

## ***Report to the Council***

**Committee:** Cabinet

**Date:** 27 March 2012

**Subject:** Housing

**Portfolio Holder:** Councillor Maggie McEwen

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### **Recommending:**

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

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### **Housing Improvements and Service Enhancements Proposals**

I reported to the last Council Meeting that the Cabinet had asked the Housing Scrutiny Panel to formulate a list of proposed additional housing service improvements and enhancements (in consultation with the Tenants and Leaseholders Federation) that could be funded from the additional funding that has been made available through the new self-financing arrangements for the HRA. For 2012/13, the additional funding available is £770,000.

The Housing Scrutiny Panel met on 5 March 2012 and considered a proposed list of improvements and enhancements formulated by officers, which were fully supported by the Tenants and Leaseholders Federation.

The Scrutiny Panel agreed with the proposals put forward, subject to some minor additions. The Panel's proposals will now be reported to the Cabinet at its meeting on 23 April 2012.

At its meeting on 12 March 2012, the Cabinet agreed the latest version of the Housing Revenue Account (HRA) Financial Plan. Due to lower assumed interest rates for the required loans from the Public Works Loan Board (PWLB) to fund the £186 million payment to the Government, and other changes, the latest iteration of the Financial Plan identifies that there is likely to be more funding available for housing improvements and service enhancements from April 2013 than previously envisaged. The budget for improvements and enhancements from April 2013 is now expected to be around £1.5 million per annum, increased by a further £250,000 per annum from April 2017.

Therefore, in its report to the Cabinet in April 2012, the Housing Scrutiny Panel is proposing that the Scrutiny Panel considers and recommends to the Cabinet around January/February 2013 the use of the funding for housing improvements and service enhancements in 2013/14 and future years, after consultation with the Tenants and Leaseholders Federation.

### **Development of the Private Sector Housing Renewal Strategy**

The Housing Directorate is currently consulting on the draft Private Sector Housing Renewal Strategy 2012-2015, which will dictate the Council's approach to matters such as providing financial and other support for vulnerable people living in the

private sector, bringing empty homes back into use and improving access to good quality homes in the privately-rented sector.

Consultation has already been carried out with staff whose work involves private sector housing, the C.A.R.E. Advisory Panel, the Leaseholders' Association and the C.A.R.E. Service Users Forum. As a result of this, a draft Strategy has been prepared and this is being consulted on more widely; with stakeholders such as Essex County Council, other local authorities, parish councils, charities, registered housing providers, neighbouring Home Improvement Agency leads and the PCT. In addition, a copy has been placed on the Council's web-site. The consultation period runs until 30 March 2012.

At its meeting on 5 March 2012, the Housing Scrutiny Panel received presentations from the consultants who have been assisting the Assistant Director of Housing (Private Sector and Resources) with the development of the Strategy, and agreed the general approach and the draft content. The Scrutiny Panel also agreed that appropriate comments received through the consultation exercise be incorporated within the final version of the Strategy, which will be considered by the Cabinet on 23 April 2012 for formal adoption.

Once it has been implemented, the Scrutiny Panel has recommended to the Cabinet that it reviews the Strategy Action Plan on an annual basis as part of its Work Programme. It is currently anticipated that the Strategy will take effect from 1 July 2012.

### **Licensing of Park Homes Sites – Further Consideration by the Housing Scrutiny Panel**

I reported at the last Council meeting that the report that was due to be considered by the Housing Scrutiny Panel on 31 January 2012 about issues relating to the licensing of park homes sites in the District had been deferred. This was due to further information being requested by the Leader of Council from the Essex County Fire and Rescue Service (ECF&RS), following a meeting held with the ECF&RS shortly before the planned meeting.

As a result of the meeting, the ECF&RS's Senior Divisional Officer wrote to the Council on 20 February clarifying ECF&RS's stance on the issues under question.

A Special Meeting of the Housing Scrutiny Panel can now be held, following further consultation with park home site owners and representatives of park home residents associations, which is currently being undertaken. However, due to the forthcoming Local Elections and existing meetings in the Council Diary, it will now not be possible for the meeting to be held until June 2012. Members will be advised shortly of the date of the meeting.

The Scrutiny Panel has agreed that up to two representatives of site owners and up to two representatives of residents associations should be invited to speak at the meeting.

It is currently anticipated that the Housing Scrutiny Panel's recommendations will be considered by the Cabinet on 23 July 2012.

## **Changes to the Right to Buy for Council Tenants**

The Council has just been notified by the Department of Communities and Local Government (CLG) of changes to the Right to Buy arrangements for Council tenants with effect from 2 April 2012, which are quite different to those proposed in a recent CLG Consultation Paper on this issue.

I reported to the last Council Meeting that a Consultation Paper had been received from the CLG on "*Reinvigoration of the Right to Buy and one for one replacement*". The Council's response to the Consultation Paper was agreed by the Housing Scrutiny Panel at its meeting on 31 January 2012. The Tenants and Leaseholders Federation also decided to send its own response.

The Consultation Paper proposed an increase in the maximum discount that tenants can receive when they exercise the Right to Buy to a flat-rate of £50,000 throughout the country. At present, the maximum amount varies by region. In London, the current maximum discount is £16,000, whilst in the East of England it is £34,000.

The Consultation Paper also invited views on options for the Government to meet its stated commitment of ensuring that, for every home sold under the Right to Buy as a result of the Government's proposals, sufficient sale proceeds are used to fund the provision of a replacement home, somewhere in the country. Options included local authorities being able to retain these additional capital receipts and use them to provide replacement affordable housing in their own district; another option is for the net capital receipts to be surrendered to the Government, to enable the Homes and Communities Agency to redistribute the money nationally, through some form of bidding process.

The Consultation Paper also proposed to amend the calculation of the administration allowances that councils receive from capital receipts, to administer the Right to Buy function.

However, the final scheme now adopted by the CLG from 2 April 2012, following the consultation exercise, increases the maximum discount £75,000 – an increase of £41,000 (an increase of 120%) for our District. The CLG has also decided that local authorities will be able to retain locally all the capital receipts from *additional sales* arising as a result of the new arrangements, to fund replacement housing in their own district, provided that they sign up to an agreement with Government that they will limit the use of the net Right to Buy receipts to 30% of the cost of the replacement homes.

The CLG has confirmed its intention within its Consultation Paper to allow councils to be able to deduct a certain amount from the capital receipt for the cost of withdrawn applications, and has increased the percentage used to assess the number of withdrawn sales. As a result, local authorities outside London will be able to retain £1,300 per sale to cover the costs of administration.

It is my view that, although I do not think that there would have been a significant increase in sales with a maximum discount of £50,000, I do believe that the increase from £34,000 to £75,000 will now result in significant interest from our tenants. Indeed, the Council's Home Ownership Section received many calls on the day of the CLG announcement, and an information sheet has been produced by the Housing Directorate to give to interested tenants.

## **Members' Information Evening: Housing and Welfare Reforms – 14 June 2012**

I reported to the last Council Meeting that, under the new Localism Act, housing providers are being given new powers to make decisions locally about a range of housing issues. The Council will therefore need to make a number of important decisions in the coming year. These will include

- Our use of powers to grant flexible tenancies; whether or not we grant new tenancies in the future for a fixed term and the length of that term, and the circumstances in which this term would be either terminated or extended.
- The impact on housing allocations; whether or not we should have a local eligibility criteria for homeseekers who wish to join or remain on our Housing Register
- Whether or not the Council wishes to discharge its homelessness duty by providing accommodation in the private sector
- Restricting succession rights to a tenant's spouse, partner or civil partner thereby excluding family members

Bearing in mind the importance of the decisions that Members will need to make on these matters, I did arrange for a Members' Information Evening to be held on Tuesday 28 February 2012. However, as a number of Members were not able to make this date, the Members' Information Evening will now be held on Thursday 14 June 2012 at 7pm in the two Committee Rooms. A personal invitation will be sent out to you all a few weeks before the event.

Members will also be given an update on the planned Welfare Reforms.

I would encourage all Members to attend this event, particularly members of the Housing Scrutiny Panel and the Cabinet, since you will be involved in the discussing these issues in detail, and it is therefore very important that you are briefed on these changes which will affect many residents in the District.