

Report to the Council

Subject: Housing Portfolio

Date: 17 December 2013

Portfolio Holder: Councillor D Stallan

Recommending:

That the report of the Housing Portfolio Holder be noted.

Council Housebuilding Programme – Year 1 Schemes

I am pleased to report that the first site within the proposed package of sites for Year 1 of the Council's new Housebuilding Programme – for 9 flats at Harveyfields, Waltham Abbey – received planning permission from the Area Plans West Sub-Committee on 20th November 2013.

In addition, planning applications for all the remaining sites within the proposed Year 1 of the Programme – for 16 flats and houses at four sites on the Roundhills Estate, Waltham Abbey – have now all been submitted.

Marden Close and Faversham Hall Conversion Schemes, Chigwell Row

I am also pleased to report that the proposed conversion of 20 difficult-to-let bedsits at Marden Close, Chigwell Row into 10 self-contained one-bedroomed flats received planning permission from the Area Plans South Sub-Committee on 30th October 2013.

A further planning application to convert the ground floor community hall at adjacent Faversham Hall, Chigwell Row into two self-contained flats has also recently been submitted.

Proposed new Government Social Rents Policy – Effect on the HRA Financial Plan and Housing Improvements & Service Enhancements

In late-October 2013, the Department for Communities and Local Government (DCLG) published its long-awaited Consultation Paper on the future of social rents, with a response date of 24th December 2013.

In summary the document proposes that:

- From April 2015, rents for existing tenancies will only be able to increase by the Consumer Prices Index (CPI) plus 1% per year (instead of the current Retail Prices Index (RPI) plus 0.5%), with no additional increase allowed (currently up to £2 per week) to achieve convergence with housing association rents for similar properties within the District.
- For new tenancies, the formula (or target) rent (i.e. the rent which housing associations currently charge for the same type of property in the same location) can be charged straight away when the new tenant moves in. Subsequently, such rents will also increase by CPI plus 1%
- Details of how such Council rent increases will be centrally-controlled through “rent rebate subsidy limitation” are still to be decided/published by the DCLG. This will be the way that the Government actually implements and ensures the above rents policy

- Affordable rents (which housing associations currently charge, and the Council will charge, for new developments) will increase by CPI plus 1%
- Tenants (including joint tenants, spouses and partners) earning in excess of £60,000 per annum in total will be exempt from the policy – this is to enable local authorities and housing associations to charge these tenants market rents, if they want to (under the DCLG’s “Pay to Stay” policy).

The DCLG’s proposal to cease the rent convergence arrangements from April 2015 will have a significant detrimental effect on the Council’s Housing Revenue Account (HRA) Financial Plan, which will result in the amount of resources available to spend on housing improvements and service enhancements from April 2014 being far less than currently planned within the HRA Financial Plan – this is because the HRA’s Housing Improvements and Service Enhancements Fund is used as a “balancing” fund for the HRA. If additional HRA income is received (or costs reduced), the amount in the Fund can be increased; conversely, if - for example, as a result of the DCLG’s proposals - HRA income reduces, the amount available to the Fund has to reduce.

Of course, tenants whose rents are not yet at their property’s target rent will be benefit, since their rent increases will be lower than currently planned – although tenants in receipt of housing benefit will not gain this benefit themselves; the beneficiary will be the Treasury, due to reduced housing benefit costs.

Therefore, officers have modelled two scenarios for the impact of the DCLG’s proposals for social rent levels on the amount of money available for housing improvements and service enhancements from April 2014. One of the scenarios is based on a policy whereby new tenancies are re-let at the property’s target rent; the other is based on the current policy of re-letting at the same rent as charged to the previous tenant. The results are shown in the table below - no assumptions have been made about the adoption of a “pay to stay” policy”.

| Scenario | 2014 - 2019 £000 p/a | 2019 - 2029 £000 p/a (average) | 2029 - 2043 £000 p/a (average) | Total |
|----------------------------------|-------------------------|--------------------------------------|--------------------------------------|---------------------|
| Current amount planned | £1,350 | £5,500 | £8,600 | £183 million |
| Properties re-let at same rent | £600 | £4,500 | £6,900 | £145 million |
| Properties re-let at target rent | £700 | £5,100 | £7,800 | £164 million |
| Reduction | £650 or £750 | £400 or £1,000 | £800 or £1,700 | £19m - £38m |

As can be seen, the amount available for housing improvements and service enhancements for the next five years (from April 2014) reduces by either £650,000 or £750,000 per annum, amounting to either £19 million or £38 million over the next 29 years (dependent on the policy adopted for re-let rents).

The Director of Housing is therefore proposing to submit an officer response to the CLG’s Consultation Paper on behalf of the Council.

At its meeting in January 2014, the Housing Scrutiny Panel will be considering the effects of the DCLG’s proposals on the Housing Improvements and Service Enhancements Fund, and which planned schemes should be deleted from programme. In February 2014, the Cabinet will consider whether or not properties should be re-let at their target rents (if they are not already at target rent).

Park Home Licensing

Members will recall the consultation carried out in 2011 on the conditions to be attached to the licences for the permanent residential park home sites in the District. The conditions were agreed in July 2012 and the new site licences have all since been issued.

Early in the New Year, officers will be consulting again with park home residents and site owners on a proposal to start charging for the Council's park home licensing functions. This is in response to new legislation introduced in May 2013, which allows local authorities to charge site owners a fee when they apply for a site licence, or apply for an amendment to an existing licence, in order to cover the Council's costs.

Bearing in mind the amount of officer time involved, it is my view that the Council should take advantage of this new ability to charge for park home licensing. Therefore, at my request, officers have devised a charging scheme which takes account of their time for processing applications for site licences and the associated work. The legislation does not allow these charges to include the time taken in dealing with complaints or taking enforcement action, although this might be considered as an option at a later date (in relation to those sites only where time has to be spent dealing with complaints or taking enforcement action).

Officers will also be consulting with residents on authorised Gypsy, Roma and Traveller caravan sites in the District in the New Year on the conditions to be attached to their site licence conditions. It is intended that these conditions will be essentially the same as those already agreed for other permanent residential sites, but with some minor changes to account for the differences in the ways the sites are occupied.

Variation of Tenancy Conditions

At its meeting on 15 April 2013, the Cabinet adopted the Council's new Tenancy Policy. Under the Policy, from 1 September 2013, the Council has introduced a Pilot Scheme for Flexible (fixed-term) Tenancies to be granted to all new tenants who sign-up to the tenancy of a property of three bedrooms or more, for a fixed term of 10 years including the Introductory Tenancy period.

It was therefore necessary for us to have a new Flexible (fixed-term) Tenancy Agreement in place by 1 September 2013. Accordingly, officers undertook a detailed review of the Tenancy Conditions of the Council's current Standard Tenancy Agreement, to form the basis of the new Flexible Tenancy Agreement. All the proposed changes were considered by both the Housing Scrutiny Panel and the Tenants and Leaseholders Federation - and the new Flexible Tenancy Agreement was approved by the Cabinet on 22 July 2013.

The Cabinet further agreed that, in order for generally the same Conditions of Tenancy to be applied to both Flexible (fixed-term) Tenants and Secure Tenants in the future, we should formally vary the Standard Tenancy Agreement for all existing and future Secure Tenants, with the new Agreement being based on the new Flexible Tenancy Agreement.

Officers have now served a formal "Preliminary Notice" on all the Council's Secure Tenants, in accordance with the requirements of Section 102 of the Housing Act 1985, consulting them on the proposal to vary their Standard Tenancy Agreement with the Council. The Notice explains the changes and their effects, and states the Council's intention to serve all tenants with a formal "Notice of Variation". It also invites comments on the proposals within the 28-day consultation period, which closes on 16 December 2013.

The Preliminary Notice was served on 7,981 Secure Tenants (including all joint tenants - so some households received two Notices, as required by law). At the time of writing, 335

(4.2%) responses have been received. A summary of the responses are as follows (the detail will be reported to the Cabinet, as part of the report on the proposed variation):

- 109 - blank forms have been received
- 108 - state they are in favour of the proposed changes
- 61 - raise unrelated housing management issues
- 36 - raise general issues
- 9 - raise issues regarding parking
- 5 - raise issues regarding pets
- 7 - complimented the Council on its service

A Telephone Hotline has also been made available for tenants to call and leave any comments. At the time of writing, 56 tenants have called the Hotline. Officers are in the process of contacting callers where appropriate.

After receipt of all the comments from tenants, I will be submitting a report to the Cabinet on 3 February 2014. I will be asking the Cabinet to consider the responses received to the Preliminary Notice and, subject to the comments received, to adopt the new Standard Tenancy Agreement and approve the issuing of the Notice of Variation.

It is expected that the new Tenancy Conditions will apply to all existing and new Secure Tenants from 1 April 2014.

Tenant Census - Progress Report

Officers have recently been undertaking a 'census' of all our Council tenants. The aim is to make sure that the information we hold on tenants is correct and up to date, and to help us fulfil our commitment to continually improve the services we provide. In particular, the census aims to capture as much information as possible about our tenants' "protected characteristics", as defined by the Equality Act

Officers sent out approximately 6,400 forms and, at the time of writing, have received 3,500 forms back (55%) - which is an excellent response rate to, effectively, a postal survey. Following a reminder in Housing News, more forms are still being received.

The data is being entered onto the Housing Directorate's OHMS integrated housing computer system; 2,900 forms have already been processed. Once the process has been completed, Housing staff will have access to more accurate data for the tenants who responded, such as up-to-date phone numbers, details of key holders and any special needs of the client group. Once the data has been collated, officers will be asking a specialist company to undertake a detailed analysis of the information and produce a profiling report, which will be made available to all members.

Essex Landlord Accreditation Scheme

Our Private Sector Housing (Technical) Team has been working as a consortium with six other Essex local authorities to develop a new private landlord scheme - the Essex Landlord Accreditation Scheme (ELAS) – which will assess and recognise good private landlords in the areas of operation. This will be a very useful scheme for residents of our District, particularly with the increased profile of the private sector as a provider of rented accommodation.

Following a procurement process carried out by Essex County Council, it is hoped that an external scheme provider will be appointed to start in April 2014. There will be no cost to the participating councils, since the Scheme will be funded by an annual membership fee paid by the landlords that join the Scheme.

Occupational Therapy (O.T.) Assessments for Disabled Facilities Grants (DFGs)

Members will be aware of the concern I have had over recent years that the number of referrals received for Disabled Facilities Grants (DFGs) from Essex County Council (ECC) has been decreasing. This has been particularly concerning, bearing in mind the evidence from our most recent private sector house condition survey that the number of disabled people trying to live independently in the community is rising.

Councils are legally required to give DFGs, and we receive a subsidy from the CLG to do so (currently £290,000 a year in our case), but we can only give these grants on the basis of a recommendation, or referral, from ECC.

As this situation has also been reflected in other districts across Essex, private sector housing officers from across Essex have been meeting regularly with representatives of ECC's Occupational Therapy (O.T.) service, in order to try to resolve this issue. In response to these concerns, ECC has increased the number of self-employed O.T.s in its 'Commissioned Workflow Team' to speed up the assessment of service users and referrals for adaptations.

The result of this response by ECC is that the number of referrals received in the first two quarters of 2013/14 has doubled, compared to 2012/13. Although this is welcome, it does now present a risk in that the Council's approved budget for DFGs may be insufficient, and that officers may also be unable to cope with the increased demand.

However, the latest information from ECC is that they are in the process of clearing a backlog of referrals, in order to meet their target of visiting all clients within 28 days of receiving an enquiry. O.T.s expect to meet this target by the end of December 2103, so a 'steady state' position should be reached by the last quarter of 2013/14. This means that, by the year-end, officers should be able to get a better picture of the numbers of referrals likely to be received on an ongoing basis - information which will be essential for the effective management of financial and staffing resources.

Empty Homes Week

Week beginning 25 November 2013 was National Empty Homes Week. To mark this, the Council had a banner on the home page of the Council's website and issued a Media Release, which highlighted the issues surrounding empty homes and why it is in the community's interest to minimise the number in our District. The Media Release also informed of the financial incentives currently available to help property owners - such as the PLACE Scheme, Empty Homes Repayable Assistance and how residents can report an empty property to our Private Sector Housing Team.

As a result of the Media Release, on Thursday 28 November, I was interviewed on BBC Essex by Dave Monk to talk about how the Council deals with privately-owned empty homes. I was able to explain the both the positive and enforcement steps that the Council takes to reduce the number of empty properties.