

		<b>Overview &amp; Scrutiny</b> <b>13<sup>th</sup> January 2015</b>	<b>Agenda Item No. 4</b>
<b>Title</b>		Performance in Key Areas – Housing & Property Services	
<b>For further information about this report please contact</b>		Abigail Hay Housing Strategy & Development Manager Tel: 01926 456044 Email: <a href="mailto:abigail.hay@warwickdc.gov.uk">abigail.hay@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>		All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>		No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		N/A	
<b>Background Papers</b>		N/A	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No
N/A - For information report only	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		
Head of Service	30.12.14	Andy Thompson
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)	30.12.14	Councillor Norman Vincett
<b>Consultation &amp; Community Engagement</b>		
None – for information report only		
<b>Final Decision?</b>		No
<b>Suggested next steps (if not final decision please set out below):</b>		
None – for information report only		

## **1. Summary**

- 1.1. This report provides an update to the Overview & Scrutiny Committee on performance of the Housing & Property service.

## **2. Recommendation**

- 2.1. That Overview and Scrutiny Committee notes the key challenges and risks associated with the work of Housing & Property Services and the actions being taken by Housing & Property Services to respond positively to these risks and challenges.
- 2.2. That Overview & Scrutiny Committee notes the impact of Fit for the Future (FFF) to date.
- 2.3. That Overview & Scrutiny committee notes what further impact we expect FFF to make to staff and customers.
- 2.4. That Overview & Scrutiny notes the department's proposals for making additional savings in the next financial year.
- 2.5. That Overview and Scrutiny notes the departments strategic plans for development.

## **3. Reasons for the Recommendation – Demand for Services**

- 3.1. Housing & Property Services face a number of significant challenges and risks, with the changes being made to social security system and the rising cost of accommodation being amongst the most significant.
- 3.2. The introduction of a total benefit cap, the under occupation charge, amendments to the support given to low income council tax payers and changes to the Local Housing Allowance for single person households are among the more important changes made to social security.
- 3.3. Housing & Property Services has taken a proactive and positive approach to the changes, implementing steps to support tenants through the changes. The Sustaining Tenancies team has a strong emphasis on helping people to maintain their tenancies through the effective management of their rent accounts.
- 3.4. This includes the introduction of a Housing Support Team which provides a generic, multi tenure service. This means that the responsibility for rent collection is the responsibility of all Housing Officers. In addition, through utilising generic officers, we are minimising the number of visits to our tenant's homes, building stronger relationships between officers and tenants by reducing the number of different officers a tenant sees and delivering a more personalised and efficient service to tenants. As a result, we have managed to maintain income recovery year to date at a creditable 3.35% of total income due.
- 3.5. The phased introduction of Universal Credit, in which a large number of recipients will in future be responsible for making their rent payments rather than having any due housing benefit paid directly to the Council will add an additional risk to the Housing & Property Services income stream. However, in

the medium and long term we expect this risk to diminish as people adjust to the new arrangements.

- 3.6. With a backdrop of rents and property prices increasing at a rate faster than incomes – the average property price to income ratio for Warwick is 9:1, above the average for the West Midlands as a whole and the highest in the County<sup>1</sup> - and continued tenure insecurity in the private rented sector<sup>2</sup> the Council has experienced an increased demand on its services including for housing advice and assistance. In 2012/13 we made 729 formal homeless decisions, with 131 households accepted as having a full homeless duty as set out in legislation, requiring the Council to secure for them permanent accommodation. This is in addition to the more substantial number of customers who have approached us for advice and assistance who we have assisted without having to pursue a homeless application.
- 3.7. The Council's Affordable Rent Policy, which requires 60% of all new affordable housing developments to have properties available to let at a Social Rent, 35% at the Warwick Affordable rent and 15% for shared ownership, helps reduce financial hardship created by high rents<sup>3</sup>.
- 3.8. The Council continues to offer secure and affordable tenancies to all its tenants. Secure tenancies offer the security needed by households to invest in their homes and communities, build healthy and sustainable lives and avoid disruption to family life<sup>4</sup>. In 2015-2016, Housing & Property Services will explore how we can extend this, using planning policy, to affordable housing provided by other landlords.
- 3.9. Increasing the availability of affordable housing remains a major challenge. The number of properties that are becoming available from our own stock is slowing down from an average of c400 per year to an average of c300 per year as the options for people to move on are limited. This is set against a backdrop of 1,718 (as at 12<sup>th</sup> December 2014) households being registered as having a housing need and are in Bands 1 to 3 on 'Home Choice', with a further 1,759 in band 4.
- 3.10. The delivery of new affordable housing in the district, although improved of late still remains small with only 10 new homes delivered in 2012/13 and 47 new affordable homes built in the district so far this year by housing associations. The Council however is now in a position to once again become a direct provider of new homes.
- 3.11. We are already developing new Council-owned affordable and secure housing, starting with the redevelopment of Fetherston Court. This scheme – to provide 81 homes - will replace ageing flats with modern, purpose built active elderly flats and family bungalows, as well as increasing the overall numbers of properties provided for on the site. The Council has through planning powers

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<sup>1</sup> Source: Home Truths 2014-2015 (National Housing Federation, December 2014)

<sup>2</sup> Sources: Evictions increase number of homeless (The Independent, December 2014), Renters turn to Shelter as revenge evictions soar (Shelter, June 2014); Thousands of tenants without rent arrears face eviction (Inside Housing, July 2014)

<sup>3</sup> Sky-high housing costs leave five million stuck in the 'rent-trap' (Shelter, October 2014); The Home Stretch (Resolution Foundation, December 2014);

<sup>4</sup> Local decisions on tenure reform (Shelter, July 2012); Children who pay the price of living in a rented home (The Observer, January 2012); Security of tenure in Social Housing: An International Review (Heriot Watt University, June 2011)

(Section 106 of the Town and Country Planning Act 1990) secured 21 properties in South West Warwick, six for social rent and 15 for low cost home ownership.

- 3.12. The Council has limited land available at its disposable and the cost of purchasing land in the district is very high. Housing and Property Services are therefore now looking at potential sites both publically and privately owned which can be used to deliver new council homes. The service is also exploring and assessing different models for delivery, including the use of existing Housing Revenue Account funding and the potential for a Council Housing Company to increase the number of council-owned homes in the district.
- 3.13. The W2 Joint Venture in July 2014 was extended for a further 3 years to allow for it to remain as a vehicle to deliver affordable housing alongside the Council's own plans for a development programme of council-owned homes.
- 3.14. The private rented sector now accounts for a larger proportion of accommodation provision in the district than social housing at 18%. However, we are experiencing an increase in the level of intervention required by the council to improve the management of this sector of the housing market. There are increasing numbers of enquiries for advice and support from tenants who experience issues with landlords, in particular in relation to poor quality and unsafe housing conditions. In this respect the district is in line with national trends<sup>5</sup>.
- 3.15. The Council uses a number of measures to help improve the quality of private rented accommodation including a landlord steering group, landlord's forum as well as advice and support to tenants and landlords. In addition we have secured some high profile prosecutions of landlords who fail to meet their legal obligations. In 2014 we prosecuted a total of five landlords, with one landlord receiving an extremely high fine from the Magistrates of over £50,000. This sends out a strong message and deterrent to landlords that the Council will not tolerate poor housing conditions and breaching of legal obligations by landlords in the district.
- 3.16. In response to the increased demand on housing related services, the new structures introduced in 2014-2015 for the Sustaining Tenancies and Strategy and Development divisions of Housing & Property Services have allowed the Council to direct resources in a way that is able to respond proactively to these challenges. Housing advice services are available through a single point of entry to the service where customers with any non-council landlord related enquiries are able to get advice and information. Low level enquires are resolved at first point of contact, with specialist officers being available to support customers with a resolution to more complex and detailed issues. This new structure is giving us a stronger focus on prevention of homelessness and a proactive approach to raising standards in the private rented sector.
- 3.17. The Council's housing stock is in relatively good condition with 100% of our stock meeting the Decent Homes Standard. There is however a need to improve and increase the amount and quality of stock condition information so that the

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<sup>5</sup> Poor private rented homes causing ill health (Inside Housing, October 2014), More than half of tenants have problems with landlords and letting agents (The Independent, September 2014)

Council can make more informed decisions about how, where, when and on what it invests its resources. It is also important that future maintenance liabilities are fully understood so that the housing business plan remains viable, especially in light of the fact that we are starting to invest in building new homes.

- 3.18. In 2015-2016, Housing & Property Services will be undertaking a stock condition survey of the Council's housing followed by a thorough review of how the homes are maintained to both increase the quality of customer service and take greater control over costs.
- 3.19. Maintaining corporate property and assets is in a transitional period as we move from a traditional maintenance management approach to a strategic asset management approach. We have completed a stock condition survey and produced a forecast of the likely maintenance costs of the stock over a 30 year period. This financial year is the first year that the data has been used as the basis for the annual programme of works, the team are currently working to deliver the agreed programme and we expect the programme to be complete by 31<sup>st</sup> of March 2015.
- 3.20. The Strategic Asset Group will in 2015-2016 undertake an assets review which once complete will be used in conjunction with the 30 year programme to inform the Council's corporate asset management strategy and plans, including consideration of retention or disposal options.
- 3.21. Housing and Property Services has made a significant contribution towards helping reduce energy costs for both individual households and the Council.
- 3.22. Implementation of the decent homes work and the installation of energy efficient measures have improved the Standard Assessment Procedure (SAP) rating of homes and residents' quality of life - addressing damp and poor quality housing over the period of the investment. Ongoing energy management of our housing schemes and the installation of renewable energy initiatives will further reduce fuel costs. We have plans in place to implement further renewable energy initiatives, including a district heating scheme at Radcliffe Gardens and Christine Ledger Square which will result in a single biomass boiler servicing all communal areas and individual flats. The redevelopment of Fetherston Court is being built to extremely high energy efficiency standards, including a biomass boiler.
- 3.23. We have installed two commercial Biomass Boilers, one at Oakley Wood Cemetery and one at Tannery Court sheltered scheme. The Biomass boiler at Tannery Court has recently been installed and has exceeded its target for gas usage. It was anticipated that the biomass boiler would generate 70% of energy and the remaining 30% would be gas, however to date the biomass boiler has been providing for 95% of energy resulting in only 5% gas usage. This has resulted in significant reduction in energy costs to the Council.
- 3.24. In autumn 2014, we have launched an energy collective which resulted in 100 council tenants registering to take advantage of improved energy tariffs, The average dual-fuel saving is forecast to be £221 per household.
- 3.25. We carry out aids and adaptations so that residents can remain in their homes safely and for longer, helping to reduce the number of admissions to hospitals and care homes. We spend around £1m per year on adapting council houses

and grant fund circa £0.5m for adaptations in private owner occupied or rented homes. Last year (2013-2014) we carried out 56 grant funded adaptations and this year (2014-2015) so far we have carried out 23.

#### **4. Reasons for the Recommendation – Fit for the Future**

- 4.1. The Fit for the Future (FFF) programme in Housing & Property Services to date has been led largely by the Tier I and II service redesigns that have taken place over the past two years.
- 4.2. Tier I of the redesign focussed upon realigning the leadership team into more streamlined, cross cutting sections which better reflects the current and future demands on our service, reducing the management team reporting to the Head of Housing and Property Services from 6 to 3.
- 4.3. Tier II of the redesign focussed upon the Sustaining Tenancies and Strategy and Development Teams, being approved by Employment Committee in June 2014 and implemented in September 2014. By aligning staff resources with the most important expectations and needs of our customers, the Sustaining Tenancies and Strategy and Development Teams are positively contributing towards the three strands of FFF (service, people and money). This includes:
  - Beginning a programme of regular routine tenancy visits to all WDC tenants to assess support needs and make sure that they are supported to sustain their tenancy
  - Establishing a team of Tenancy Officers to work alongside the Council's Community Safety/Sustainability Team to resolve as quickly as possible problems caused by Anti-Social Behaviour
- 4.4. Tier III of the Housing & Property Services Redesign relates to the final section of the service, Asset Management. The formal consultation has recently been completed with all affected staff members. A report will be presented to Employment Committee in January 2015 and subject to approval the new service will take effect in April 2015.
- 4.5. The new Asset Management Team will contribute towards the three stands of FFF by encouraging a greater focus on customer care by:
  - Increasing the resources available to work closely and at an earlier stage with clients and tenants to agree what works and services they need
  - Increasing ownership, continuity and accountability of contracts and processes by making sure that as far as possible they are managed end-to-end by the same people
  - Creating a more consistent, co-ordinated and understandable process for reporting and managing housing repairs by bringing together in one team the majority of repairs and maintenance to Council-owned housing
  - Improving the way the Council manages its non-operational buildings by adding a Commercial Property Surveyor to the team
- 4.6. By April 2015 Housing & Property Services by redesigning its entire staffing structure will be in a strong position to meet future challenges of reducing the overall cost of service delivery by exploring and exploiting opportunities improving services to new and existing customers as well as maximising income, including:

- Reviewing the Lifeline Service to establish the potential opportunity to develop and grow the business.
- Considering extending the current mandatory Houses in Multiple Occupation (HMO) licensing scheme to cover additional properties
- Reviewing our current temporary accommodation arrangements and funding systems to reduce the cost of this service and recover as much income as possible.

4.7. More efficient working practices which will reduce the cost of delivering service, are also to be introduced, including:

- Developing mobile working practices so that Officers working out in the field are able to increase productivity by connecting and communicating in real time, reducing the inefficiencies of duplication, travelling time and allowing for clients on site to be party to agreeing the works and services to be delivered.
- Increasing the use of electronic and self service/digital by default options for customers which will in turn reduce the administrative support required. For example, we are currently designing an online form for customers to be able to register on 'Home Choice' and to be able to maintain their application and records online. In addition, we are increasing the use of email communication with residents where suitable to reduce printing and posting costs.
- Reviewing current contract arrangements for goods and services supplied to make sure that they are the most cost effective method for the service. For example, we are considering the options for the delivery of the corporate cleaning contract including directly providing the service to both improve the quality of service and reduce overall costs.
- Introducing a Planned Maintenance Module to the Council's property maintenance and management IT system.

4.8. Housing & Property Services has been through a significant period of change and instability and with the end of Tier III redesign approaching, the management team are now focussing on driving the service forward in a planned, practical and sustainable manner.

4.9. The management team have developed a **3-2-1 Priority Action Plan** which sets out the strategic overview of what most needs to be done to move Housing and Property Service into a position in which it can move confidently forward and start to deliver the Council's housing and asset management priorities.

4.10. It was developed by the Housing and Property Management Team in September 2014, taking stock of the Council's top priorities, the current state of the service and the future potential capacity and capability to move ahead. 3-2-1 identifies the most important outcomes that the Priority Action Plan must work to deliver.

4.11. The Priority Action Plan starts now and takes the service through to March 2017 and has been broken down into three distinct phases.

4.12. From now until March 2015 is the **Recovery and Construction** phase, which will allow us to understand and resolve outstanding issues to establish a solid foundation for future service development – contract management for example. This phase will enable us to complete the redesign and create a single plan for the department which will set strong foundations for the department to move on.

- 4.13. Between April 2015 and March 2016 will be a **Consolidation** phase. This year will be used to bed in the new service and its teams and develop a clear understanding of what our customers needs and expectations are so that we can respond effectively and appropriately. We will focus during this phase on reviewing management and contractual arrangements where necessary and setting up necessary delivery vehicles and mechanisms so that we can make a firm start on major projects – for example Council House Building.
- 4.14. The final phase of the Priority Action Plan from April 2016 to March 2017 is the **Progression** phase. This year will see the department moving ahead apace – critical work will include for example delivering a new Asset Management Strategy for both housing and corporate property, preparing for a new Housing Strategy for 2017 through 2022 and putting in place how we will manage expected changes in funding for our Lifeline and Supporting Housing services.

## **5. Policy Framework**

- 5.1. Policy Framework – This report does not make any recommendations to change Policy.
- 5.2. Fit for the Future – Sections Three and Four of this report set out how the service has contributed to FFF so far and what further impact we expect this to have on the service.
- 5.3. Impact Assessments – This report does not make any recommendations to change Policy, therefore an Impact Assessment is not required.

## **6. Budgetary Framework**

- 6.1. This report has no implications on the Budgetary Framework.

## **7. Risks**

- 7.1. Housing & Property Services are currently updating the Risk Register for the service as a whole, with this work planned to complete by April 2015. This will accommodate all the risks and challenges outlined in this report and the actions being taken to respond to those matters.

## **8. Alternative Option(s) considered**

- 8.1. This report is for information only and therefore no alternative options were considered.