable from every property and garage, irrespective of housing benefit.

2.7 Rent is collected through a variety of methods. Due to the rural nature of the District, arrangements are in place for tenants to pay their rent at any Post Office in the country or at designated Pay Points within the District. The Council provides cash desks based in the Civic Offices and in the offices at The Broadway in Loughton. Tenants may also pay by direct debits, standing orders, text payments, by telephone and on the internet. In 2011, The Council also introduced payment of rent by credit card.

2.8 The Housing Incomes Team maintain the Open Housing Management System (OHMS) database of all Council properties, recording the collectable debit and the income due. The Team also accounts for other charges such as heating and water rates. By monitoring all payments against the amount due, the Team provide Housing Management Officers with information on the payment records of tenants and the calculation of individual and overall rent arrears. One member of staff (1FTE) is responsible for reconciling financial claims from Essex County Council, in respect of Housing Related Support. This is covered in more detail in Section 3.

2.9 Members of the Team also make any changes necessary to the records on individual tenants' rent accounts, such as updating tenants' personal details and the various elements that make up their rent. They also update the computer information for Housing Management Officers to undertake the collection of arrears. The computer system also provides the overall statistical information and balances of all accounts.

2.10 In April 2012, the Government introduced 'self-financing' to replace the previous Housing Subsidy system. The Council was required to take out a loan of around £185.5 million which will be repaid from tenants' rents over a period of 30 years. In addition to repaying the debt, under the new arrangements, the Council will also be able to provide tenants with a number of benefits which include increasing rents by only 6% in April 2012, compared to the 8% increase the Government expected the Council to make.

3. Coverage

3.1 This Strategy covers all aspects of rent administration and collection. It aims to ensure that processes are in place to provide a structured and detailed account of the collectable and collected income to the Council.

3.2 The Government's Guidelines state that the rents all councils charge for their homes should be almost the same as those for the same types of homes owned by housing associations in the same area by April 2015. They have also said that everyone's rent should be calculated by local authorities using a common system based on relative property values and average earnings. This standard methodology (or 'formula') was set out in the Guide to Social Rent Reforms and is that:-

- 30% of a property's rent should be based on relative property values compared to national property values;
- 70% of a property's rent should be based on relative local earnings compared to national earnings;
- a bedroom factor so that, all other things being equal, smaller properties have lower rents.

3.3 Rents started to be recalculated in this way from April 2003 to produce a "target rent" for each property, which could be higher or lower than the current rent. The actual rent tenants pay must then increase or decrease, to this target. Although the government anticipated that council and housing association rents in the same area would be the same by April 2015, Epping Forest District Council has decided to aim for April 2017. Due to refinancing arrangements, resulting from changes under the Localism Act 2011, more decisions on financing are being made at a local level.

3.4 The Council has agreed the approach it will take to achieve this aim. Rents will increase by an average of 6% in April 2012, and then by around 2% above inflation in the following four years between April 2013 and April 2016. Rents will then increase by around 0.5% above inflation by April 2017. The average Council rent increase of 6% from April 2012 will increase average rents by £4.93 per week from £86.19 per week to £91.12 per week.

3.5 In 2003 the Government also introduced 'Supporting People' arrangements (now called Housing Related Support) which accounts for support costs outside of the HRA, such as the cost of help that people living in supported housing receive from their Scheme Manager. Housing Related Support is funded from a County-wide 'pot' and Commissioners at Essex County Council decide on the allocation of funding across all the providers of Housing Related Support in Essex. Changes to the Housing Related Support distribution of funds could have a significant impact on the HRA.

- 3.6 This Strategy ensures that the processes flow smoothly and provide the information to maximise the income to the Authority. It also provides the information required by tenants and other users of the service.
- 3.7 Legislation, detailed in Section 6, provides strict time-scales and stipulates the information that must be supplied to tenants, although the Council is committed to reduce administrative time to the minimum.

4. Relationships to other documents

- 4.1 The provisions of the Council's Housing Charter, Customer Charter and Housing Service Standards apply directly to rent administration and collection. These high-level documents relate to the service we provide to the public, our customers, which must be a key driver for any strategy concerning the provision of services.
- 4.2 Any financial transaction involving the Council, including the administration and collection of rents, are governed by the Council's Financial Regulations.
- 4.3 The Council provides each tenants with a copy of the 'Tenants Handbook' which provides them with valuable information about their tenancy. The tenant's payment letter accompanying the swipe card for rent payments also contains relevant information.
- 4.4 The Housing Directorate's Management System has also achieved ISO 9001:2008 accreditation. The Management System includes written processes and work instructions that are subject to ongoing review in order to provide continuous improvement.
- 4.5 The Council's Community Strategy, Corporate Plan, Housing Strategy, HRA Business Plan and Tenancy Agreement are also relevant to this Strategy.
- 4.6 The Council's website has a section on the Housing Directorate which is relevant to this Strategy. This can be found at www.eppingforestdc.gov.uk/index.php/residents/your-home/council-tenants

5. Aims and Objectives

- 5.1 It is the aim of the Council's Housing Directorate Strategy on Rent Administration and Collection:

"To administer and manage the rent administration and collection service in an effective manner".

This aim will be achieved by:

- a) following best practice and ensuring adequate procedures exist in order to fulfil all statutory, accounting and Council requirements;
- b) monitoring performance against time-scales, legislation, of other service requirements and needs;
- c) providing accurate information;
- d) ensuring time-scales are adhered to;
- e) responding to changes in legislation;
- f) increasing consultation with customers; and,

g) maintaining ISO 9001:2008 quality systems.

5.2 Regular audits of the rent restructuring, rent accounting and administration are undertaken. An audit of rent accounting and administration was carried out in July 2012.

6. Statutory Requirements

6.1 Under Section 74 of the Local Government and Housing Act 1989, the Council is required to keep a "Housing Revenue Account" in accordance with proper practices. These include the following issues:-

- Procedure and time-scales for serving any rent increase notifications;
- Short term lease of properties;
- Equity Share properties;
- Various statutory information to be supplied to tenants, at the start of a tenancy and annually;
- Appeal procedures;
- Calculation of rents;
- Procedure for recovery of other charges, included in the rent.

6.2 Human Rights Act 1998 (Articles 6,8 and 14)

- Appeal procedures

6.3 Data Protection Act 1998.

- Protection of personal data held by the Council

6.4 Health and Safety at Work Act 1994

- Responsibilities of the Council as employer in respect of Health and Safety issues

6.5 Landlord and Tenant Act 1985

- Provisions relating to tenancies and leases.

6.6 The Housing Act 2004

- Incorporates aspects of dealing with Anti-Social Behaviour

6.7 Housing Regeneration Act 2008

- Incorporates changes to tolerated trespassers

6.8 The Equality Act 2010

- Replaces previously existing anti-discrimination laws and introduces a new Public Sector Equality Duty. This brings together the existing race, disability and gender duties and extends them to cover age, sexual orientation, religion or belief, pregnancy and maternity, and gender reassignment.

6.9 The Localism Act 2011

- Provides a number of discretionary powers that enable decisions to be taken locally on a number of specific matters, such as whether to introduce tenure reforms. Also changes the way social housing is funded to pass more power to a local level.

6.10 Welfare Reform Act 2012

- Introduces major changes to the benefits system, including changes to housing benefits

7. Client Consultation, Information and Involvement

7.1 The Council publication "Housing News" is distributed to all the Council's tenants and leaseholders. This is to ensure that they are kept up to date on housing issues and encourages them to become involved with the Council's consultation processes.

7.2 The District-wide Tenant Participation Agreement, first introduced in November 2002 has been renewed in November 2011 and sets out in detail the way in which tenants and leaseholders will be consulted on housing issues.

7.3 A Tenant Participation Officer promotes the obligations set out in the Tenant Participation Agreement. The Council actively involves the District's Tenants and Leaseholders Federation when setting policies of relevance to tenants and leaseholders and seeks to promote a wider interest in housing-related issues throughout the District.

7.4 The Chairman of the District's Tenants and Leaseholders Federation is a co-opted member of the Housing Scrutiny Panel, which considers detailed housing issues.

7.5 Valuable information for tenants and leaseholders is provided in the 'Tenants Handbook' which is issued to all tenants.

7.6 Regular surveys are also carried out to gauge tenant satisfaction. Until 2008 these had to be carried out every two years, using Government guidelines. The last full survey (general needs and sheltered housing tenants) was in 2006, while in 2008 we were asked to survey general needs tenants only. There is no longer any requirement to conduct a survey, but the Council thinks it is important to do so. The latest survey, which was a random survey of the Council's general needs and sheltered housing tenants, was carried out in March 2012 using a new questionnaire called 'Housemark STAR'. This was developed for all social landlords, so that once other organisations have completed their surveys, the Council will be able to compare its results with other providers.

8. General Principles

8.1 The general principles governing the service are as follows:-

- 8.2 The Housing Directorate will aim to maintain sufficient staffing levels to provide the services covered by this Strategy.
- 8.3 Staff within the Team will ensure that all clients and tenants are responded to promptly and accurately.
- 8.4 The Team will, at all times, attempt to attain the targets laid down in legislation. Procedures will be monitored and reviewed to ensure that timescales are met.
- 8.5 The Council will continue to provide tenants with as many ways as possible of paying their rents, including making payment:
- At one of the Council's cash offices;
 - At any Post Office;
 - At any "PayPoint" access point;
 - By direct debit;
 - By credit card;
 - By text;
 - By standing order;
 - through the internet;
 - by telephone; and,
 - by salary deduction if the tenant works for the Council.
- 8.6 The Housing Directorate was successful in achieving the Customer Service Excellence award in 2007 and the accreditation was successfully reviewed in 2012. The Directorate was also successful in having its quality management system re-accredited to the ISO 9001:2008 standard in January 2012. The Directorate is committed to maintaining these standards by continuously improving services.
- 8.7 Tenant and client consultations and satisfaction surveys will continue to be undertaken.
- 8.8 Accuracy will be maintained on information supplied and balancing accounts at all times. Standing Orders, Financial Regulations and Corporate Policies will be complied with. Throughout all processes, staff will aware of the possibility of fraudulent claims.

9. Future Developments

- 9.1 The Government's Welfare Reform Act 2012 includes a number of changes that will impact on benefit recipients, including those on Housing Benefit. This effect of the reforms may be to reduce the amount of benefit a family receives and, therefore, their ability to pay their rent. The reforms also include the introduction of Universal Credit from October 2013. Universal Credit will replace a range of existing benefits and tax credits for people of working age. Unlike the current system, the Housing Benefit component of the Universal Credit will be paid to the tenant rather than direct to the landlord. This being the case, there are concerns that some tenants may not pass their benefit on to the Council in payment of their rent. The Council is seeking to encourage as many tenants as possible to pay their rent by Direct Debit prior to the introduction of Universal Credit.

9.2 The following “SWOT” analysis identifies the strengths, weaknesses, opportunities and threats for the areas covered by this Service Strategy

<p>STRENGTHS</p> <ul style="list-style-type: none"> ❖ Knowledgeable and committed staff ❖ Policy and Works Instructions available on the Intranet ❖ Integrated Housing System ❖ ISO 9001:2008 Accreditation ❖ Good relationship with tenants ❖ Good tenant consultation framework ❖ Comprehensive performance monitoring ❖ Good procedures and timetable 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ❖ Limited opportunities for succession planning because of the specialist nature of the roles in the section ❖ Retirement of long term Team Leader
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ❖ Complete review of existing methods and procedures ❖ Introduce a more staff-development focused and progressive management style into the section ❖ Introduction of the new Customer Online System ❖ Introduction of less paper orientated systems 	<p>THREATS</p> <ul style="list-style-type: none"> ❖ Reduced funding from County Council for Housing-Related Support ❖ Introduction of welfare reforms

10. Action Plan

10.1 The Action Plan for this Service Strategy as follows:-

Action	Lead Officer	Timescale	Resource Implications
Publish annually different methods of rent payments in Housing News including the costs to the Council of various collection methods.	Housing Resources Manager and Principal Housing Officer (Information)	Spring 2013	Existing Resources

Action	Lead Officer	Timescale	Resource Implications
Provide arrears recovery reports and statistics to managers within one week of close of each fortnight	Principal Housing Officer (Incomes) and Housing Resources Manager	Ongoing Review September 2013	Existing Resources
Provide statistical information on National and Local PIs each quarter within two weeks of close of each quarter	Principal Housing Officer (Incomes) and Housing Resources Manager	Ongoing Review September 2013	Existing Resources
Provide 3 additional Direct Debit dates towards the start of the month and undertake a further Direct Debit marketing campaign	Housing Resources Manager	November 2012 – April 2013	Existing Resources
Prepare for the increase in demand for Direct Debit and other methods of payment as a result of the introduction of Universal Credit	Housing Resources Manager	Jan 2013	Existing Resources
Introduction of Paperless Direct Debit	Housing Resources Manager & Senior Housing Officer	April 2013	Existing Resources

Action	Lead Officer	Timescale	Resource Implications
Consider how we can utilise the additional functionality the Customer Online System will bring our customers	Housing Resources Manager	June 2013	Existing Resources
Introduction of new Senior Housing Officer for Incomes team. Make staff development and monitoring performance priority	Housing Resources Manger and Senior Housing Officer (Incomes)	Ongoing	Existing Resources

11. Resourcing the Strategy

11.1 The number of staff resourcing this Strategy equates to 3.0 (FTE) within Housing Directorate 2.0 (FTE) staff within the Rent Accounting and Collection Team including 1 (FTE) dealing with Housing-Related Support claims and rent reforms. This excludes senior management and staff from other services who provide additional support such as both the Finance and Corporate Support Services Directorate. The table below shows the staffing levels that will be required for the period of this Strategy.

	2012/2013	2013/2014	2014/2015
Average no of staff required to provide service (FTE)	3.00	3.00	3.00

11.3 The Housing Directorate oversees the development of staff by, undertaking the following:-

- Training Needs Schedule which records each member of staff training needs and how these are met
- 1-2-1 monthly reviews with an annual Personal Development Reviews to ensure progression and development within the staff and identifies training needs.

11.2 The cost of this service is met primarily by the rent income received from tenants.

12. Key Targets and Performance Monitoring

12.1 There are a number of Performance Indicators relating to the Rent Accounting and Collection Service which are shown below:-

Performance Indicator	Actual 2010/2011	Actual 2011/2012	Target 2012/2013
Rent collected by the local authority as a proportion of rents owed	98.14%	97.68%	98.80%
Current rent arrears as a proportion of rent	1.55%	1.49%	1.60%
Total former tenant arrears collected per annum	£57,408	£66,616	£60,000

12.2 The Indicator relating to the amount of rent collected as a proportion of rents owed is one of twenty 'tenant-selected indicators' that have been identified by the Tenants and Leaseholders Federation as being most important to tenants. This monitored on a quarterly basis by the Federation.

12.3 In addition to this the Directorate has a number of Service Standards which relate to the service. These are identified below:

Ref	Service Standard	2010/2011	2011/2012
(HM3)	Tenant is given a choice of three dates in the month to pay their rent by Direct Debit	Achieved	Achieved
(HM4)	Tenant is provided with written confirmation of balance on their rent account by the end of each quarter.	Achieved	Achieved
(HM5)	Tenant is provided with a detailed rent account statement for the previous 12 months on request or automatically if they are in arrears by more than £1	Not measured	Not measured

12.4 Performance against the Standards is also monitored by the Tenants and Leaseholders Federation and by the Housing Scrutiny Panel on an annual basis. This constant monitoring of all targets, and initiating remedial action where necessary, should adequately ensure that the provisions of this Strategy are achieved.

12.5 In view of the legislative targets involved, and the reliance of other sections on the information provided by the team, continual monitoring of the service is essential. There are quarterly Continuous Improvement Meetings between the Director of Housing and the relevant Assistant Director and Manager to review the previous quarter's performance and determine any remedial action that needs to be taken.

13. Reviewing the Strategy

- 13.1 This Housing Directorate Strategy will be reviewed in consultation with the Epping Forest Tenants and Leaseholders Federation in *****