

Report to the Council

Committee: Cabinet

Date: 20 April 2010

Subject: Housing

Portfolio Holder: Councillor D Stallan

Item: 6(f)

Recommending:

That the report of the Housing Portfolio Holder be noted

HouseMark Benchmarking Report on Value for Money of Housing Services (2008/9)

Housemark is a national housing benchmarking organisation, of which the Housing Directorate has been a member for many years, which compares housing organisations' performance and costs with other housing organisations nationally.

Recently, Housemark produced its independent and detailed Benchmarking Report for the Council for 2008/9. The report compared the Council to 37 other stock-retained councils across England.

The detailed Benchmarking Report included a Value for Money (VFM) Summary, which places the Council's performance within one of four quartiles. I am pleased to report that the Council's Housing Directorate was placed in the top quartile in respect of 4 out of the 5 Cost Key Performance Indicators (KPIs) and in 6 out of the 9 Quality KPIs (and in the second quartile for a further 2 Quality KPIs).

The results of the Benchmarking Report were considered in detail by the Housing Scrutiny Panel and the Tenants and Leaseholders Federation at their last meetings.

PFI Bid for an Extra Care Scheme in Epping Forest

In December 2009, I reported to Council that I had agreed to the Council being a partner with Essex County Council for its 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.

I am now pleased to report that the County Council's PFI bid has been successful, in the full amount.

The PFI 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 next stage is for the County Council to prepare an Outline Business Case, in liaison with the Council, the costs of which are being borne by the County Council.

The Director of Housing is currently in discussions with a consultant 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, the physical condition of the Council's buildings to ascertain if they will continue to be fit for purpose, and to formulate a strategic plan for the future. The review is being jointly funded by the County Council. Since the Council's contribution to the proposed PFI Scheme is to provide free land for the Extra Care Scheme, the Review will identify whether or not any of the Council's existing sheltered housing schemes would be suitable for redevelopment.

Repairs Refresh Programme

Good progress continues to be made with the Repairs Refresh Programme. I reported to the last Council meeting that the statutory notice inviting expressions of interest for the appointment of the Private Repairs Management Contractor was published in early January 2010 and that the Repairs Advisory Group had agreed the Pre-Qualification Questionnaire (PQQ) criteria and process, in order to reduce applicants to a manageable shortlist.

I am pleased to report that the Council's consultants, Cameron Consulting, have now completed the PQQ process and, as a result, have shortlisted 5 contractors to be invited to tender. The next stage is for senior housing officers and Cameron Consulting to formulate the specification and Invitation to Tender, for sign-off by the Repairs Advisory Group.

Leader Lodge, North Weald

At the last meeting I reported that, following a second tendering exercise, I had selected Moat Housing (one of the Council's Preferred RSL Partners) to purchase the Council's former Hostel Manager's accommodation at Leader Lodge, North Weald, to enable the existing building to be converted into four flats and to provide an annexe of 2 additional flats, which would all be sold on a shared ownership basis to first time buyers.

However, I regret to inform Council that Moat has now withdrawn its tender. This is due to the introduction of new regulations by the Government that affect shared ownership developments in rural areas – which North Weald is classified within the regulations. These restrict to 80% the amount of equity that shared-owners can purchase, and require RSLs to repurchase the properties when the occupier wishes to sell – neither scenarios of which Moat had taken into account within its tender. Moat is now reviewing the implications of providing shared ownership in rural areas generally.

Since I do not consider the remaining tenders to be cost effective, I have asked the Director of Housing to advise me on the available options for the future of Leader Lodge.

Social Housing Fraud Pilot Scheme

I reported to the Council in December 2009 that 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.

As part of the Council's successful Management Development Programme (MDP), a group of staff on the Programme have undertaken an assignment to consider ways of reducing illegal sub-letting within the Council's housing stock and other types of social housing fraud, and to consider and recommend the best use of the £10,000 CLG grant.

This has resulted in the MDP Group, sponsored by the Director of Housing, recommending to me (and to me agreeing) that the Council introduces a Social Housing Fraud Pilot Scheme, with the appointment of a temporary, part-time Housing Officer (Fraud) post for 12 months to seek out and investigate unlawful uses of Council properties. The post is being funded jointly by the CLG payment and anticipated under-spends on the Housing Directorate's Staffing Budget. I will review the success of the Pilot Scheme after 9 months, with a view to recommending to Cabinet that the Scheme be made permanent if it is successful.

Government Review of HRA Subsidy System (Self-Financing) – CLG “Offer” to the Council

I have previously reported that the Government has been undertaking a thorough review of its Housing Revenue Account (HRA) Subsidy System. A consultation exercise was undertaken by the CLG in July 2009, to which the Council responded. The second round of consultation details the basis for local authorities to withdraw voluntarily from the subsidy system, in return for taking on an assessed apportionment of the national housing debt. This Council is currently debt-free.

Details of this second round of consultation has now been released, through which the Council has received an “offer” from the CLG to take on £172m of national debt, in return for withdrawing from the HRA subsidy system (through which the Council currently pays in excess of £10m per annum).

The Cabinet has agreed that the Finance and Performance Management Cabinet Committee should consider the CLG's “offer” in detail, at its meeting in June 2010, and to advise both the Cabinet and full Council on whether or not to accept the offer. This will be an important decision, since it will affect the Council's HRA, and its ability to fund the proper and effective management and maintenance of its housing stock over the next 30 years.

Presentation on the Council's Approach to Homelessness Prevention

At its last meeting, the Housing Scrutiny Panel agreed to receive a presentation at its next meeting on “The Council's Approach to Homelessness Prevention”, including initiatives on dealing with domestic violence. The presentation will be given at 5pm on 29 July 2010, and all Members of Council are invited. Members may like to make a note in their diary in advance of this date.