

BABERGH DISTRICT COUNCIL

FROM: The Housing Panel

REPORT NUMBER: **K79**

TO: OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES)
COMMITTEE

DATE OF MEETING: 17 August 2010

THE HOUSING PANEL'S 2010 HOUSING REVIEW

1. PURPOSE OF REPORT

- 1.1 To provide the Committee with an overview of the key housing issues dealt with by Babergh's Housing Panel in 2009/10 and to enable the Committee to scrutinise the work carried out.

2. RECOMMENDATIONS

- 2.1 That the content of the report be noted, subject to any comments which the Committee may wish to make as a result of its scrutiny.

The Committee is able to resolve this matter.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications associated with the various plans, projects and changes that are referred to in the report will be considered as part of the Council's annual business planning and Budget processes, with reports to Members as required.

4. EQUALITIES AND DIVERSITIES

- 4.1 In terms of immediate impact, none of the seven equality groups (age, gender, sexual orientation, race, disability, socio-economic and faith) will be adversely affected by the review work undertaken by the Housing Panel. However, there could be some potential adverse impact of reduced government expenditure in 2010/11 on any of these groups. This will be monitored and, wherever possible, appropriate mitigation action taken. It is expected that this will apply to the following two groups in particular:

- Vulnerable older people living in sheltered housing are likely to be affected by the *Supporting People* funding reductions
- Applicants for social housing are likely to be affected by any slow down in the delivery of the Affordable Housing Programme

5. RISK MANAGEMENT

- 5.1 Individual risk assessments of the projects referred to in the report have already been undertaken as part of earlier processes. Individual areas will be assessed further as part of the normal process of submitting reports to Members.

6. BACKGROUND INFORMATION

6.1 The Housing Panel has undertaken a wide range of work over the past year. The full list of these tasks is available in the Panel's 2009/10 Workplan Progress report. The Panel felt it would be useful to provide the Committee with details of six of these key housing issues, for scrutiny purposes, as follows:

- The Affordable Housing Programme (Para 8)
- The Homelessness Strategy (Para 9)
- The HRA Business Plan (Para 10)
- The future of Tenterpiece, Lavenham (Para 11)
- Changes to the Sheltered Housing Service (Para 12)
- Housing Management Issues (Para 13)

6.2 This report does not contain new strategic proposals for the future. These issues are currently being developed as directed by the Housing Panel's existing 2010/11 workplan, but an explanation about how the Panel intends to tackle these issues is provided in the following section.

7. A NEW STRATEGIC PLAN FOR HOUSING

7.1 The Government is currently considering the responses to its very radical proposals for the reform of the Housing Revenue Account (HRA). Babergh's response to these proposals was approved by Strategy Committee on 29 July 2010 (Paper K64). These HRA reform proposals, if implemented, will provide greater freedoms and flexibilities to expand our existing programmes and help to place us on an equal financial footing with Housing Associations.

7.2 The proposed changes create new and exciting opportunities in terms of new house building, more money for affordable housing and greater levels of investment in council housing. They will have a major impact on all aspects of housing policy, particularly around our Stock Option Appraisal plans, the HRA Business Plan, the quality of affordable housing and housing for special needs groups.

7.3 These issues need to be closely considered and a new Strategic Plan for Housing developed, setting out the Council's ambitions and plans for the future, in the light of the reform proposals as well as the challenges and opportunities offered by Service Integration with Mid Suffolk District Council.

7.4 The new Strategic Plan for Housing must also consider the new challenges posed by the Supporting People funding reductions and the sheltered housing review. We also need to develop our work with the private sector on housing renewal, tackling empty homes and promoting good quality private rents.

7.5 It is the intention of the Panel to undertake this work, which will include consultation with Members and other stakeholders. The current timetable for this work will follow the timeframe set out in the Panel's Workplan, which schedules it for Committee later in 2011. However, much will depend on if and when the Government decides to implement the HRA reforms.

8. THE AFFORDABLE HOUSING PROGRAMME

2009/10 outcomes

- 8.1 During 2009/10 36 affordable homes were completed, against a target of 70. The target has not been achieved because of the recession and the down turn in the housing market, together with some legal and planning delays on Rural Exceptions schemes and Babergh owned sites. The affordable housing delivery position at June 2010 is shown below:

Affordable Homes	Rented	Shared Ownership	Total
Completed	36	0	36
Under construction	44	44	88
Schemes with planning permission	143	70	213
Total	223	114	337

- 8.2 During the period 2009/10 the Council has attracted £2,210,900 Social Housing Grant funding from the Homes and Communities Agency (perhaps better known to Members as the Housing Corporation, before it was changed). The HCA's main task is to distribute social housing grant to housing providers. Babergh used nearly £250,000 of its own capital money towards affordable housing projects during the year.
- 8.3 At its meeting on 26 January 2010 Overview and Scrutiny (Stewardship) Committee agreed that from April 2010 onwards only affordable housing *completions* should be reported to Committee. This will lead to more effective monitoring of affordable housing delivery. An audit trail for the Affordable Housing Programme will be available for inspection, although it will no longer be reported to Committee. The current paper is available in the Members Room.

The Affordable Housing Programme to 2014

- 8.4 The HCA has reduced the Affordable Housing Programme budget by £230 million and frozen spending on key schemes; including £100 million from the national affordable housing programme, £50 million from Kickstart round two, £30 million from the Gypsy and Traveller programme and £50 million from housing market renewal. Funding for the Poplar Road regeneration scheme and several rural housing schemes such as Wattisham Road Bildeston is secure. However, it may be difficult to attract the required level of funding needed for some of the Council's less advanced schemes due to the reduced Homes and Communities Agency budget for affordable housing.
- 8.5 In these uncertain times it is likely that fewer open market sites will come forward for development, delivering less affordable housing. Further public spending cuts are expected. Developers may seek to reduce the level of affordable housing already agreed on existing sites and could argue that a lower percentage than 35% affordable housing should be delivered on new sites. However, given the growing levels of housing need the Housing Panel is proposing that the Affordable Housing Programme to 2014 should maintain, where possible, the requirement for up to 35% affordable housing on private sites thereby maintaining an annual delivery target of 100 new homes.

New funding arrangements for affordable housing schemes

- 8.6 In order to ensure that grant aid is distributed in the most effective way possible the HCA is asking every local authority with responsibility for housing to explain what the local issues are around land, housing, infrastructure, regeneration, employment, training, health and education. This will enable the HCA to distribute grant aid with clear knowledge about local ambitions and national targets. Every Council must publish this information at the end of 2010 in the form of a five year `Local Investment Plan` (LIP).
- 8.7 The LIP must set out the desired outcomes for the local authority's area, explaining what needs to be done to achieve corporate priorities, what investment is required and what is available. Only housing schemes included in the LIP will be considered for social housing grant funding. The HCA has agreed that, in view of the plans for service integration with Mid Suffolk District Council, that the two Councils could produce a joint LIP.
- 8.8 Accordingly, a joint steering group has been established to develop the LIP for both Councils. Housing, Planning and Economic Development Officers from both LAs, together with representatives from our partner agencies, are on the Steering Group, plus one Councillor from each.
- 8.9 Once the LIP is agreed the HCA will enter into a `Local Investment Agreement` (LIA) with Babergh and Mid-Suffolk. This will establish the level of investment the HCA will provide for both councils.

9. HOMELESSNESS STRATEGY UPDATE

- 9.1 The delivery of a strong and effective homelessness service continues to be one of the key priorities for the Council as we continue on a journey started in 2004 with the publication of our first Homelessness Strategy.
- 9.2 Homelessness prevention is at the heart of our homelessness strategy. This approach has been very successful. The plan is about finding solutions for people before their housing situations reach crisis point. These solutions are more sustainable if they are developed in partnership with other agencies.
- 9.3 Despite fears that were highlighted in last year's Housing Panel's report about possible increases in homelessness levels, our early prevention approach has meant that we have been able to reduce levels of known homelessness throughout 2009/10. This isn't necessarily an indicator that homelessness levels will continue to fall or be maintained. Some of the residual affects of the recession, particularly where debt is a factor, can simply delay homelessness rather than remove the threat of it altogether. So tackling homelessness will continue to be an on-going challenge.
- 9.4 The key performance measures allow the government to assess our progress against other local authorities in key areas. These themes mirror our homelessness strategy and are as follows:
 - The reduction in homelessness acceptances
 - A reduction by 50% in the number of people living in temporary accommodation by April 2010
 - An increase in the number of households who are provided with a positive homelessness outcome
 - A reduction in avoidable repeat homelessness

- 9.5 Full details of what we have done regarding the above performance measures are set out in Paper HP218, considered by the Housing Panel on 25 June 2010.

Trailblazer - the enhanced housing options programme

- 9.6 Members are reminded that Babergh is the lead authority for the Trailblazer Programme, a sub-regional initiative funded by the Government following a bidding round by over 100 local authorities. Our success has resulted in £240k of external funding being used to implement the largest scheme of this nature in the Country; comprising the other seven Councils within our sub-region.
- 9.7 Trailblazer aims to deliver new approaches to provide better “joined up” services to people in housing need so that the interventions provide lasting solutions before the point of crisis. It is not simply about help with housing options, the new system establishes a comprehensive support package embracing tenancy support, employment, training, financial/debt advice, health and childcare issues.
- 9.8 Full details of what we have done regarding the Trailblazer Programme is set out in Paper HP218, considered by the Housing Panel on 25 June 2010.

10. THE HRA BUSINESS PLAN

- 10.1 The Housing Panel has reviewed Babergh’s HRA Business Plan and concluded that it is in a sound position at the current time. We have fulfilled our spending plans and will have delivered the Government’s minimum ‘Decent Homes Standard’ for all council housing by the end of this year. A very significant capital investment of nearly £3.6m was made in the Council Housing stock on a wide range of improvements and the planned maintenance programme. In addition, £1.9m was spent on day to day repairs and planned maintenance that is funded from the revenue account. The HRA is in a healthy position with reserves of £1.2m, well above the agreed minimum level of £0.5m.
- 10.2 Performance on a range of indicators in 2009/10 was extremely good overall. For example, 98.9% of rents due were collected, maintaining the performance of the previous year, which is a significant achievement in these difficult financial times.
- 10.3 Future spending plans will be reassessed once the position on the Government’s finance reform proposals is known and updated following the next Stock Condition Survey, which is scheduled for 2011. This will include revisiting the ‘Babergh Standard’ (Members are reminded that this is the agreed standard, over and above the Government’s Decent Homes standard, that tenants told us they wanted).
- 10.4 It is hoped that the Government will have made a decision on the proposed reforms (although no timeframe has been provided) before the end of the year. If these are implemented as presently proposed we will have an additional £3 million a year to spend on housing services only over the next 30 years plus the ability to retain all of the capital receipts in relation to Council House sales (as opposed to handing 75% over to the Government as we currently do). This amounted to £0.6m last year and is in addition to the extra £3 million a year referred to above.

10.5 As part of this work, the Housing Panel will establish a list of spending priorities with tenants and will construct a new `Babergh Standard`. We will then have to decide if the Council is able to deliver this level of investment or if the only way it can be delivered is by transferring the stock to a Housing Association. Clearly, this situation will be transformed if the proposed HRA reforms are implemented, as they will give LAs access to the same funding levels as Housing Associations.

10.6 While a number of tenant led improvement initiatives are expected to form part of any revised `Babergh Standard`, the Housing Panel will also be looking at some landlord priorities, which may or may not be the same as the tenants` wish list. These relate mainly to the regeneration of hard to let sheltered schemes and the redesign and improvement of some of our older flatted developments.

11. THE REDEVELOPMENT OF TENTERPIECE, LAVENHAM

11.1 Future plans for one Sheltered Scheme in Babergh need to be considered before the work described above is completed. Babergh`s 34 unit sheltered housing scheme at Tenterpiece, Lavenham is facing a number of problems. The main building within the scheme has structural defects and we have difficulty allocating the one-bedroom flats; these are very small and there is no lift access to the upper floor flats. Some of the flats have now been let to people below retirement pension age as a result. The communal facilities at the scheme (kitchen, laundry and common room) are small and becoming inadequate for the number of residents who use them.

11.2 In view of these problems the Housing Panel has considered the future of the scheme and concluded that it should remain as sheltered housing as it provides a much needed housing resource.

11.3 The scheme comprises two blocks of flats (a block of nine and one of four), fourteen bungalows and six houses (one occupied by the scheme manager).

11.4 The potentially serious subsidence problems affect the bigger block of nine flats, although some minor movement has also been identified in the houses. On-going repairs are in place and all units affected are being monitored for further movement. All are safe at the present time but the problem is expected to get worse over time and cannot be left indefinitely.

11.5 The Housing Panel has considered four options to tackle the problem; these are outlined below, along with rough cost estimates for each:

- Just repair the block of flats affected (underpin and patch up) - £160,000
- Carry out the above repairs but install a lift and build an extension to improve the community facilities at the same time - £280,000
- Demolish the block and replace with a purpose built building - £800,000
- Take the opportunity to regenerate the entire scheme (not just the block of flats) by replacing all the properties on the site with a new scheme designed to be more in keeping with this important conservation area of Lavenham - £4m.

11.6 In the past, the regeneration option would not have been affordable for us to do and we would have transferred the land to a Registered Social Landlord (RSL) at nil or discounted cost. Redevelopments at Poplar Road, Clibbon House, Stour House and the bockbuilt bungalows are some examples of this approach. However, the proposed changes to the HRA will, if implemented, put local authorities on the same footing as RSLs when it comes to new house building (providing certain criteria is met) including the right to bid for Social Housing Grant from the HCA.

11.7 Once the HRA reform position is known, detailed plans for each of the four options listed in 11.5 will be developed and presented to Committee for consideration. Some initial work can start on these future options but the redevelopment option means commissioning architectural and financial specialist expertise at considerable cost; so it will be necessary to wait until the Government decide on the outcome of the HRA reform process before this work gets fully underway.

12. CHANGES TO OUR SHELTERED HOUSING SERVICE

12.1 Members are reminded that a large part of the funding for our sheltered housing scheme staff comes from the *Supporting People* budget; which is administered by Suffolk County Council.

12.2 The *Supporting People* grant is under huge pressure. Currently, the County Council give nearly £5m of this grant over to housing authorities and RSLs for sheltered housing. The County Council need to find savings of 20% or by £4.1m by 2013/14 and it is sheltered housing that faces the biggest reduction.

12.3 These *Supporting People* grant reductions are severe and will have a significant impact on Babergh's sheltered housing service. Babergh currently receives £272k each year; all of which is spent on sheltered housing staff. This is to be reduced, in a phased manner, to just £100k p.a. by 2012.

12.4 Babergh took an active part in Suffolk County Council's recent review of *Supporting People* grant. The review concluded that all sheltered housing services required a radical overhaul if the future housing and support needs of older people are to be met effectively. The following two anomalies were highlighted in particular:

- Sheltered housing is subsidised and, therefore, tenants receive this support service for living there. However, older people living in their own homes whose support needs could be even higher cannot receive such support. One of the aims of the *Supporting People* programme is to promote services which are delivered irrespective of housing tenure. And so there are concerns that sheltered housing receives so much support whilst other housing tenures do not.
- It is estimated that only 40% of residents within Suffolk need the services of a scheme manager to enable them to be independent. Many of the schemes, including some in Babergh, are relatively hard to let but cannot be left empty, so are increasingly let to people who do not need the service.

- 12.5 The County Council recognises that pressure on resources affect not only sheltered housing but also many of the other essential services they provide. They have embarked on a major review, called "Flexicare", which will seek to develop an inter-agency strategy for housing care and support services for Suffolk's aging population. It seems likely that some of the savings from the reductions in grant will be used to commission more tenure neutral services and enhance the type of technological solutions that keep people in their own homes. Members of the Housing Panel have attended a recent conference on Flexicare and believed that a joined up approach will be necessary to respond to this and the many other challenges that we will face.
- 12.6 We embarked on a Sheltered Scheme Decommissioning Plan in 2006 to help address some of these issues. The aim was to reduce the number of units within this stock as and when opportunities arose, in the knowledge that this could take a number of years to achieve. During this time nearly 50 units of accommodation (out of the 397 we started with) are no longer classed as sheltered and so this gives us an advantage over most of the other Suffolk social landlords who have not taken even this gradual approach.
- 12.7 The Housing Panel has revisited the Council's plans for sheltered housing and has concluded that the programme of decommissioning must be accelerated rather than allowing it to be dictated by casual opportunities. We are working closely with tenants on this as well as with officers at Mid Suffolk DC. We believe this provides a useful opportunity for a common approach and one which is consistent with any future service integration. The Housing Panel expects to have agreed a plan of action in place with tenants and MSDC by the end of the year and will report to Committee on the implications and outcomes through the Budget process and as part of next year's Panel Report.

13. HOUSING MANAGEMENT ISSUES

Choice based lettings

- 13.1 It is just over a year since Choice Based Lettings went live and we are now clearer about what this new process has delivered. Being a unique partnership model, comprising all the Councils within our sub-region, it was always intended to review the scheme once it was fully established. A process for a fundamental review of the new system has been agreed by all partners and will be concluded later in the year. This means it is not possible to include these results within this report, as had been hoped. This delay was the result of a detailed equality impact review, which checks whether any vulnerable groups or individuals are adversely disadvantaged by the new arrangements. This aspect of the review is now complete and has not revealed any particular concerns.
- 13.2 There is an appreciation by all the partners that we need to measure the impact of CBL against the measures which were a condition of the governments' funding. It is already clear that the greater transparency has given the customer a much better insight into the issues which we have to take into account in assessing housing need and reaching a decision as to who is housed. Customers also welcome the information which is available to help them make informed choices about where they want to live. Our partner Housing Associations also welcome their role in selecting tenants for their own homes, a role previously undertaken by the Council, and groups representing the most vulnerable appreciate that the CBL system has been designed to support advocacy involvement.

- 13.3 The new coalition government is anxious that social infrastructure promotes social and economic mobility. Supporting people to take up employment is always much more difficult if housing issues cannot be addressed at the same time. The commitments in place to support cross boundary moves, subject to certain checks and balances, remains an important element of this scheme and one which other sub regional schemes are now being asked to address. The overall level of moves conducted in this way is about 7% of the total homes let so the impact on all the partners remains manageable.
- 13.4 Members are asked to note that Waveney District Council has asked to become a member of our common scheme. It has been working with another Norfolk partner but believes that our scheme delivers more effective outcomes and at reduced costs. Waveney accepts there needs to be strict conditions of joining and it must be governed by the same rules which were set when the scheme was agreed in 2007. The anticipated date for Waveney's inclusion is October 2011.
- 13.5 The Government supports an expansion of our innovative scheme. The impact on all partners, including Babergh, in terms of cross boundary moves will be managed under the same arrangements that have applied since the scheme was launched.
- 13.6 The Housing Panel will maintain close scrutiny of this work and will report back to Committee in its 2011 Housing Review Report.

Tenant Participation Compact

- 13.7 Tenant Participation Compacts are formal agreements that govern how a Social Landlord and its tenants should conduct business together. Work has begun on reviewing Babergh's Tenant Participation Compact, which is several years old and requires updating. The development of a new Compact was in the Panel's work plan last year. However, the work has been put on hold pending discussion with Mid Suffolk DC.
- 13.8 Both Councils believe there is little sense in us working differently on such a key issue as one of the first priorities for the joined service would be to agree a common series of procedures and processes which would govern our work. The new plan, therefore, is to jointly develop a common Compact between the two authorities over the coming year.

A new system of regulation for social housing

- 13.9 The last government created the `Tenant Services Authority` (TSA) to regulate and monitor the work of all social housing providers from April 2010 onwards. The TSA constructed new common housing standards and services inspection levels, on which basis it would operate a new inspection regime. All local authorities (LA) and Registered Social Landlords (RSLs) must adapt their existing policies and practices to become compliant with these new standards; which centre on the following four themes:

- Repairs and Maintenance
- Safety and Security
- Reasonable and affordable rents
- Quality of accommodation

13.10 As well as direct regulation on these themes, the TSA wants LAs and RSLs to self regulate on measures that have been locally agreed with tenants. As a new quango the future for the TSA is uncertain under the coalition government, so not a great deal of work has been devoted to implementing these changes, which are expected to require a considerable resource. However, some form of new regulation is expected for social housing providers, even if the TSA is abolished. The Housing Panel will keep the position under review.

14. BACKGROUND PAPERS

Paper HP218

THE HOUSING PANEL:

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