

Housing & Property Services - 2016/17 Review

Service Plan Performance

The Housing and Property Services service area provided a diverse range of services to residents of Warwick district throughout the financial year, including the management and maintenance of c5,600 tenants' and c600 leaseholders' homes; maintaining and improving the Council's corporate assets; delivering a housing advice and homeless service; managing the HomeChoice housing register scheme on behalf of all the Registered Providers in the district; improving housing standards in the private sector and providing aids and adaptations in residents' homes.

It was a difficult year for the service area and over its course the Head of Service and the 3 senior managers working to them all left the council's employment. A new management team was put in place, the members of which have provided an excellent response to the challenges faced and settled in admirably, and the service was directly managed in the latter half of the year by one of the Council's Deputy Chief Executives with previous direct experience of the housing service. By the end of the year CMT, in discussion with the Executive had decided that the Council's services could be strengthened by splitting the service area with the Assets Team, responsible for maintaining and improving both the HRA stock and the council's corporate assets moving into the Chief Executive's Office, and a new Housing Service area being created, responsible for the 'people-based' housing services – supporting the tenants and leaseholders living in the council's homes, providing the homelessness and housing advice services and assisting people in other housing sectors. Following approval of this new structure by Employment Committee in February 2017 a recruitment exercise for a Head of Housing to lead the new service is now underway.

It was pleasing to see that despite the management changes performance overall remained strong. With demand for affordable housing remaining high, a new Allocations Policy was implemented in June 2016. The significant changes meant a substantial increase in workload, until things settled again. The introduction of a new transfer band saw a marked increase in the number of tenant transfers completed during the year. This change, combined with over 200 new affordable housing completions, including the first 81 council homes built in the district for over two decades at Sayer Court, has seen the number of people registered on the HomeChoice scheme actually fall, from c3,500 at the start of the year to under 2,600 at the end.

During the year a revised Housing and Homelessness Strategy was produced, after extensive consultation, and has now been approved by members. Homelessness applications have actually fallen from the 2015/16 peak, with 466 applications having been received up to the end of the 3rd quarter of the year, with just over 100 resulting in the Council having a responsibility to provide accommodation. Despite the slightly lower numbers the use of bed and breakfast accommodation peaked during the year although this was tackled aggressively in the latter half and by year end the use of this type of temporary

accommodation has effectively been eliminated. In addition to the council's existing 17 units of temporary accommodation a further 5 units are in the process of being brought on-stream during the coming month which will allow the use of bed and breakfast to be restricted to emergencies only. The Council has also participated in a Warwickshire-wide bid to the Government's Homelessness Prevention Trailblazer scheme and the county was successful in securing £864,000 of new funding. The Warwickshire Heads of Housing Group is now working up the detail of how this funding will be deployed.

The Sustaining Tenancies team have been continuing the three year programme of tenancy visits which continue to be a useful way to identify any problems with the tenancy, where more support is required or if the tenant is failing to manage the tenancy correctly. The team have also introduced new policies on Rent Arrears, Anti-social Behaviour and Domestic Abuse and Violence and will now be working on their implementation and the introduction of the new processes to support them.

Performance on the recovery of rent arrears has also remained strong. At the end of last year we reported that rent arrears were at 3.17% of the rent debit but are now predicting they will have reduced to 2.6% by year end, well below our target of 2.8%. This reduction is despite the challenges that many tenants face in paying their rent and sustaining their tenancy in view of the continuing changes to the benefits system and the impact of the new Benefit Cap, the introduction of Universal Credit and ongoing issues with under-occupation charges. Our Income Recovery and Money Advice officers continue to work with tenants to ensure rent payments are being prioritised and their tenancies are sustained.

The Private Sector Housing team has dealt with a significant increase in the number of unauthorised legal gypsy and traveller encampments during the year, including significant encampments on both privately owned and Council land in the Christmas/New Year period. There were 15 encampments on Council-owned land during 2016 – the highest number since we began keeping records in 2008 and the continuation of an upward trend since 2012 when the figure was just two. The Council has long-established and effective procedures in place for dealing with such encampments but is now in contact with colleagues across the county, in a dialogue instigated by the Police and Crime Commissioner, as to how working arrangements could be improved.

The main area where performance has been less strong is in elements of the work undertaken by the Assets Team and during the latter half of the year corrective action and management changes were made that has seen performance improve in asbestos management and removal and electrical safety inspections

Elsewhere, the Assets Team have successfully managed the move from open book to a schedule of rates based voids and responsive repairs process which, together with the in-house pre and post inspections of void properties has enabled stronger budget management, without compromising service standards. The team have also overseen the successful completion of two separate stock condition surveys, one providing information of the main elements, known as stock attributes e.g. kitchens, bathrooms, roof coverings, windows, doors, rainwater goods, of every HRA home and the other a structural survey of the

multi-storey blocks and those homes of 'non-traditional' construction. This new survey information, complementing existing legacy information and information from our in-house team of surveyors, has enabled us to build up a comprehensive picture of the current state of the housing stock and underpinned a full review of the HRA Business Plan. Detailed analysis of the survey results is now underway and this will inform a full revision of the profile of the future Housing Investment Programme (HIP) to ensure that all the poor condition attributes are remedied as quickly as possible and a tailored investment programme is put in place to replace items on a timely basis. This work will be completed over the summer and autumn allowing the revised programme to be reported to members in December as part of the 2018/19 HRA base budget setting process.

Risks

There are still significant, but at this stage unquantifiable risks associated with the full implementation of the provisions within the Housing and Planning Act 2016. The first of these relates to the extension of the Right-to-Buy scheme to tenants of housing associations, with the potential for the cost of funding their discounts having to be covered by local housing authorities still remaining. The Government has, however, chosen not to implement this provision nationally, as yet, pending the outcomes of a pilot scheme that will run elsewhere in the country during 2017/18. The second relates to the proposed introduction of short term tenancies of between two and five years which brings the prospect of increased management costs to support the regular review of a household's income which would be required and additional costs associated with the introduction of a new form of Tenancy Agreement. A significant degree of uncertainty remains as to when, or possibly if, these changes will be introduced and this will be kept under close review.

Other risks to the HRA Business Plan arise from the continuing changes to the social security system. In April 2018, the use of the Local Housing Allowance (LHA), currently used as a cap for Housing Benefits payments for private sector tenancies, will also apply to the social rented sector for all tenancies that commenced after April 2016. In addition, the Government intends to further limit the Housing Benefit payable to those aged 35 or under, whether in work or not, by linking their LHA threshold to a rate equivalent to the cost of a shared room in a single household rather than the actual cost of their tenancy. Although all council rents are below LHA levels, the proposed level of the threshold for a tenant aged 35 or below is less than the cost of a one bedroom flat, raising the risk that people of this age group will be excluded from the Council's homes, potentially placing pressure on General Fund budgets, or, if they do attempt to maintain a HRA tenancy, increasing the risk of rent arrears.

The continuing introduction of Universal Credit, which is now expected to be fully implemented in the district by summer 2018, is a further risk. Current feedback from the introduction of Universal Credit nationwide has indicated that the number of council tenants in arrears has increased, as well as the average level of arrears, in comparison to tenants who do not receive Universal Credit.

Workforce Planning

The Head of Housing recruitment is underway and the final interviews are scheduled to be held on 13 June.

Additional temporary resources will be recruited for the Private Sector Housing Team in response to the changes to the regulation of Houses in Multiple Occupation which will see a significant increase in the number of licensing inspections required during the year.

A consultation has also commenced on a re-design of the Lifeline service to address the implications of the loss of the former Supporting People grant from the County Council and proposed changes to the staffing structure will be reported to Employment Committee in July. A new 2 year management post was approved by Employment Committee in March which will oversee the continued development of the service and the continuing commercial approach to increase the number of private service users.

The Assets team will also be subject to a re-design now that it has transferred to the Chief Executive's Office to ensure that it is set up to provide an effective support service both to the new Housing Service Area in respect of the repair, maintenance and improvement of the Council's HRA homes and the remainder of the Council in respect of the strategic management and maintenance of the corporate assets.

Budget

Housing & Property Services achieved the 5% saving on discretionary budgets in 2016/17.

Temporary homeless accommodation has been a pressure on the General Fund budgets in 2016/17. There have been increased B&B costs which are not eligible for Benefits Subsidy, resulting in an adverse subsidy variance of £100k. This has been partly mitigated by other benefit subsidy savings of £50k.

The HRA Business Plan remains strong and robust. The review undertaken during the year has demonstrated that the Council will, on current projections, be able to increase the surplus on the Capital Investment Reserve (CIR) on an annual basis until 2051/52. Debt repayments will then commence in 2052/53 and, by the end of 2061/62, the full opening debt of £136.2m, required for the Council to become self-financing in terms of its HRA, will have been cleared with a healthy surplus of £117.1m remaining.

During 2016/17 the HRA collected c£27m in income and incurred expenditure of c£15.7m, allowing a transfer of nearly £4m to be made to the CIR and a working balance of £1.4m to be maintained. A further appropriation of £1.6m was made to the Major Repairs Reserve, used to fund the Housing Investment Programme,

which will now have an opening balance of c£6.2m at the start of the 17/18 financial year. The Business Plan review concluded that although future appropriations to this reserve may reduce to allow the funding of the works identified in the stock condition survey, the overall plan remains viable and will not require any reduction in the transfers made to the CIR.

Work Streams and Projects 2017/18

The focus of the new Housing Service Area will be on the creation of effective 'people-based' services and the cultural shift required to deliver them. The work programme for the year will include:

- Delivery of the Year One actions from the new Housing & Homelessness Strategy
- Reviewing the Allocations Policy after 12 months of its operation
- Completing the re-design of the Lifeline service and marketing it to attract more private users
- Reviewing the support provided in respect of tenant engagement, leaseholder services and cleaning of communal areas, including any requirement to introduce service charges
- Completing the upgrade of fire alarm systems
- Increased inspection and licensing of Houses in Multiple Occupation
- Transfer of responsibility for disabled adaptations to the county-wide HEART service and effective contract management
- Review of the W2 partnership with Waterloo Housing Group
- Further review of the HRA Business Plan as social security changes and/or provisions of the Housing & Planning Act are implemented
- Procurement of new ICT support and development arrangements for the HomeChoice system

The focus of the Assets Team within the Chief Executive's Office will be on the re-design of the team to ensure that it provides an effective and efficient 'property-based' support service to the rest of the Council, including the cultural shift required that this will require. The work programme for the year will include:

- Recruitment of a permanent Asset Manager who will then work with the Deputy Chief Executive to re-design the service
- Further analysis of the stock condition survey information to inform the 18/19 budget setting process and enable a full re-modelling of the Housing Improvement Programme budgets and work programme from 18/19 onwards
- Effective management of the 17/18 Housing Improvement Programme
- Effective management of the £1.8m investment in the Preventative and Planned maintenance programme for the corporate assets
- Re-procurement of the major contracts for the Housing Improvement Programme, HRA Repairs and Voids, Corporate Property Repairs and Lift repairs and improvements
- Establishment of a new working relationship with Housing Services to ensure that the next phase of the Housing Futures project is co-designed and delivered. This will focus on an examination of the financing and cost/benefit analyses of a range of potential options to increase the HRA stock, including the potential for:

Appendix M

- Acquisition of existing homes (e.g. purchase of former council homes sold under the Right to Buy)
- Acquisition of new affordable homes delivered through s106 agreements
- Redevelopment of existing HRA homes (as was done at Featherstone Court to create the new Sayer Court development)
- New build on Council owned land, including garage sites
- New build on acquired land
- Joint venture options
- The establishment of a Council-owned Housing Development Company

Any Changes Required to Service Area Plan

The changes required by the creation of the new structure have been reflected by the formation of a new Service Area Plan for the Housing Services Area and the inclusion of the work priorities of the Assets Team within the Chief Executive's Office Service Area Plan.