

Report to the Council

Committee: Cabinet

Date: 1 November 2011

Subject: Housing Portfolio

Portfolio Holder: Councillor Maggie McEwen

Recommending:

That the report of the Housing Portfolio Holder be noted.

(a) HRA 30-Year Financial Plan

In April 2012, the Government will be introducing a major, long-term change in the way that local authorities Housing Revenue Accounts (HRAs) are funded. This will involve a change away from the current "HRA Subsidy System" to a new "HRA Self Financing System", under which this Council will need to make a one-off payment to the Government in excess of £180m (instead of making annual payments to the Government - currently in excess of £11m per annum), for which a substantial proportion will need to be borrowed.

One of the key aspects to this process is to have a well-thought-through, robust 30-Year Financial Plan for the HRA, setting out all expected housing income and expenditure to meet the Council's housing objectives.

The HRA Financial Plan forms part of the HRA Business Plan, which is reviewed each year by the Housing Scrutiny Panel. In view of the introduction and importance of HRA Self-Financing, there will be a special Joint Meeting of the Housing and Finance & Performance Management Scrutiny Panels on the evening of 28 November 2011, to enable the two Scrutiny Panels to consider the issues and options relating to the HRA Financial Plan, prior to adoption of the Indicative HRA Financial Plan by the Cabinet on the 5th December 2011.

Simon Smith, the Council's HRA Business Planning Consultants from CIHConsult will be attending the Joint Scrutiny Panel Meeting to present his report on the issues and the options available. There will also be the ability at the meeting for members to consider, discuss and profile a range of "what if" scenarios, using CIHConsult's modelling tool live.

All Members of Council are invited to attend the Joint Scrutiny Panel meeting to contribute to the discussion.

(b) New Council Housebuilding Programme

The last new Council property was built in June 1985, at Mountbatten Court, Buckhurst Hill. Since 1977, the Council has sold around 6,160 properties, predominantly through the Right to Buy; the Council currently owns and manages around 6,500 properties.

Since the 1980s, councils have been discouraged by successive governments from building new social housing themselves, and encouraged to act as "enablers", by facilitating housing associations to build new social housing. However, Government policy has changed and local authorities have more recently been encouraged to build once again.

At its meeting in July 2011, the Cabinet confirmed its previous decision, in principle, to commence a new Council Housebuilding Programme once the Housing Revenue Account moves to a self-financing basis in April 2012. The Cabinet also asked the Housing Scrutiny Panel to consider the detailed issues relating to the feasibility of undertaking, and the best way of implementing, such a Housebuilding Programme and to make recommendations to the Cabinet accordingly.

It is proposed to undertake a Programme to construct around 20 new affordable Council homes each year, for at least 6 years, mainly on difficult-to-let Council-owned garage sites.

At its meeting to be held on 25 October 2011, the Housing Scrutiny Panel is due to consider a comprehensive report on all the issues, and a proposed approach, from the Director of Housing. The Scrutiny Panel will then present its report to the Cabinet on 5 December 2011.

(c) Epping Forest Careline – 1st Anniversary of the Careline Extension

A number of Members attended an Information Afternoon at the recently-extended Careline Centre at Parsonage Court, Loughton on 30 September 2011. The event gave an opportunity to celebrate the first anniversary since the completion of Careline's extension, and for Members to be brought up to date with the range of services offered.

There are around 2,500 properties connected to Careline, representing approximately 3,000 users, including around 1,250 users in the private sector who pay an annual rental, which brings increasing income to the Council.

Members were informed of the potential to monitor alarms for other authorities and housing associations and the plans to extend the routine repairs reporting service for tenants from 5pm to 8pm on each working day monitored by Careline. Careline will also be periodically monitoring existing Council-owned CCTV systems at sheltered housing schemes through website access, and monitoring the whereabouts of the Council's lone workers on a 24-hour basis.

We were very pleased that Eileen Allen, who recently retired as a Controller from Careline and who took the first ever Careline in June 1984, was able to attend, and assisted the Chairman to cut a commemorative cake.

I would like to take this opportunity to thank all Members who were able to attend the event and find out about this important service.

(d) Installation of Solar Photovoltaic Panels to Council Dwellings

At its meeting on 25 October 2011, the Housing Scrutiny Panel is due to consider a report on a potential renewable energy programme for solar photovoltaic (PV) panels to be installed on the roofs of Council dwellings. The report explores how the Council may benefit from the "Feed-In Tariff", which has been introduced by the Government as part of its commitment to make better use of alternative renewable energy.

There are three potential financial benefits to installing Solar PV. Firstly, there is the "Feed-in" contribution from the Government, which is a payment received for electricity that is generated over a 25 year period. Secondly, any electricity generated is free to use in the building that the system is installed. Thirdly, any unused electricity can be sold to the National Grid.

The Scrutiny Panel will be considering the two main procurement options available, which are either the Council purchasing the systems outright, and then receiving the FIT, or the "Rent a Roof" option, whereby a company funds and installs the system using private finance, receives the FIT and then pays a roof rent to the Council. For both options, the occupiers benefit from the free electricity that is generated.

The Scrutiny Panel will make its recommendations to the Cabinet at its meeting on the 5 December 2011.

(e) Strategic Tenancy Policy – West Essex Housing Forum

When the Localism Bill is enacted, the Council will be required to formulate and publish a Strategic Tenancy Policy within 12 months, setting out the approach it expects all housing associations and the Council to take with respect to tenancies, including the use of flexible tenancies.

Although the Council can formulate its own policy, many local authorities are working together to formulate a policy for larger geographical areas.

In view of the increased joint working with the other councils in West Essex, the West Essex Housing Forum is currently considering the possibility of producing a Strategic Tenancy Policy for the whole of West Essex, and will be bringing forward a report to members in the near future.

(f) Housing Information Evening for Members – 21 September 2011

I would like to thank all members who attended the Housing Information Evening for Members on the 21 September 2011, which provided useful information on the work of the Housing Directorate, basic housing finance and current housing issues.