

Report to the Council

Subject: Housing Portfolio

Date: 30 July 2013

Portfolio Holder: Councillor David Stellan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Straw bale houses – Now completed and let



I am pleased to inform members that the construction of the four 2 and 3 bedroom straw bales houses by Hastoe Housing Association - in partnership with the Council on former Council-owned land at Millfield, High Ongar - were completed and let to four families on the Council's Housing Register in June 2013.

The Director of Housing has been working in partnership with Hastoe Housing Association for a number of years to undertake this development, using this new and innovative form of construction – which is the first affordable rented straw bales houses built by a housing association in the country.

The development has attracted much interest from the national media. Straw bales housing are constructed from pre-fabricated straw bale panels, often with timber frames (as with the properties at Millfield), that look and generally operate like conventional housing. This form of building material is extremely environmentally-friendly, since it captures renewable energy and the straw bales are a by-product of farming. Due to the fact that, as the straw is being

grown (prior to being baled) it absorbs carbon dioxide, it is generally accepted that buildings constructed from straw bales have a low, zero or even negative carbon footprint. Furthermore, the straw bales for the houses at Millfield were sourced locally, from a farmer in Willingale, which reduces the carbon footprint even further.

Construction costs for straw bales housing are similar to the costs of using conventional building materials yet, due to their exceptionally high insulating properties, the houses need little heating - enabling energy costs to be kept very low and minimising environmental impact. Insulation values are nearly three times higher than current Building Regulation requirements. Indeed, recent studies have identified *that heating consumption and associated bills can be reduced by up to 85%, and that CO2 emissions can be reduced by around 60%*, using this form of construction.

In recognition of the exemplar nature of this development, it will be officially opened by the Secretary of State for Communities and Local Government, The Rt. Hon. Eric Pickles MP, on 6 September 2013.

Welfare Reform Mitigation Action Plan – Progress

As members will be aware, in view of the significant effect that we knew the Government's welfare reforms would have on the Council and residents, officers formed a Welfare Reform Mitigation Project Team to consider and implement ways to minimise the effects. A Welfare Reform Mitigation Action Plan was formulated and adopted by the Cabinet in October 2012. The Action Plan identifies 59 separate actions, with lead officers and target dates provided for each one. Progress is regularly monitored by both officers and members.

Since October 2012, nearly two thirds of all the tasks within the Action Plan have now either been achieved or nearly achieved, with most of the remaining third of all tasks either not yet being required or no longer required at all.

Some of the key issues for me to report are as follows:

- Home visits were offered to all 390 Council tenants originally affected by the Social Sector Size Criteria Restrictions (SSSCRs – sometimes referred to as the “bedroom tax” or “spare room subsidy”), to discuss the effects and the available options (e.g. downsizing). A total of 217 home visits were undertaken as a result. The number of tenants affected by the SSSCRs had reduced by around 10% by the end of May 2013.
- 88 households within the District will be affected by the Benefits Cap, to be introduced later in the Summer.
- The Council is funding the CAB with a grant of £68,000 to provide two Debt Advisor posts for 18 months to provide advice to local residents affected by welfare reforms. The posts have been filled and are now operational from the three CAB Offices and the Limes Centre, Chigwell.
- The Council has introduced a new Discretionary Housing Payment (DHP) Policy, to assist residents adversely affected by the welfare reforms.
- Residents affected by the proposals have received information on an ongoing basis about the effects and the action they can take to mitigate the effects

- As expected, the biggest concern is the effect of the SSSCRs on the Council's rent arrears – which will worsen with the introduction of direct payments to tenants next year.
- Within the first two months of the SSSCRs coming into operation (1st April 2013 - 31st May 2013), of the 347 tenants affected throughout the period:
 - (a) 53 tenants (15%) who now have to contribute towards their rent (due to under-occupying their Council property) did not pay any rent;
 - (b) 122 tenants (35%) who now have to contribute towards their rent (due to under-occupying their Council property) paid the full amounts required;
 - (c) Of the £132,000 due from all the tenants affected by the SSSCRs over this period, only around £70,000 was paid - representing a rent collection rate of just 53% (compared to the Council's overall rent collection rate for all properties in 2012/13 of 97.16% - some 44% lower).

Customer Service Excellence Award for further three years – Housing Directorate

Our Housing Directorate was originally awarded the prestigious Government Standard for Customer Service Excellence in the public sector (formally known as Charter Mark) in 2004.

To obtain the Customer Service Excellence Award, organisations must meet 57 separate assessment criteria that demonstrate that the organisation: engages and consults with their customers; measures customer satisfaction with the service; provides information and easy access to services; co-operates with other providers, partners and communities; has service delivery standards; deals effectively with problems; achieves timely service delivery; and has a positive organisational culture.

Continuous compliance with the criteria is monitored through a major assessment every 3 years, with interim annual assessments. The major 3-year assessment was undertaken on 2nd & 3rd July this year. As part of the Assessment, the Assessor:

- Met with myself as Housing Portfolio Holder;
- Met with the Chair and Vice Chair of the Tenants and Leaseholders Federation;
- Discussed with the Housing Management Team recent service developments;
- Met with Managers involved in the recent Staff Development Project on the review of the Council's Standard Tenancy Agreement;
- Visited Jessopp Court, Waltham Abbey to meet with residents to discuss: their experience of the transition of the scheme from an extra-care facility to a sheltered scheme; customer service generally; and in particular the new Handyperson Scheme; and
- Undertook a comprehensive document review

The Assessor concluded that not only does the Housing Directorate continue to meet the standard, with lots of good examples of continuous improvement, he awarded "Compliance Plus" accreditation for the comprehensive and customer-focused approach taken, in partnership with the Benefits Division, to the Welfare Reforms Mitigation Project. A number of other good practices were commended by the Assessor, including the Council's unique Open Market Shared Ownership Scheme, the construction of straw bale houses in partnership with a housing association, greater tenant scrutiny following the establishment of the new Tenant Scrutiny Panel and the introduction of the new Handyperson Scheme for older tenants living in both sheltered accommodation and general needs housing.

Continuing to have the Customer Service Excellence Award gives confidence to the Council's tenants, applicants, leaseholders, private sector housing customers and other clients that our

Housing Directorate continues to provide a high quality, customer-focused service, which it strives to continuously improve.

Council House-building – First sites to seek planning permission

The newly-formed Council Housebuilding Cabinet Committee held its second meeting on 10 July 2013, when we considered proposals to establish the foundations of the Council's new Housebuilding Programme going forward - including a draft Development Strategy, a new Affordable Rents Policy and a strategy for funding the Programme – as well as considering development and financial appraisals for all the proposed sites for Year 1 of the Housebuilding Programme. Ward Members for all of the proposed Year 1 sites were invited to attend the meeting, to take part in the discussion about the development plans.

The Cabinet has previously agreed to develop around 120 new Council properties over a 6-year period, with East Thames appointed as the Council's Development Agent. In order to deliver this Programme, a Development Strategy is required, setting out the approach the Development Agent and the Council will take, including what assumptions will be made for development and financial appraisals, the designs standards to be adopted, the consultation methods that will be used, the procurement methods used for the construction works, and the performance targets to be used to measure progress and, ultimately, the success of the Programme. The Committee welcomed the Draft Strategy presented by officers and East Thames and agreed to recommend its formal adoption to the Cabinet in September.

The Committee also considered a report on how the Council should set the "affordable rents" for the newly-built properties, which are higher than the social rents the Council charges for its existing properties. The Council has already determined that affordable rents should be charged for properties built through its House-Building Programme, and the Committee agreed to adopt an Affordable Rent Policy proposed by the Director of Housing, explaining the approach to how Council rents will be set. In summary, the Policy prescribes that affordable rents for individual properties will be set at a level equivalent to the lowest of:

- (a) 80% of market rents for the locality in which the property is situated, as assessed by the Council's Estates and Valuations Division;
- (b) The Local Housing Allowance level for the Broad Market Rental Area in which the property is situated (i.e. the maximum amount of housing benefit payable; and
- (c) A rent cap of £180 per week (reviewed annually).

We agreed a strategic approach to funding the Programme, including the use of additional receipts arising from Right to Buy (RTB) sales as a result of the Government increasing the maximum RTB discount, current and future financial contributions from developers through Section 106 Agreements in lieu of developers providing affordable housing on site, and receipts from the sale of specific HRA land and buildings.

East Thames presented individual development and financial appraisals for the three proposed sites in Waltham Abbey for Year 1 of the Programme, comprising the former Red Cross Hall site and three difficult-to-let garage sites in Roundhills, and a difficult-to-let garage site in Harveyfields. The three sites will deliver 25 new affordable rented Council properties.

The Committee agreed, with the support of the ward members present, that planning permission should be sought for the three sites, with a start-on-site planned for early 2014.

In addition, the Committee agreed that planning permission should be sought for the conversion of 20 difficult-to-let bedsits at Marden Close into 10 self-contained one-bedroom flats.

Cessation of London & Quadrant Housing Trust as a Preferred Housing Association Partner

Following discussions between the Director of Housing and London and Quadrant (L&Q) Housing Trust, it has been agreed that L&Q will cease being one of the Council's Preferred Housing Association (HA) Partners.

The full background to L&Q's decision was provided in a recent issue of the Council Bulletin but, in brief, L&Q has advised the Council that it has evolved an investment strategy for new developments, which is centred around large mixed-tenure schemes that have the potential to generate profits from the sales of market housing to provide cross subsidy to fund the affordable homes. In view of Epping Forest's predominant Green Belt status, L&Q has identified that opportunities for this approach rarely arise in the District (certainly compared to London, where most of L&Q's development activity is now targeted), and that it cannot guarantee that it will be able to identify and resource the level of input it would feel would be needed to meet the Council's expectations. For these reasons, L&Q has decided to no longer be one of the Council's Preferred HA Partners.

However, L&Q has been keen to stress its continued commitment to provide high levels of resident satisfaction and maintenance for its existing housing stock in the District. Furthermore, L&Q is the housing association selected by Higgins (the developer) to provide the affordable housing for its large residential development that will be commencing shortly at the St Johns School site, Epping. L&Q has confirmed that it will continue to be the affordable housing provider for this development and has committed to its success.

Since the Council still has four other Preferred HA Partners, all of whom continue to work closely with Council officers to identify and deliver good quality affordable housing within the District, there are currently no plans to seek to replace L&Q as a Preferred HA Partner.

Review of the Housing Allocations Scheme

At its meeting on 15 April 2013, the Cabinet completed the most comprehensive review of the Housing Allocations Scheme ever undertaken, which has resulted in the formulation of a completely new Scheme. In response to the flexibilities now allowed in recent Government Guidance, the new Scheme introduces a new Local Eligibility Criteria - which means that in order to join or remain on the Housing Register, applicants must meet certain criteria. As a result of the new Scheme, around 3,650 existing homeseekers have been notified in writing that they no longer qualify to remain on the Housing Register when it comes into effect on 1 September 2013.

As expected, the Housing Allocations Team is currently dealing with hundreds of calls from those who no longer qualify. In addition, officers are dealing with 75 formal written appeals which have been received to date from applicants.

From 3 June 2013, all new housing applicants have been required to register on-line. Between 1 July 2013 and 31 August 2013, all qualifying applicants already on the Housing Register are being required to re-register on-line by 30 September 2013. Homeseekers have been advised that those who fail to register after this date will be removed from the Housing Register. Reminders will be sent to those who fail to register by the end of August and vulnerable homeseekers are being given assistance by Housing Options Officers.

New Flexible (fixed-term) Tenancy Agreement

The Cabinet has adopted the Council's new Tenancy Policy and agreed that, from 1 September 2013, a Pilot Scheme be introduced whereby all new tenants of properties with three bedrooms or more will be granted Flexible (fixed-term) Tenancies for a period of 10

years, including an Introductory Tenancy period. It is therefore necessary for the Council to have a new Flexible (fixed-term) Tenancy Agreement in place by this date.

The Housing Scrutiny Panel has undertaken a detailed review of the Conditions under the Council's current Standard Tenancy Agreement and the Cabinet is being asked to approve the Scrutiny Panel's proposed changes at its meeting in July 2013.

In order for the same Conditions of Tenancy to be applied to both Flexible (fixed-term) Tenants and Secure Tenants in the future, the Cabinet further agreed that, subject to the views of existing tenants on consultation, the Standard Tenancy Agreement should be formally varied for all existing and future Secure Tenants to same Conditions as for Flexible Tenants. Tenants allocated properties of less than 3 bedrooms from 1 September 2013, will sign up to the current Secure Tenancy Agreement until the variation process is completed.

Mobile Homes Act 2013 – New legislation relating to Park Home Sites

The new Mobile Homes Act 2013, which amends previous legislation, came into force on 26 May 2013. The Act includes changes which will be welcomed by many Members, particularly those whose wards include park homes sites.

Changes that take immediate effect are provisions (enforceable by a fine, prison sentence or both) that aim to eliminate the harassment of residents by site owners, specifically where site owners try to prevent home owners exercising the right to sell their home. In addition to this, the Act includes a provision for the Secretary of State to may make regulations to require site managers to be 'fit and proper persons' - however, these regulations would need the approval of Parliament before they could be implemented.

From April 2014, local authorities will be given additional powers to enforce site licence conditions against site owners. If an owner is in breach of any of site licence conditions, the local authority may serve a Compliance Notice requiring the park owner to correct the breaches within a given timescale. Failure to comply will be a criminal offence, punishable by a fine (or revocation of the licence for third or subsequent prosecutions).

Also from April 2014, for the first time, the Council will be able to charge the owners of sites an annual fee for carrying out licensing functions. However, we could only do this after first publishing a Fees Policy, which would detail: how much to charge; whether the amount varies for different sites; and whether there will be any exemptions to charging. We have also previously given a commitment to park home site owners and residents to consult before making a decision on a charging policy. The Director of Housing has also nominated the Council's Private Housing Manager (Technical) to be a member of a working group being formed by the DCLG to consider charging options and other park home issues. If she is accepted, it will help us influence any guidance and assist with the formulation of any charging policy we may adopt. In any event, I intend to await the outcome of the deliberations of the DCLG Working Group, before coming forward with any proposals for consultation with residents and owners.

Officers are also currently considering how to best communicate the changes brought about by the new legislation to site owners and residents and Members will be kept informed of this, but arrangements are already in hand to distribute a very useful leaflet produced by the DCLG to all residents.

Introduction of charges for the Handyperson Service

I will be presenting a report to the Cabinet in September recommending that charges are introduced for C.A.R.E.'s Handyperson Service - this will only affect C.A.R.E.'s Handyperson Service, and not the similar services that are provided for the Council's tenants.

C.A.R.E.'s Handyperson Service, through which small, low-cost jobs (such as minor repairs and falls prevention work) are carried out, is currently available to home-owners and private tenants who are over 60 years of age. The work is carried out by small, local contractors who have been vetted for their suitability to carry out these types of jobs.

One of the main aims of the service is to prevent older people falling prey to 'cowboy builders', by providing trusted traders to carry out handyperson-type jobs at low cost. While the current service is free of charge to people who are on means-tested benefits, people who are not on benefits may also use the Service, but have to pay the full cost of the work.

The C.A.R.E. Advisory Panel, which includes three Members of the Council in addition to representatives of outside bodies, has advised that it would like a subsidised service to be offered to all older people in the private sector, regardless of whether or not they are in receipt of benefits. As this cannot be achieved within the existing Handyperson Service budget, the Advisory Panel has recommended that a charging scheme should be considered.

My recommendation to the Cabinet will be that, from October 2013, service users who are on means-tested benefits are charged a fee of up to £30 each time they use the service, and those that are not on benefits are charged a maximum of £50 for each use of the service.