









Housing & Property Services Portfolio Holder Update to Overview and Scrutiny Committee - December 2015

Notable achievements/successes in the last few months

Context and Update on the Warwick District Housing Market

-  The mean house price in the district of Warwick is £263,781
-  Private sector rents for a typical three bedroom house now running £800 to £1000 a month depending on area.
-  Ratio between house prices and incomes is 9:1. Fourth highest in West Midlands and on a par with national average (9.5:1),
-  An income of circa £60,000 per annum is needed to buy a home in Warwick (Income required for 80% mortgage in 2013 (80% at 3.5x, £).
-  The total number of homes in the district of Warwick is 53,530.
-  Council owned homes total 5,500, all of which are let at social rents.
-  Rate of Right to Buy applications and sales has significantly increased since 2014/15; 27 were sold during 2014/15, but 22 have already been sold in the first six months of 2015/16.
-  The current Housing Register for affordable housing stands at 3,489. Trend in demand is for smaller homes. Homechoice details for September 2015 explain this further.

Property required	Number of applicants	Number of Voids in the period 1 st October 2014 to 31 st September 2015
1 bed	2,248	139
2 bed	884	206
3 bed	297	114
4 beds	50	3
5 beds	10	0
Total number of applicants on HomeChoice	3489	462

Delivery of Affordable housing

Housing & Property Services have recently completed the purchase of the first new council homes in Warwick District this century. The development of 21 new homes, including 15 shared ownership and 6 social rented houses, at Great Field Drive in South West Warwick is now complete and the first residents are moving in. The purchase of these homes has added much needed affordable housing to the Council's stock and has delivered the Council's first ever shared ownership homes.

A further 61 new affordable homes have been delivered in the past 12 months through the W2 Joint Venture with Waterloo Housing Association. Other Registered Providers (RPs) also known as housing associations, are also delivering affordable homes either through participating in private sector development sites that are required through the planning consents to have a

proportion of affordable housing or on sites developed by the RPs where they deliver all-affordable housing schemes. This means a total of 358 new affordable homes in Warwick District in the past 12 months. These new affordable homes have all been allocated to applicants on the Council's Homechoice scheme.

Aids and Adaptations

Warwickshire's Housing Assessment Team (HAT) pilot project, which delivers housing aids and adaptations to help support people with disabilities remain living at home, has won a Warwickshire County Council Stars Award in the 'Innovation' category and were finalists in the 'Partnership Working' category. Warwick District Council (WDC) is a taking part in the southern area of the HAT pilot. This is a partnership between WDC, Stratford upon Avon District Council and Warwickshire County Council to deliver adaptations to all residents across South Warwickshire irrespective of the tenure of their home. There is also a similar pilot taking place for the North of the County.

The pilot is trialling an approach that gives all residents who require an adaptation access to the service through a single entry point. Technical officers and occupational therapists have been brought together as part of a single team to deliver an effective and efficient service. The outcome of the pilot will be evaluated in 2016/17 to prepare future long term proposals for the provision of these important services.

One of the primary outcomes of the future proposals will be reduced time from when a client first contacts the Council to when the agreed aids and adaptations works are complete. Although progress has been made over the past year in reducing this waiting period, it remains too long. For the south of Warwickshire, this in part is due to a backlog of work inherited by the pilot project covering Warwick District and Stratford upon Avon. Additional resources have been provided on a temporary basis by WCC and WDC to clear this backlog and so allow for the service to begin to operate from a clear base-line and so demonstrate its true potential.

Improving Housing Standards

In August and September the Council secured successful prosecutions against two landlords who had failed to meet their obligations. This resulted in significant penalties for the landlords concerned. Making sure that all residents are able to live in safe, good quality accommodation is an important role for the Council. The successful prosecutions have been well publicised to promote and encourage responsible behaviour from all landlords operating in Warwick District.

What is planned in the coming 12 months?

Delivery of affordable housing

The development of Sayer Court is now progressing swiftly with the completion anticipated in autumn 2016 of 81 new affordable homes for older residents, including five bungalows. We are also looking at further options for delivering new Council developed and owned homes including the development of small garage sites and other Council owned land. There are a further 258 new affordable homes in the W2 pipeline over the next one to two years, including a major multi-tenure scheme at Station Approach in Leamington Spa.

Consideration is also being given to further large scale opportunities for new housing, including sites at Europa Way and supporting the social and economic development in Lillington, with further reports to be presented to Executive over the coming 12 months.

Allocations

The new Allocations Policy which was approved by the Executive in July 2015 will be implemented in April 2016. This will bring about changes in the way in which the Council allocates homes. Existing council and registered provider tenants with no housing need will be able to apply for a transfer in some instances outside of the bidding and banding system. This will enable existing tenants to have more options to move than they currently do and will enable the Council to make the best use of its stock. Other changes include the restriction of applicants to those with a local connection, except in specific circumstances, and the removal of the ability to bid for one bedroom in excess of need.

The new customer information documents will be crystal marked by the Plain English Campaign to make it as readable as possible.

Aids and Adaptations

The HAT pilot (see above) will be reviewed to consider what the best option is for the long term delivery of adaptations to residents' homes. We will consider how successful the pilot has been and what options are available to us in the future to ensure that we have the most efficient model for delivery going forward. A report will be presented to Executive in 2016.

Managing the Council's assets

We will be commissioning a stock condition survey of the Council's housing assets to provide us with comprehensive information about the condition of key housing components. The survey, which will cover all the homes owned by the Council, will inform the future shape of the Housing Revenue Account Business Plan. Scheduled for completion in August 2016, it will allow the Council to make informed decisions about how it shapes a new Housing Improvement Programme, which will run from April 2017. A structural survey of the Council tower blocks and non-traditional construction homes will also be undertaken at the same time, the first since 1997. Software will be deployed as part of the

Stock Condition Survey that allows the Council to maintain and effectively use stock condition information to plan long term investment programmes.

We have also recently amended the Housing Repairs process and re-introduced Property Maintenance Officer pre-inspections of repairs to replace the 'Attend and Repair' arrangements in which the contractors self-determined the works to be undertaken to the Council's homes.

The Council is also transitioning from Open Book Accounting (OBA) to a Schedule of Rates (SOR) pricing mechanism for responsive repairs and voids works. This is currently being negotiated with the current contractor and is expected, subject to a mutually acceptable agreement being reached, to be complete by no later than April 2016. This approach will give the Council pricing certainty over the works it orders, allows it to see the cost in advance of each repair or job so it can manage expenditure to budget and will simplify the administrative process. The introduction of pre and post inspections will reduce the risk of variations in works arising from an SOR approach.

Taken together, the Council will gain a greater degree of control over the nature and cost of repairs, increase the knowledge the Asset Management team have of the Council's assets and develop closer direct links between the Council and its tenants.

Neighbourhood and Estates Team

We are reviewing how the newly set up Neighbourhood and Estates team works. As the team becomes established we will review service provision across the Council's blocks of flats in order to provide a consistent service to meet the demands and needs of our tenants, leaseholders and residents


This review will also be used to address concerns expressed by residents that the quality of cleaning in some locations is poor. This means it is necessary to consider the effectiveness of the current cleaning contract arrangements. The current service is being provided at a low price, the sustainability of which is open to question. It is possible that changes to improve quality may increase the resources needed for this service.

Any issues the Department faces

Housing and Planning Bill


The Government have recently published a Housing and Planning Bill which has a number of implications for the Service. The Council's Portfolio Holder for Housing and Property Services and the Head of Housing and Property Services are both directors of the Association of Retained Council Housing and have been at the forefront of ARCH's work to try and influence and shape the detail and implementation of the Bill.


The main elements of the Housing and Planning Bill are:


-  Housing association tenants getting the Right-to-Buy: The Government wants to extend to housing association tenants the same rights council

tenants have to buy their home. People who rent their homes from a housing association lost this right in 1989. The discounts that the Council has to give to its tenants buying their homes are not refunded by the Government. However, housing associations will be compensated for the discounts they offer.

This is to be funded by council housing landlords, who will be expected to find at least some of the money by considering whether or not to sell high-value properties as they become empty. Councils may also be able to find the money by looking carefully at their housing business plans, which set out how much is to be invested in repairs and maintenance, housing management and new homes. We don't yet know how much will be expected from Warwick District Council. We are already looking at the properties we own and our business plan to see how we can best accommodate these changes.

 Higher earning tenants paying more rent: Known as Pay-to Stay, households with an income of more than £30,000 a year will be expected to pay a higher rent for their Council home. The new rent will be set at or close to the open market rent for a similar home. This change is scheduled to come into effect in April 2017. Further details of how the income of the household will be calculated and the marginal rates of implementation are still to be developed by the Government.

 Starter Homes: Currently, the Council can use its planning powers to require housebuilders to provide a proportion of low cost rented and home ownership homes on new developments. In future, housebuilders will be able to substitute what are known as Starter Homes for some of these affordable rented or low cost home ownership properties, such as shared ownership. Starter Homes will be sold at a discount of 20% on the open market price for a similar home, with an upper limit in our area of a total price of £250,000 (including stamp duty). This may reduce the number of affordable rented homes that the Council can secure from private developers.

 The Government in the summer announced that it wanted to review the terms on which council homes are let. An amendment may be tabled to the Housing and Planning Bill which will require the Council to offer new tenants short term tenancies, similar to the way private landlords let their properties. When the tenancy is due to end, the Council will be expected to consider with the tenant whether or not they can move to a privately rented property, buy a place to live or need to remain in their Council home. The length of this new type of tenancy is not yet known and nor are the guidelines which will be used to help decide what options will be offered to a tenant when their tenancy ends. Implementing and managing short term tenancies will add to the administrative costs of operating the Council's landlord service and may lead to an increase in properties falling void.

Welfare Reform and Work Bill

The Bill passed its third reading in the House of Commons on 27 October 2015 and is now being considered by the House of Lords.

The changes proposed in these Bills and other recent legislative changes may impact upon residents of Warwick District in a variety of ways, not least of which is the ability of the Council to maintain income recovery. Some of the changes may result in an increase in rent arrears as people make the necessary adjustments to accommodate changes to their income. The Council has put in place additional financial advice support to help its own tenants to adjust to any changes they may experience. There may also be an increase in demand for housing advice and assistance from people who are not tenants of the Council as a result of these changes.

The main changes that will impact upon housing services and residents in Warwick District are:

- A 1% cut in rents: From April 2016, every council and housing association tenant will have their rent reduced by 1% a year, for four years. In the first year, that could mean a saving of around £50 for a Warwick District Council tenant.
- Reduction in the Overall Benefit Cap: The total amount of benefits that a household can receive will be reduced from £26,000 to £20,000 outside London. These changes are likely to impact most on families with three or more children.
- Freezing of Benefit and Tax Credits: Some social security benefits and certain elements of Working and Child Tax credits will be frozen for four years from 2016. This could lead to a real terms reduction in income for affected people depending on inflation levels.
- Pay to Stay: Increases in rent may be challenging for some tenants of the Council and housing associations to adjust to which may in turn lead to rent arrears as the changes become embedded.

The Council will now start to review and revise its Housing Revenue Account Business Plan in response to these changes. Because not all the details of the changes are known, this may result in the Plan having to be revised more than once over the next year. The review will consider how to maintain the long term viability of the landlord service which in turn will require consideration of the balance between competing investment options – new homes, maintenance and repair of existing properties and estate management.

Housing Related Support

Warwickshire County Council has reviewed the Housing Related Support (HRS) budgets and as a result the budgets have been reduced by approximately 50%. There will be a number of services that will no longer be funded and reductions in other areas. Currently funding is provided for HRS for people living in WDC's designated sheltered and frail elderly accommodation. Funding is also provided

for tenants living in designated properties benefiting from community alarm services as well as a floating support (support that is linked to the person and not their home – the team providing the services are mobile and travel between residents) and resettlement officer for homeless families. We are currently reviewing options for continuing to deliver such services and a report will be presented to the Executive in January 2016. The County is also embarking upon a programme of commissioning and decommissioning services. This could lead to a reduction in the availability of support and supported accommodation available for residents in the District, which may lead to an increase in demand for advice and assistance from WDC.

Estate Management

Cyclical visits

The Sustaining Tenancy Team has started to carry out cyclical visits to all our properties. The visits are not just about the management of our stock but picking up specific issues, such as vulnerabilities due to age or ethnicity, mental health issues, anti-social behaviour including domestic violence, health issues and any financial concerns that could impact on a tenants ability to pay their rent. If we can identify any problem with their current housing situation early, we are able to ensure that we make the relevant referrals to support the tenant to sustain their tenancy with the relevant interventions. We are currently working on a 3 year cycle to visit all of our tenants by the end of 3 years. We want to make this visit count and reopen the communications with our tenants.

Tenants Incentive Grant Scheme

Executive have agreed to close the Tenants Incentive Grant Scheme from 20th December 2015. It will be replaced with a revised Resettlement Service which will be available to Council tenants who are affected by the under-occupation charge and who are downsizing to a smaller property, it will also be available to persons with a disability who is moving to a property that is already adapted to suit their needs. The service will allow a tenant who fulfils these definitions to benefit from services up to £1000, to include arranging removals, new carpets and curtains, decoration of property, refitting of white goods.

General Fund Savings

The Council's Medium Term Financial Strategy identifies significant savings to be achieved. Housing & Property Services have reviewed how it is able to contribute towards achieving the required level of savings whilst maintaining increased demand for statutory services including homelessness and private sector housing enforcement.

Housing and Property Services have as part of this work reviewed how the Council can more efficiently procure energy for all its buildings, with changes to be introduced to make savings – subject to global energy prices – from April 2016 onwards. Proposals have also been developed to reduce the energy that the Council uses, for example by reducing temperatures in buildings.

Any areas you believe that the Overview and Scrutiny Committee might usefully examine/scrutinise to help.

The Housing Advisory Group has been established to enable elected members to consider and advise Housing & Property Services on policy and practice relating to the way the Council discharges its duties and responsibilities. It will provide an opportunity for Members and officers to share their experiences of receiving and providing services to inform and shape service development and delivery. Its first meeting has taken place in November 2015 and it was agreed the groups' initial priorities will be around the repairs and maintenance service and the housing business plan.