

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 22 December 2009

**Subject:** Housing Portfolio

**Portfolio Holder:** Councillor David Stallan

**Item 8(f)**

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## **Recommending:**

**That the report of the Housing Portfolio Holder be noted.**

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## **Comparative Tenants Satisfaction with Housing Associations in the District**

A recent website launched by the Tenant Services Authority (TSA – the new social housing regulator for housing association and, from April 2010, local authority landlords) has revealed that not only does the Council have lower average rent levels than all of the housing associations that operate within the Epping Forest District, we also have the highest levels of tenant satisfaction.

The *lowest* average housing association rent level of £81.50 per week in the District is around 9% *higher* than the Council's average rent of £74.86 per week. The *highest* level of tenant satisfaction amongst the 5 main housing associations operating within the District (79.7%) is around 5% *lower* than the Council's tenant satisfaction rating of 84%. Moreover, the *highest* level of tenant satisfaction with their repairs service amongst the 5 main housing associations (74.5%) is around 13% *lower* than the Council's tenant satisfaction rating for our repairs service of 86%.

A full report on the comparisons appeared in a recent issue of the Council Bulletin.

## **Repairs Refresh Programme**

Good progress continues to be made with the Repairs Refresh Programme. At its meeting in November 2009, the Cabinet agreed a new staffing structure for the Housing Repairs Service, comprising staff from the former Housing Repairs Section and the Works Unit, which is now being implemented. All Housing Repairs Service staff have now been brought together at the Epping Depot.

The Council's consultants, Cameron Consulting, have also now produced a proposed Procurement Strategy for the appointment of the private Repairs Management Contractor, which will be considered by the Repairs Advisory Group early in the New Year.

## **Government Funding to Combat Social Housing Fraud**

The Council has received £10,000 from the Government (Communities and Local Government – CLG) following the Council's agreement to support a national drive to crack down on the unlawful sub-letting of properties in the social housing sector.

The Housing Minister, John Healey, says that the CLG are doing three things as part of this initiative:

- (1) Making available to all social landlords best practice guidance showing effective and practical ways of tackling sub-letting (which has now been received and is being studied);
- (2) Encouraging large housing associations and all local authorities to participate in a new run of the National Fraud Initiative; and
- (3) Providing a special grant to every local authority that signs up to the initiative to increase efforts in this area – Councils with stock over 15,000 homes have received £50,000. Others (like EFDC) have received £10,000.

The CLG is also making available cash grants of £500 for any members of the public that report any illegal sub letting, which results in the return of a council or housing association property.

As part of the Council's successful Management Development Programme, a group of staff on the Programme are undertaking an assignment to consider ways of reducing illegal sub-letting, along with other types of "social housing fraud", and to consider and recommend the best use of the £10,000 CLG grant. This is likely to lead to the proposed appointment of a temporary part-time housing officer to seek out and investigate unlawful uses.

### **Internal Decorating for Older People**

I have recently agreed a change to the criteria for older people seeking assistance from the Council with their internal decorating. Previously, only tenants in one-bedroomed properties have been eligible for this free service. I have now changed the eligibility to allow older people in two-bedroomed properties to receive the service.

### **PFI Bid for an Extra Care Scheme in Epping Forest**

I have recently agreed to the Council being a partner with Essex County Council for the County Council's Expression of Interest to the Department of Health (DoH) for the receipt of Private Finance Initiative (PFI) credits, to develop a new Extra-Care Scheme for Older People, on land owned by the District Council, within the Epping Forest District.

In order to identify the most appropriate site for an extra-care scheme, which may involve the redevelopment of an existing sheltered housing scheme, I have also asked the Director of Housing to undertake a strategic review of the Council's older people's accommodation, in order to assess the future need for such accommodation within the District and the physical condition of the Council's buildings to ascertain if they will continue to be fit for purpose. The County Council is being invited to work in partnership with us to undertake - and jointly fund - the strategic review, which will set out a strategic plan for the future.

If the County Council's Expression of Interest is accepted by the Department of Health, an Outline Business Case will be prepared and reported to the Cabinet at the appropriate time.

In total, the DoH is offering access to £250m of PFI credits, which works on the basis of the DoH making payments to social care authorities (in this case Essex County Council) on an annuity basis over the length of the service contract. The PFI credits will be paid directly by the Government (Treasury) to the County Council to fund "Annual Unitary Payments" to a third-party developer or supplier - who will build and maintain the buildings over the life of the contract, usually 25-30 years. To be affordable, the PFI credits cover all of the costs of the buildings being constructed and their ongoing maintenance and soft facilities management over the period of the contract.

The costs of the proposed procurement process (production of the Expression of Interest bid and the Outline Business Case, and then the undertaking of a Competitive Dialogue Procurement) are being borne by the County Council.

### **New Regulatory Framework for Social Housing – Tenant Services Authority (TSA)**

The Tenant Services Authority (TSA) has issued a statutory consultation document, which sets out the six standards that social housing providers (including the Council) will have to meet from 1 April 2010.

The six new standards describe the outcomes the TSA wants to see delivered and the specific requirements it expects all providers to comply with to meet these outcomes. The TSA believes that the best place for the quality of services to be discussed, agreed and scrutinised is locally between providers and their tenants. So its standards require providers to set out what they “offer” to tenants and to set local standards that reflect the priorities of local communities.

The TSA says that its proposals balance new demands on providers to be transparent and report on performance to their tenants, and hold themselves to account – with a significant reduction in red tape, with no TSA Codes of Practice, the removal of thousands of individual regulatory consents, and the demise of over 50 detailed former Housing Corporation Circulars and Guidance Notes.

The closing date for responses to the consultation is 5 February 2010, and I have asked the Housing Scrutiny Panel to consider the draft Regulatory Framework, and to agree a response from the Council, at its meeting in January 2010. I have also encouraged the Tenants and Leaseholders to consider the document and respond itself. I understand that the Federation has set up a small project team to undertake this task.

### **Affordable Housing Sub-Group**

I am grateful to the Chairman of the Housing Scrutiny Panel for inviting me to attend the Affordable Housing Sub-Group, set up by the Housing Scrutiny Panel to consider ways the Council could increase the amount of affordable housing within the District. I found the discussions lively, and look forward to the Cabinet considering the Sub Group’s report at its meeting in February 2010.

### **Local Housing Company**

At its meeting in September 2009, the Cabinet agreed to undertake a feasibility study into the possibility of the Council forming a Local Housing Company, that could purchase properties on the open market, which could then be let to applicants from the Council’s Housing Register at market rents, funded by a loan provided by the Council. We believe that the financial return to the Council from the loan repayments, would be greater than the income received from the Council’s normal investments.

The Cabinet agreed to the appointment of specialist solicitors, Trowers and Hamlin, to advise the Council on the legal issues involved, and that a more detailed financial appraisal should be undertaken by the Director of Finance and ICT on the financial issues involved, based on the legal advice obtained.

The legal advice has now been received and is currently being considered by officers, with a view to me reporting on this issue to the Cabinet at its meeting in February 2010.