

Agenda for Housing Review Board

Thursday, 10 March 2016; 2.30pm



[Members of the Committee](#)

Venue: Council Chamber, Knowle, Sidmouth, EX10 8HL

[View directions](#)

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- 1 [Public speaking](#)
- 2 [Minutes for 14 January 2016](#) (pages 3 - 9)
- 3 Apologies
- 4 [Declarations of interest](#)
- 5 [Matters of urgency](#) – none identified
- 6 To agree any items to be dealt with after the public (including press) have been excluded. There are no items that officers recommend should be dealt with in this way.

Part A Matters for Decision

- 7 **Housing Review Board forward plan** (page 10)
Strategic Lead, Housing, Health and Environment
- 8 **Rent setting for 2016/17** (pages 11 - 20)
Rental Manager
- 9 **Gas servicing contract** (pages 21 – 23)
Property and Asset Manager
- 10 **Response to Tenant Scrutiny Panel on tenant participation** (pages 24 - 37)
Landlord Services Manager
- 11 **Housing Review Board annual report** (pages 38 - 42)
Democratic Services Officer
- 12 **New void performance calculation** (pages 43 - 45)
Information and Analysis Officer
- 13 **Home Safeguard annual report** (pages 46 - 59)
Strategic Lead – Housing, Health and Environment

- 14 **Right to Buy receipts spending** (pages 60 – 66)
Housing and Enabling Officer
- 15 **Selling off the stock – Policy fact sheet & Chartered Institute of Housing report**
(pages 67 - 78) Strategic Lead – Housing, Health and Environment
- 16 **Estate Management Service Review Group report** (pages 79 - 81)
Pat Rous, Tenant Lead – Estate Management Service Review Group

[Decision making and equalities](#)

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EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Housing Review Board held at Knowle, Sidmouth on 14 January 2016

Attendance list at end of document

The meeting started at 2.30pm and ended at 4.52pm.

***49 Public Speaking**

Councillor Pauline Stott, Chairman of the Board welcomed all those present and invited everyone to introduce themselves. Councillor Douglas Hull asked whether there would be any effect on East Devon District Council resulting from the Government's recent announcement that they would be demolishing some council estates and rebuilding them. The Strategic Lead – Housing, Health and Environment replied that he thought it was unlikely that EDDC would have any involvement in this.

***50 Minutes**

The minutes of the Housing Review Board meeting held on 5 November 2015 were confirmed and signed as a true record.

***51 Declarations of Interest**

Mike Berridge: Personal interest - family member lives in a Council owned property; housing tenant.

Julie Bingham: Personal interest – employee of Devon and Cornwall Housing.

Joyce Ebborn: Personal interest - housing tenant

Cllr Steve Gazzard: Personal interest – housing tenant

Cllr Ian Hall: Personal interest – family member lives in a Council owned property and uses Home Safeguard

Sylvia Martin: Personal interest – housing tenant.

Harry Roberts: Personal interest – housing tenant.

Pat Rous: Personal interest - housing tenant.

***52 Matters of urgency**

There were no matters of urgency identified.

53 Energy South West initiative

The Board received a presentation from Neil Biddicombe and Thomas Storey from Advantage South West (ASW) on the Energy South West scheme, how the project had been developed and what the advantages would be for tenants and the organisation.

ASW have recognised that fuel poverty is a major issue for social housing tenants and have been keen to work with members to look at this and wider issues. As a result ASW teamed up with the energy supplier OVO and have formed the initiative Energy South West. The presentation outlined the benefits to tenants of switching to Energy South West as their main supplier. The main benefits of the scheme included:

- A 'local' tariff that would be consistently low and available to non internet users,
- Excellent customer service,
- No tie-ins,
- Access to Warm Homes Discount
- Smart Meters as an option

The Board were asked to support the project so that the Council could promote the benefits of the scheme to tenants.

The project also included the switching of energy supplies in void properties to OVO (this was currently undertaken by British Gas). The Property and Asset Manager reported that this would be considered at a future point following the initial launch of the void service, reflecting on the experiences of other housing providers. The current arrangement with British Gas worked well, but it was important to consider reputational factors of setting tenants up on a tariff that showed lower levels of customer service and having a more expensive option than rival energy suppliers.

RECOMMENDED:

1. that the project be supported and encouraged and the benefits of the scheme be advertised to tenants.
2. that consideration of the transfer of the management of void properties to Energy South West be deferred until after the pilot has taken place and the results are available for the Board.

54 Start time of Housing Review Board meetings

The start time of HRB meetings was changed from 6pm to 2:30pm in May 2015 for a trial period. Board members were asked to decide whether they wished the meetings to commence at 2:30pm, 4pm, or 6pm. A ballot of Board members was undertaken to determine the most popular option.

RECOMMENDED: that the Housing Review Board meetings start at 2:30pm for the 2016/17 civic year.

***55 Forward Plan**

The Strategic Lead, Housing, Health and Environment presented the forward plan and advised Members that the forward plan would act as a reminder of agenda items to come forward to future meetings. Members were reminded that they could add further issues to the next forward plan by informing either himself or the Democratic Services Officer.

RESOLVED:

1. that the forward plan be noted
2. that a Task and Finish Forum be established to consider the 30 year Housing Revenue Account Business Plan. Membership of the TaFF would include Councillor Stott, Pat Rous, Christine Drew, Councillor Douglas Hull, Harry Roberts and Mike Berridge.

56 Draft Housing Revenue Account budget 2016/17

The Strategic Lead – Housing, Health and Environment's report provided the Housing Review Board with details of the draft Housing Revenue Account for 2016/17. This account showed the main areas of anticipated income and expenditure on landlord activities for the year ahead. Producing a Housing Revenue Account was a statutory requirement for Councils who managed and owned their housing stock, and therefore a key document for the Board to influence.

2012/13 saw the major reform to social housing finance and a move to self-financing, which involved the Council taking on debt rather than paying a subsidy to government from tenants' rents. As a result, a healthy HRA balance was showing going into the new financial year. The budget had been produced in accordance with Housing Revenue Account Business Plan assumptions.

The Council had a timetable for the production of its budgets for 2016/17, which involved the development of draft estimates and scrutiny by various member and officer groups. This report presented an opportunity for the Housing Review Board to input into this process.

Members raised various issues including:

- the door replacement programme,
- estate inspections and tenant involvement,
- garage rents,
- retention of Right to Buy receipts and the struggle to match fund receipts,
- tenant participation grant,
- potential housing development at Axminster,
- legionella testing,
- road repairs and off street parking,
- damp proofing and damp penetration to properties.

RECOMMENDED: that the 2016/17 Housing Revenue Account be approved.

57 Draft Housing Service Plan 2016/17

The Strategic Lead – Housing, Health & Environment’s report presented the draft Service Plan for the Housing Service covering the period 2016-2017. The Service Plan was produced annually and sets out the key achievements over the past year and the forthcoming issues to be faced by the Service. A range of Service improvements were identified, performance data reported, consultation proposals outlined, budget information provided, and so on.

The Service Plan was presented in draft form for the Board’s consideration.

RECOMMENDED: that the Housing Service Plan for 2016-17 be approved.

58 Asbestos policy update

The Property and Asset Manager’s report outlined the progress that had been made in relation to the management of asbestos within the housing stock.

In November 2014 members agreed the revised asbestos policy and procedures. This document would be reviewed on an annual basis in order to reflect good practice and consider any changes in legislation. In November 2015 members agreed to a 2 year programme to capture all remaining management surveys across the Council’s housing stock. This information would then update the Asbestos Register, which the Council was required to hold to ensure it had up to date information in relation to where asbestos was present across the housing stock.

RECOMMENDED: that the revised Asbestos Management Plan and procedures applicable to Council homes be approved.

59 Repair timescales

The Property and Asset Manager’s report asked the Board to consider the success of a pilot project which introduced changes to the housing repairs priority timescales and appointment system. The changes were made in line with the Systems Thinking approach to service delivery with the following purpose ‘to do the right repair at the right time, get it right first time, and stay fixed’.

Previously, when a tenant reported a repair, a works order was issued with a timescale for completion and then the contractor contacted the tenant to arrange an appointment within that deadline. Five timescales were used.

Following approval to trial a new way of operating (doing what matters for the customers) the timescales had been changed to offer just two repair timescale options;

a. Emergency priority (E) – contractor on site within 2 hours and work complete or made safe within 4 hours.

b. Routine priority – all repairs other than (E) priority. The day/time to be agreed between the tenant and the contractor. The repair should be completed within 30 days. This offered tenants more flexibility and control around appointment times, simplified the process and reduced costs.

The Property and Asset Manager reported that although satisfaction levels were high there were a couple of areas to improve upon. Further efficiencies could be found, but overall tenants and contractors were happy with the arrangements.

Councillor Hall thanked the Property and Asset Manager for her report and gave an example of excellent repairs service, which had been received on Boxing Day.

RECOMMENDED: that following the completion of the pilot project changes be implemented to priority repairs timescales to improve the system further.

60 Extension to handy person scheme

The Board received a report from the Property and Asset Manager in November 2015 on the success of the first two months of the trial handy person scheme and agreed to extend the trial across the whole district. The trial scheme was currently open to all tenants in sheltered accommodation, all tenants over 70 years of age or with a disability, and all tenants on the individual garden maintenance scheme.

The pilot scheme was being carefully monitored with tenant feedback and how it was helping people to stay in their homes, as well as being evaluated for financial viability. A further £50,000 was requested for a six month extension to the scheme, which would allow the housing service to fully assess the uptake of the scheme by tenants.

A further report would be brought to the Board with proposals on how to progress the handy person scheme, following a careful review of the trial.

RECOMMENDED: that the handy person scheme be extended for a further six months until the end of August 2016.

61 Garage review

The Housing Project Officer's report provided the Board with an update on progress on the agreed actions following the Garage Task and Finish Forum, and recommendations for further action to be taken.

Progress, albeit slowly, had been made on the sites identified with development potential following the last report to the Board in September 2013. Officers would continue to work up schemes on sites with development potential. However, there was a need to be mindful following the announcement of rent reductions of the cost of doing this, where funding would come from to build these schemes, and the level of housing need in the areas concerned.

The report recommended that a number of rural garage sites be sold. In areas where little or no income was being generated by the garages and repairs were not being carried out, if they continued to be left the garages would deteriorate further and lose value. The Council would be taking a more pro-active approach to trying to let some of the vacant garages. However, in some cases the poor state of repair to the garages prevented the garages being let at the current rent levels.

Councillor Douglas Hull made a specific request for the garage site at Prestor, Axminster to be evaluated and suggested alternative uses for the land.

RECOMMENDED: that the disposal of three rural garage sites at Bakers Mead, Shute, Plymtree and Luppitt be agreed.

RESOLVED: that the progress made to date be noted.

62 Pets policy and leaflet

The report of the Tenant and Communities Manager sought approval for the new pet policy and pet leaflet, which was in accordance with the Council's new tenancy agreement. The policy:

- defined the meaning of a 'pet',
- set out what was expected from tenants,
- gave details about running a pet related business from a council property,
- covered the burying of pets,
- explained how the Council would deal with complaints about pets,
- explained that there were a few properties that were deemed unsuitable for pets,
- gave the addresses of other helpful agencies.

RECOMMENDED: that the pet policy and draft pet leaflet be agreed.

63 Budget monitoring report

The Board was presented with a summary of the overall financial position on the Housing Revenue Account, HRA Capital Programme and the Business Plan for 2015/16 at the end of month eight (November 2015).

Regular monitoring was intended to highlight any areas of concern or unforeseen expenditure in the HRA and associated capital programme, enabling corrective action to be taken as required. Any variances would be reflected in the Business Plan.

Current monitoring indicated that:

- The Housing Revenue Account Balance would be maintained at or above the adopted level.
- The position on the HRA Business Plan remained healthy.

The Housing Accountant reported that a few over and under spends had been identified but it was looking likely that the HRA would come in on budget. She warned that although previously the Council had been ahead of schedule spending Right to Buy receipts, time was now getting tighter and members needed to be aware of this. The Housing Enabling Officer explained that the Council had to more than match fund Right to Buy receipts by 70%. He would be reporting to Senior Management (SMT) on options to avoid handing back the 30% Right to Buy receipts (with interest) to Government.

The Strategic Lead – Housing, Health and Environment added that it was the Council's ambition to provide more housing but highlighted the issue of its ability to fund the 70% required. He added that it was important to build properties in areas where they would then be easily rented out. Any future developments must be self-financing and must not add to the HRA financing problem.

It was suggested that Overview Committee should review these strategic planning issues.

RECOMMENDED: that Overview Committee consider the strategic planning issues relating to how and where the Council should build future affordable housing.

RESOLVED: that the variances identified as part of the HRA revenue and capital monitoring process up to month eight be noted.

Attendance list

Present:

Cllr Pauline Stott (Chairman)
Cllr Megan Armstrong
Cllr Ian Hall
Cllr Douglas Hull

Co-opted tenant members:

Pat Rous (Vice Chairman)
Mike Berridge
Joyce Ebborn
Harry Roberts

Independent community representatives:

Julie Bingham
Christine Drew

Officers:

Sue Bewes, Landlord Services Manager
Emma Charlton, Housing Projects Officer
Mark Dale, Senior Technical Officer - Day to Day Repairs
Amy Gilbert, Property and Asset Manager
Mike Glendenning, Asbestos Surveyor
John Golding, Strategic Lead - Housing, Health and Environment
Paul Lowe, Housing Enabling Officer
Andrew Mitchell, Housing Needs & Strategy Manager
Giles Salter - Solicitor
Alethea Thompson, Democratic Services Officer
Melissa Wall, Housing Projects Officer
Mandy White, Accountant

Also present:

Cllr Jill Elson, Portfolio Holder – Sustainable Homes and Communities
Cllr David Barratt
Cllr Steve Gazzard
Sylvia Martin - Tenant Scrutiny Panel

Neil Biddiscombe – Procurement Manager, Advantage South West
Thomas Storey – Resident Cost Manager, Advantage South West

Apologies:

Angela Bea - tenant
Cllr Tom Wright

Chairman Date.....

HOUSING REVIEW BOARD – FORWARD PLAN

This forward plan identifies reports and other agenda items for future meetings of the Housing Review Board. It is also intended to assist agenda management and act as a reminder of items to come forward to future meetings.

Report title	Meeting date	Author
Rent setting for 2016/17	10 March 2016	Rental Manager
Gas Servicing contract	10 March 2016	Property & Asset Manager
Response to Tenant Scrutiny on tenant participation	10 March 2016	Landlord Services Manager
Estate Management – Service Review Group annual report	10 March 2016	Chair Service Review Group
Housing Review Board annual report	10 March 2016	Democratic Services Officer
Voids	10 March 2016	Information & Analysis Officer
Home Safeguard annual report	10 March 2016	Strategic Lead – Housing, Health and Environment
Selling off the stock – Chartered Institute of Housing report	10 March 2016	Strategic Lead – Housing, Health and Environment
Options for the use of Right to Buy receipts	10 March 2016	Housing Enabling Officer
Quarterly performance reports and regular report		
Responsive repairs	Quarterly report	Asset and Property Manager
Letting of Council homes/voids	Quarterly report	Housing Needs and Strategy Manager
Devon Home Choice	Quarterly report	Housing Needs and Strategy Manager
Rent management	Quarterly report	Landlord Services Manager
Systems Thinking leading & lagging measures New Tenants Survey	Quarterly report	Strategic Lead – Housing, Health and Environment
Forward Plan	Every meeting	Strategic Lead – Housing, Health and Environment
Formal Complaints	Annual report	Housing Needs and Strategy Manager
Benchmarking survey	Annual report	Strategic Lead – Housing, Health and Environment
Evaluating the achievements of the Board	Annual report	

Board Members can propose agenda items during meetings/debates that can be included on the Forward Plan for future meetings, or outside the meetings with the agreement of the Chairman and Vice chairman.

Report to: **Housing Review Board**

Date of Meeting: 10 March 2016

Public Document: Yes

Exemption: None



Agenda item: 8

Subject: **Government announcement to give a year-long exception for supported accommodation from the 1% rent reduction in the Social Rented Sector.**

Purpose of report: To outline the financial details and implications of this exception how it will impact on our supported tenants in sheltered housing.

Recommendations: **That the Housing Review Board approve the recommendation to increase rents on supported accommodation as per the Government's announcement.**

Reason for recommendation: In July 2015, the Government announced a change to the Social Rent policy that originally allowed rents to be increased by CPI (at September of the previous year) plus 1% commencing from April 2015 for a period of ten years.

A Government announcement in July 2015 changed the Social Rent policy to a 1% decrease every year for four years commencing in April 2016.

The reason for this latest announcement, to exempt supported accommodation from this rents decrease, is set out in a letter from Lord Freud, the Minister for Welfare Reform, to Lord Best. This letter recognises the important work that providers do to support some of the most vulnerable members of society. This one-year exception will also give Government time to study the evidence from the Supported Housing Review (findings from Spring onwards) and consider the longer-term solution for the supported housing sector.

An alternative option is not to apply the rent increase to support accommodation, but apply the decrease and lose approximately £103,880 in annual rental income.

Officer: Peter Richards, Rental Manager - direct dial: 01395 517444, email: prichards@eastdevon.gov.uk

Financial implications: The financial implications are included in the report and the HRA budget for 2016/17 has been amended accordingly.

Legal implications: There are no legal implications on which to comment.

Equalities impact: Medium Impact

Applies to all supported Council tenants

Risk: Medium Risk, approximately 65% of supported Council tenants receive Housing Benefit and will be unaffected by the rent increase. Housing Benefit will absorb any additional increase in rent. However, this increase comes at a time when we will be introducing the 1st part of the support charge for the sum of £2.92 per week from April 2016, but this service charge is not HB eligible. For this current year from April 2015, we also

introduced an Alarm Charge, £3.70 per week and an Enhanced Housing Management (EHM) charge £3.50 per week. The Alarm charge is not HB eligible, but the EHM charge is. The risk to tenants is one of affordability and I will cover this in more detail in the body of the report.

Links to background information:

Link to Council Plan: [Living in/ Working in /Enjoying/Funding this Outstanding Place](#)

1. Supported Housing Review

- 1.1 The letter from Lord Freud to Lord Best (**annex 1**) mentions that findings from the Supported Housing Review will start to emerge from spring 2016 and these findings will help to consider the longer term solution for the supported housing sector.
- 1.2 In the short term, the Government have announced a year-long exception for all supported accommodation from the 1% rent reduction in the Social Rented Sector.

2. Supported Housing Proposed Rent Increase

- 2.1 Social rents for supported housing from 4 April 2016 will be calculated on the Government's Rent Restructuring policy that is effective from April 2015, prior to the July 2015 1% reduction announcement. The policy bases increases on the Consumer Price Index figure at September of the previous year plus 1%. In September 2015, CPI was minus 0.1%. This then allows for a rent increase of 0.9%. Our rent limit letter from DCLG is appended as **annex 2**.

3. Rental Income

- 3.1 An increase of 0.9% on an average rent of £81.62 equates to 0.73p per week. With approximately 1290 sheltered units, a weekly increase of approximately £940.00 will be generated, giving an annual additional approximate income of £48,880. However, the gain from moving to an increase of 0.9% from a 1.0% decrease is approximately £103,880.

4 Impact on supported housing tenants

- 4.1 This rent increase comes at a time when we are part way through a phased introduction of service charges for supported housing. In April 2015 a charge for the Alarm service of £3.70 per week (not HB eligible) and an Enhanced Housing Management service charge of £3.50 per week (HB eligible) were introduced. From April 2016 half of the weekly service charge for Support, £2.92, will be introduced and from April 2017 £2.91 will be introduced, this charge is not HB eligible.
- 4.2 Supported tenants claiming HB will only pay the additional £2.92, half support charge, per week from April 2016, any increase in rent will be covered in full by HB. Supported tenants not claiming HB will pay an extra rent increase of 0.73p plus £2.92 half support charge, a total of £3.65. Approximately 65% of supported tenants claim HB, but for all supported housing tenants there is a free and independent financial advice and guidance service. Plus there is a hardship fund for those supported housing tenants that, from a free and independent financial assessment, are considered to be requiring financial payment.



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Lord Best
House of Lords
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27 January 2016

Dear Richard,

I would like to thank you for discussing the issue surrounding the reductions in social rents and for the helpful discussions we have had regarding supported accommodation. I recognise the important work that providers do in this area to support some of the most vulnerable members of our society.

I am keen to ensure that we use the Supported Housing Review to find workable and sustainable solutions for the supported housing sector, the taxpayer, and Government. Recognising the value of their expertise in making sure we get this right, I will work with supported housing providers as part of the review. We will build on the helpful meetings with such providers over recent months to ensure that the essential services they deliver continue to be provided, within the context of driving appropriate value for money.

In light of this, I will be able to announce today that the Government will put in place a year-long exception for all supported accommodation from the 1% rent reduction in the Social Rented Sector. As examples, this will include refuges for those fleeing domestic abuse, homeless provision, housing for ex-offenders, as well as supported housing for older and disabled people. I can also confirm that the one year exception will extend to housing co-operatives, almshouses and Community Land Trusts.

I believe this will give us time to study the evidence from the Supported Housing Review, which we will start to get findings from in the Spring, and consider the longer term solution for the supported sector.

In particular I would like to welcome the support of Homeless Link, St Mungo's, Riverside, the Amber Foundation and the YMCA with this approach and look forward to working with them on this over the coming months.

I am also grateful to you for our recent discussions on your concerns about bringing housing benefit for social tenants into line with housing benefit for people in private housing which will start to take effect from April 2018. With regard to this, we will put in place the appropriate protections for those in

supported housing. As we work towards implementation, DWP and DCLG will be working closely together, to make sure that the right protections are in place.

I welcome your continued support in understanding the needs of this sector during the Review.

Yours sincerely,

David

**LORD FREUD
MINISTER FOR WELFARE REFORM**



Department for Communities and Local Government

Local Authority Housing Directors / Chief Housing Officers

24 February 2016

Also for the attention of Chief Financial Officers / Accountants

Dear Colleagues,

I am writing to inform you, as a local authority owning housing stock, of your provisional weekly limit rent for 2016-17. This is set out in Annex A. The limit rent is used in the calculation to determine how much housing benefit subsidy you will receive from the Department for Work and Pensions under the rent rebate subsidy limitation scheme.

If you have any comments or questions about your limit rent, or about the process described below, please contact Kara Kashemsanta at kara.kashemsanta@communities.gsi.gov.uk by 7 March 2016. We will then issue final limit rents and share these with the Department for Work and Pensions, who will use these to inform publication of their Rent Rebate Subsidy Limitations circular to local authority (finance contacts) for 2016-17.

The data on social rent stock composition and value used to calculate limit rents are collected in the Local Authority Housing Statistics return. Stock data are taken from Section A, question 2; and property valuation data from Section A, question 3 (these data, which are the total value of an authority's stock as at January 1999 prices, are divided by the total amount of stock, to give an average local authority property value).

The Welfare Reform and Work Bill requires registered providers of social housing in England to reduce social housing rents by 1% a year from April 2016 for 4 years - from a frozen 2015/16 base line. This change means that, from 2016-17 until 2019-20, limit rents will be reduced by 1% per year (subject to any changes in the stock and value data reported by individual authorities) to reflect the new policy that will be introduced on 1 April 2016.

As announced by Ministers on 27 January, supported housing, including those provided by local authorities, will be subject to the one-year exception from the rent reduction measures during the first relevant year, whilst the Government completes a review of the longer term position for supported housing. While the exception is in place, authorities will, if they wish, be able to continue to apply the CPI+1% increases to supported housing in 2016-17 rent year. As under the current policy, the CPI used is as at September of the previous year. CPI was -0.1% in September 2015, therefore the recommended limit on rent increases for supported housing would be +0.9%.

As DCLG does not currently collect data on the number of each local authority's supported housing, it would not be possible to exclude them from the calculation of limit

rents. However, if at the end of the year some local authorities would otherwise be penalised because they exceeded their limit rents due to supported housing they own within the HRA, there is a derogation process whereby DWP will be able to consider granting full or partial exemption from subsidy limitation.

The latest Local Authority Housing Statistics data for 2014-15, can be found at:
<https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2014-to-2015>.

More information about the Local Authority Housing Statistics collection can be found at:
<https://www.gov.uk/government/collections/local-authority-housing-data>.

A summary of the methodology used to calculate limit rents this year is in Annex B.

Nick Atkinson
Head of Social Rent Policy
Right to Buy, High Value Assets, Housing Revenue Accounts and Rent Policy

Annex A

Limit Rents 2016-17 England

Local Authority	Limit Rent
Adur	£95.05
Arun	£92.39
Ashfield	£69.55
Ashford	£90.40
Babergh	£90.78
Barking & Dagenham	£99.58
Barnet	£109.13
Barnsley	£76.19
Barrow	£76.39
Basildon	£88.60
Bassetlaw	£73.68
Birmingham	£84.26
Blackpool	£72.86
Bolsover	£83.34
Bournemouth	£83.85
Brent	£118.16
Brentwood	£95.78
Brighton & Hove	£85.89
Bristol	£82.55
Broxtowe	£75.86
Bury	£78.07
Cambridge	£104.82
Camden	£123.26
Cannock Chase	£76.79
Canterbury	£89.85
Castle Point	£90.04
Central Bedfordshire	£103.58
Charnwood	£75.75
Cheltenham	£81.83
Cheshire West & Chester	£83.96
Chesterfield	£81.11
City of London	£110.18
City of York	£80.77
Colchester	£89.06
Corby	£80.28
Cornwall	£72.19
Crawley	£104.81
Croydon	£108.02
Dacorum	£110.54
Darlington	£72.38
Dartford	£91.19

Local Authority	Limit Rent
Derby	£80.01
Doncaster	£74.53
Dover	£85.70
Dudley	£84.30
Ealing	£103.37
East Devon	£82.48
East Riding	£80.52
Eastbourne	£81.00
Enfield	£103.17
Epping Forest	£101.12
Exeter	£76.67
Fareham	£92.27
Gateshead	£77.88
Gosport	£85.52
Gravesham	£91.10
Great Yarmouth	£76.33
Greenwich	£105.03
Guildford	£112.69
Hackney	£102.47
Hammersmith	£118.12
Haringey	£108.28
Harlow	£94.17
Harrogate	£82.14
Harrow	£115.72
Havering	£98.34
High Peak	£74.50
Hillingdon	£110.60
Hinckley & Bosworth	£79.89
Hounslow	£104.74
Hull	£76.54
Ipswich	£83.71
Islington	£121.74
Kensington	£130.53
Kettering	£82.99
Kingston upon Thames	£114.74
Kirklees	£71.15
Lambeth	£110.18
Lancaster	£78.69
Leeds	£75.21
Leicester	£73.28
Lewes	£91.07
Lewisham	£98.02

Local Authority	Limit Rent
Lincoln	£70.00
Luton	£88.37
Manchester	£74.34
Mansfield	£74.45
Medway	£83.38
Melton	£78.32
Mid Devon	£80.00
Mid Suffolk	£83.59
Milton Keynes	£87.28
North East Derbyshire	£82.85
New Forest	£101.17
Newark & Sherwood	£79.75
Newcastle upon Tyne	£76.70
Newham	£98.48
North Kesteven	£77.98
North Tyneside	£77.87
North Warwickshire	£89.24
Northampton	£84.86
Northumberland	£69.65
Norwich	£80.87
Nottingham	£76.49
Nuneaton & Bedworth	£79.23
North West Leicestershire	£80.28
Oadby & Wigston	£80.80
Oldham	£73.33
Oxford City	£111.13
Poole	£86.87
Portsmouth	£86.51
Reading	£106.85
Redbridge	£104.99
Redditch	£80.03
Richmondshire	£79.03
Rotherham	£77.24
Rugby	£87.85
Runnymede	£111.95
Salford	£74.88
Sandwell	£82.95
Sedgemoor	£79.01
Selby	£79.62
Sheffield	£73.30
Shepway	£82.83

Local Authority	Limit Rent
Shropshire	£82.94
Slough	£107.89
Solihull	£83.70
South Cambridgeshire	£109.20
South Derbyshire	£81.19
South Holland	£77.26
South Kesteven	£80.30
South Tyneside	£76.40
Southampton	£86.38
Southend-on-Sea	£87.66
Southwark	£110.04
St Albans	£115.38
Stevenage	£99.81
Stockport	£76.17
Stoke-on-Trent	£71.79
Stroud	£83.93
Sutton	£109.18
Swindon	£84.53
Tamworth	£81.71
Tandridge	£100.09
Taunton Deane	£83.70
Tendring	£84.96
Thanet	£82.46
Thurrock	£87.48
Tower Hamlets	£112.90
Uttlesford	£101.05
Waltham Forest	£104.13
Wandsworth	£127.29
Warwick	£95.80
Waveney	£79.52
Waverley	£115.80
Wealden	£85.62
Welwyn Hatfield	£108.07
West Lancashire	£77.64
Westminster	£126.30
Wigan	£78.52
Wiltshire	£89.33
Winchester	£103.21
Woking	£105.61
Wokingham	£117.89
Wolverhampton	£81.37

Methodology for calculating limit rents

Limit Rent

- The limit rent per dwelling for 2001-02 is given as a preset
- The limit rent for each subsequent year, from 2002-03 to 2014-15, is calculated as

$$L*(1+RPI+0.5\%) + (FR - L*(1+RPI+0.5\%)) / n$$

where L is the previous year's imputed limit rent

where FR is the formula rent

where n is the convergence term used to affect the average guideline rent increase, here the number of years remaining for convergence to be achieved

- An alternative calculation for limit rent per dwelling in 2009-10 applies to those authorities who chose to take up the amended offer. Under this scenario, for these authorities only, the limit rent for 2009-10 only is calculated as

$$L*(1+2.4\%) + (FR - L*(1+RPI+0.5\%)) / n$$

- The limit rent for 2015-16 is calculated as

$$L*(1+CPI+1.0\%)$$

- The limit rent for 2016-17 is calculated as

$$L-(L/100)$$

Formula Rent

- The formula rent for 2000-01 is $A*0.7 + B*0.3$

where A is $C*D*E$

where B is $D*H$

where C is the local authority's bedroom weighting factor, calculated as each archetype's bedroom weight multiplied by an authority's stock of that archetype, then summed across all archetypes and divided by the authority's stock

where D is the national average rent, April 2000

where E is the relative county manual earnings, calculated as F / G

where F is the local authority's county manual earnings

where G is the England average county manual earnings

where H is the local authority's relative property value, calculated as I / J

where I is the local average local authority property value, January 1999
where J is the England average local authority property value, January 1999

- The formula rent for 2001-02 is calculated as the previous year's value uprated by RPI + 1.0%
- The formula rent for each subsequent year, from 2002-03 to 2014-15, is calculated as the previous year's value uprated by RPI + 0.5%
- The formula rent for 2015-16 is calculated as the previous year's value uprated by CPI + 1.0%.
- The formula rent for 2016-17 is calculated as the previous year's value downrated by 1.0%.
- The formula rent for 2016/17 now equals the limit rent.

Notes:

- The baseline formula rent for each authority for 2000-01, which is uprated to give the latest formula rent ("FR" above), is calculated based on the authority's most recently reported stock composition and value data.
- This in turn means that the previous year's imputed limit rent ("L" above), and by implication all other previous limit rents with the exception of 2001-02, are calculated based on the authority's most recently reported stock composition and value data.
- For each year, the RPI used is taken from September of the previous year, so for 2014-15, for example, RPI for September 2013 (3.2%) was used. Similarly, the CPI used is taken from September of the previous year, so for 2015-16, CPI for September 2014 (1.2%) was used.

Report to: **Housing Review Board**

Date of Meeting: 10 March 2016

Public Document: No

Exemption: None

Review date for release None



Agenda item: 9

Subject: **Extension of current gas servicing contract until 1 October 2016.**
Update on partnership with Mid Devon District Council to jointly procure the new gas servicing contract under European procurement regulations.
Agreement to procure gas boiler upgrades through the Fusion 21 procurement Framework.

Purpose of report: This report requests approval to extend the existing gas servicing contract for a further 6 months until the 1 October 2016. Officers and tenants are generally happy with the performance and service provision of Robert Heath Heating, the current contractor. The current contract term was from 1 October 2010 for a four year period with the option to extend by up to two years on an annual basis.

Officers are currently in discussion with Mid Devon District Council to progress a partnering arrangement with regards to tendering both authorities gas servicing contracts at the same time.

Recommendation: **Members are asked to approve an extension to the existing gas servicing contract until 1 October 2016.**
To approve the proposals to tender the contract jointly with Mid Devon District Council in line with European procurement regulations.
Approve the use of Fusion 21 as a procurement framework for the boiler upgrade contract.

Reason for recommendation: The existing gas servicing contract ended on 30 September 2014 was extended further and approval is required to extend the contract for a further 6 months.

To procure the new gas servicing contract to commence October 2016 until October 2022

Officer: Amy Gilbert, Property and Asset Manager, ext 2578
agilbert@eastdevon.gov.uk

Financial implications: There is a budget of £500,000 in the current year and the same amount in 2016/17 for gas servicing. There is also £720,000 in the current year and £800,000 in 2016/17 for replacement boilers.

Legal implications: The Gas Safety (installation and Use) Regulations 1998 set out the Council's duty to its tenants in that inspections must take place once in a

12 month period. The Council has robust procedures in place working closely with Robert Heath to ensure that the requirements in the regulations are upheld and our properties are safe.

The procurement process for a new contractor must be commenced after the latest extension.

Equalities impact: Low Impact

Risk: Medium Risk

It is vital that we have robust gas servicing arrangements in place to protect tenants' safety and to meet our legal obligations.

Links to background information: • None

Link to Council Plan: Living in this outstanding place

1 Introduction

- 1.1 The Council let the gas servicing contract to Robert Heath Heating (RHH) on 1 October 2010. The tender process was undertaken jointly with Mid Devon District Council (MDDC). The Contract was initially for a four year period with the option to extend by up to two years on an annual basis.
- 1.2 As officers and tenants are satisfied with the performance of RHH and with their overall service provision, it is recommended that we extend the existing contract by a further 6 months until 1 October 2016. This is as a further extension to the first 12 month extension you approved in June 2014 and then an extension to the 6 months you approved in September 2015.
- 1.3 Following changes that you approved in January 2015 with regards to access arrangements to ensure we meet our target to inspect all of our properties on a rolling 11 month basis, we continue to monitor this area closely. Officers work with our contractors Robert Heath on a day to day basis to ensure full compliance in this important area of safety.
- 1.4 We have recently appointed an officer who is Gas Safe registered to our programmed works team, this has significantly strengthened our knowledge and expertise in this area and is another example of how we are taking no risks in relation to our approach to this important area of compliance.

2. Future contract position- Gas servicing

- 2.1 Following a successful partnering arrangement when the contract was re-tendered in 2010 we have again embarked on a joint arrangement with Mid Devon District Council to jointly procure the contract once again. Colleagues from both Authorities have been working closely to prepare for a joint procurement initiative that due to its significant value will be tendered at European regulation level. A joint approach has advantages for both organisations, primarily in order to drive the price down through volume procurement as well as the ability to share the workload that a contract of this size requires in terms of re-tendering.
- 2.2 The contract will once again be based on a 3 star service capturing servicing, maintenance and repairs of our boilers.

2.3 We are inviting tenders through the Supplying the South West Procurement portal. Due to the specialised nature of the contract we are not required to run a PQQ (pre qualification questionnaire) but can instead start at ITT (invitation to tender) stage. When evaluating tenders we will be scoring on the basis of a standard 40% quality and 60% price consideration breakdown. In addition to the set criteria, there will be a number of pass/fail questions. If applicants fail to meet the minimum standards they will not be considered further.

3 Boiler replacement contract

3.1 We have been able to use the current contract to satisfy the requirements of our boiler replacement programme. The 2015 boiler upgrade programme is now complete and officers are now in the process of creating a plan of properties that will feature in the 2016/2017 programme. We are committed to making boiler replacement a priority and we are pleased with progress we have made in this area.

3.2 Although the current arrangement has worked well, due to the value of the boiler replacement work we have been advised from a procurement perspective that such work should fall under a separate contract agreement.

3.3 We have successfully engaged with Fusion 21, a social enterprise company who specialise in large scale procurement for the public sector. As a Local Authority we can access the existing frameworks that have already been set up, which means we can benefit from excellent prices due to the size of the buying power Fusion 21 have in the sector.

3.4 We are aware of neighbouring authorities who have chosen Fusion 21 as a buying framework, this has worked well and contractors who have been appointed through this process are performing highly in all areas including tenant satisfaction, price and quality of installation.

3.5 It is our intention to enter into a 1 year contract (with the opportunity to extend for a further year) for replacement of boilers. We aim to replace around 300 boilers a year, obviously the more we can drive the price down the more boilers we will be able to replace.

4 Conclusion

4.1 The approach we take to gas safety has significant consequences for the Council and our recently revised access procedure demonstrates a zero tolerance approach to taking any risks with regards to ensuring our properties and consequently our tenants are safe. It is imperative that we have strong contracting arrangements in place to ensure all elements of this are managed correctly. Failure in this area could result in action by the regulator.

4.2 Our close working relationship with Robert Heath Heating has been successful over the contract period and we believe a further extension to the contract is the best approach to ensure we are prepared for the re-tender of this contract.

4.3 We will work closely with colleagues at Mid Devon to ensure the best outcome for East Devon in terms of our new servicing contract. We will work jointly as part of the tender evaluation panel. Our Procurement Officer will also be involved in this process.

4.4 The results of the tender exercise will be presented to the Board as a confidential report (due to commercial/ financial sensitivity), it is likely this will be presented to the September 2016 Housing Review Board meeting ready for the commencement of the contract in October 2016.

Report to: **Housing Review Board**

Date of Meeting: 10 March 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 10

Subject: **Response to Tenant Scrutiny Panel report on Customer Recruitment and Involvement.**

Purpose of report: To respond to the recommendations of the Tenant Scrutiny Panel as presented to the Housing Board at their meeting of 5th November 2015 and in relation to their review of customer recruitment and involvement.

Recommendation:

- 1) To note the items under S2 and S3 of this report that represents recommendations of the Tenant Scrutiny Panel that have been incorporated into our Resident Involvement Work Plans.
- 2) To engage our Housing Project and Information & Analysis Officers to measure the social and monetary value created by resident involvement, and to show how involvement has influenced and benefitted the business as well as tenants generally.
- 3) To use the OpenHousing management system to gather tenant profiling information into the future.
- 4) That the decision on employment of a second full time resident involvement worker be taken by the Housing Service Management Team in April, who will consider this post alongside the other new posts requested across the Service.

Reason for recommendation: To take notice of the views of our customers and improve the service as a result.

Officer: Sue Bewes, Landlord Services Manager, ext 2200.
sbewes@eastdevon.gov.uk

Financial implications: The financial implications are stated in the report where appropriate.

Legal implications: There are no legal implications requiring comment.

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: • [Housing Review Board 5 November 2015, agenda item 8](#)

Link to Council Plan: Living in this outstanding place.

1 Introduction

- 1.1 The Tenant Scrutiny Panel (the Panel) have completed this, their third review, and presented their report 'Customer Recruitment and Involvement, The Good, The Bad, But never The Ugly' to the Housing Review Board on 5th November 2016. Today's report is the officer response to the Panel's report and aims to achieve the Panel's recommendations where practicable.
- 1.2 The response will set out those recommendations that are already being achieved, those recommendations that are quite straightforward and have now been added to our workplan, and finally those that need further discussion by the Board so that a position can be reached as to whether this recommendation can or should be acted upon.
- 1.3 Before moving to the Panel's recommendations there are some points to clarify within their report's 'What we found' section.
- 1.4 Contrary to the Panel's finding that there are 20 tenants involved in 17 different groups, there are in fact 235 involved tenants on our Key Players list. A number of these are involved in our 13 different groups, but many are involved in a less formal or regular way such as attending the tenant conference or taking part in training, proof reading, e-consultation, mystery shopping, the garden competition or a one-off focus group.
- 1.5 The Panel recommends that actual numbers instead of percentages would be a better way of creating a true and clear picture of performance/satisfaction, easily understood by all. Rather than use just one format we will move forward using both.
- 1.6 The report of the Panel shows their investigation into the change from the constituted Tenant Representative Group (TRG) to the less formal Tenant Involvement Forum (TIF) was incomplete. In fact meetings with the TRG were held over an 18 month period and minutes recorded showing that full discussions were had and the correct process followed. These have now been seen and accepted by the Panel.
- 1.7 The TRG evolved partly because it was not able to show that it added real value despite being very time consuming for staff to administer. The newly formed TIF takes little staff time to administer, most of the reporting now being completed by tenants. So far it has been very successful and is said by the Service Review Groups (SRGs) to add real value to the work they are doing.

2 Recommendations already being achieved

- 2.1 The following recommendations are already being achieved as part of our daily work involving tenants in the Housing Service. (I have kept the numbering from the Panel's original report within the table for easy referral back to their source document).

RECOMMENDATION ONE					
1.0	Make sure that effective tenant involvement (with a customer centric approach) is an expected part of everyone's job training budget				
	Further details	P 1	P 2	P 3	EDDC response
1.4	Work with the TIF to produce an annual programme of policy reviews/strategy development to be shaped in partnership with customers – and how they should be involved in these (eg focus groups, service review group,				Individual Service Review Groups report to the Housing Review Board annually so that the Board can hear first hand from them what each group is involved in, and comment on plans for the future.

	survey, TIF) – and make sure reports to HRB on such policies/strategies show what is being done differently as a result of customers' input			
1.5	Involve Customers in setting service standards and how housing-related decisions are made; ensuring a focus on value for money (right services to right people at right time at right cost = efficient delivery)			Annual report and Housing Review Board are examples of how this is done.
1.6	Involve Customers in local decisions in communities (increases customer satisfaction, lowers ASB, creates greater pride in area)			Examples of this happening are estate improvements such as Powell Close, Kendall House (ongoing), Nelson Drive, Bidmead Community Orchard – all involved tenants and the wider community. Animal and pet road shows and noise and energy efficiency road shows organised by tenants in different parts of the district invited all tenants in the vicinity to attend.

RECOMMENDATION TWO					
2.0	Make sure tenant involvement priorities are linked to the organisation's vision and objectives				
	Further recommendations	P 1	P 2	P 3	EDDC response
2.6	Make sure the Customer Involvement Strategy clearly links to the HRA Business Plan (and any other corporate objectives)				To be updated now that Scrutiny report completed. This was delayed at the request of the Panel.
2.9	Report back quarterly to the TIF on the spending of this budget so that they can monitor this and ensure it is being spent correctly – and report annually to other tenants via the annual report)				This will be done ½ yearly as agreed at TRG/ TIF.

RECOMMENDATION THREE					
3.0	Make customers central to decision making				
	Further recommendations	P 1	P 2	P 3	EDDC response
3.1	Actively seek out Customers' experiences of service delivery so that you are aware of the impact your services and service delivery has on them. Don't just rely on things like				We will continue to invite people who have made a complaint to get more involved in improving the service. This was most recently done for DTCP and EMSRG.

	Contractors' reply slips			
3.2	Trial Customer Experience Mapping, informal focus groups and continue to develop online/social media opportunities			Already in place and growing.
3.3	Make sure Customers' feedback gathered in these ways is reported to HRB so they can ensure agreed recommendations are fed into service improvement planning			Via TIF and SRG's.
3.4	Make sure this process is transparent by summarizing this feedback in Housing Matters magazine, Annual report plus web site/social media			These should not all contain the same information, we will continue though to provide summaries in a variety of ways and consider the appropriate method of delivery of the message each time.
3.7	Make sure Customers are given high quality (and timely) information (including access to independent advice) as well as access to training and support			Independent advice is available from TPAS, access to Housemark, training and conferences (usually provided by independent external provider). Scrutiny Panel has its own budget and can chose own independent support and trainer.
3.8	Support Customers to be able to 'challenge' East Devon effectively as 'critical friends'. Support staff to understand this is about improving services and is not personal			Training, access to conferences, on line facilities available and funded currently. Will continue if funding continues.
3.9	Get positive stories out in the annual report, web site, newsletters, events and via staff and involved residents			Agree and will continue to do so.
3.10	Develop ways of involving Customers who are not able to engage with traditional methods of involvement eg tenants with care and support needs			New open housing system will develop tenants portal which will provide tenants with a method of commenting and being involved without attending formal meetings or other events. Email involvement to be developed (& Housing Needs SRG to be revived) Tenants portal in phase 2 of Open Housing Use of social media such as facebook, twitter and instagram, vimeo to be reviewed during 2016.
3.11	Check to make sure customer involvement activities do not exclude any customers and are open to all			We need to reserve the right to manage customer involvement effectively and efficiently so may not be able to make every involvement activity available to every tenant.
3.12	Include options for on-line			Pilot in Housing Needs and was not

	involvement, either as stand alone or feeding into other groups				successful, new Open Housing system will provide tenant portal in phase 2.
3.13	Remember a week has seven days with 24 hours in each. Extend activities to include evenings and weekends				Some activities are carried out in the evenings and at weekends and more will be considered.
3.14	Promote the benefit involvement can have for Customers eg using life skills, gaining confidence, learning new skills, helping with access to education/employment (looks good on your CV); getting out and meeting people				This is already done by various teams, but agree more can be done so we will review this process.
3.15	Collect Customers' areas of expertise at sign up (or just after) and encourage them to use these skills as an active tenant.				EM team carry out New Tenant Visits after approx six weeks, in process of piloting CD this on for general needs tenants and a revamp of the form. CD will not only pick up on skills already there but pick up on tenants in need of support into work etc.

RECOMMENDATION FOUR					
4.0	Review existing structure to ensure groups' effectiveness, including no duplication of members/activities.				
	Further recommendations	P 1	P 2	P 3	EDDC response
4.1	Use the planned recruitment drive to ensure new members are brought into relevant groups and activities				Agree and in line with our present procedures.
4.2	Empower staff and Customers to work together to agree which/how many groups are needed to support staff to shape and improve service delivery, including agreeing service standards and any local offers. Ensure no duplication of activity				This happens through SRGs / TIF. Local offers and service standards developed and agreed this way.
4.3	Make sure this includes a range of ways (and times) for Customers to scrutinise, monitor, decide, influence, comment and feed back in a way that works (so keep trying things out and assessing how well each				Involvement map / chart to be updated.

	works). Sell the 'sizzle' (the difference tenants can make)			
4.4	Develop a clear tenant involvement structure with efficient communication flows, which offers a range of methods to collect and use tenant feedback eg informal as well as formal complaints; snap shot surveys; question of the week etc. Have options that can be completed from the time it takes to boil a kettle to influencing strategic priorities. Include time frames (eg 1 hour every month, email once a week, ½ hr every 3 months)			As in 4.3 above and 4.13 both documents are reviewed and updated on a regular basis.
4.5	Ensure each group is supported by a dedicated staff member who can support the group to be effective (rather than 'run' the group), provide information, find papers, take notes etc according to the needs of each group and to be a "friendly voice/face "			SRGs have a lead officer usually at manager level plus another officer who should support the group. SRG's should all be tenant lead and chaired by a tenant.
4.6	Allow for one-off groups (working parties) to develop as staff see the need for them (eg when reviewing a policy or /developing a new strategy			This is already done such as tenant handbook, transforming support services, etc.
4.7	Work with tenants to change tenant group names to sound positive and reflect their role (de-councilise description to something more meaningful to tenants)			If this is what tenant members of the group want – agree.
4.8	Use technology (email, facebook, instagram, twitter, skype etc) to facilitate easier contact between Customers and Customer groups (and council). Replicate this in Housing Matters as far as possible.			Review of social media to be carried out during 2016.
4.9	Develop a Customer Involvement Update web page for groups to inform tenants of their activities.			New Open Housing system tenant portal will facilitate this. We will ensure tenants can contact SRG chairs via CI/TP team.

	Make it possible for Customers to contact groups via this page. Replicate this in Housing Matters as far as possible				
4.12	“De-councilise” all terminology				Reading and editorial groups set up for this. All publications go through one of these groups changes made based on the recommendations received.
4.13	Develop a flow chart to show how communication will work – including decision making and feedback – from customers, through customer groups, to senior managers/HRB and back again				See 4.3 and 4.4.

RECOMMENDATION FIVE					
5.0	Develop an annual programme of ongoing activities to promote positive recruitment				
	Further recommendations	P 1	P 2	P 3	EDDC response
5.1	Develop and carry out a range of ongoing (and where appropriate, targeted) recruitment activities to ensure that Customer Involvement continues to grow. Develop these in partnership with existing involved customers. Find out which approaches work best currently				Recruitment is continuous through a number of different methods, we regularly get new people interested in getting involved, not all result in the person joining a group some attend conferences, training, enter garden competition etc.
5.4	Promote the (evidenced) success that effective customer involvement has created (using web site, social media and Housing Matters magazine) and ensure that all opportunities for involvement actually make a difference, rather than becoming ‘talking shops’				We will continue to do this and build on previous marketing.
5.6	Make better use of Social Interaction and Fun Days to identify tenants who might like to get involved. Consider inviting an interesting speaker to coffee mornings or holding events in soft play areas. Work				If a dedicated officer is appointed this will be in their JD to work over 7 days (attend fun days and festivals). We will continue to hold events in different venues, days and times to attract new people. Tenants associations invite speakers.

	with Customers to develop a range of creative approaches to recruitment and retention of involved tenants				We will encourage residents running coffee mornings etc to invite speakers.
5.7	Provide stands at conference, fun days and any community activities eg Sidmouth Folk Festival. Talk with people, don't just rely on handing out leaflets. Customers should be invited to man these stands along with staff				Promote through leaflets and fliers and if appropriate Customer Involvement / Tenant Participation Officer will attend tenant community activities if Community Development Worker does not have the capacity to talk involvement.
5.9	Be proactive in consulting with other housing providers to get information on best practice in recruiting and retaining active Customers				This is done regularly (often weekly) through Involvement Devon - at meetings, by email, phone and other networking opportunities.

3 Recommendations to be put in place

- 3.1 The following recommendations are to be put in place following the TSP review. Officers have met with tenants to discuss these and decide exactly how this will be achieved.

RECOMMENDATION ONE					
1.0	Make sure that effective tenant involvement (with a customer centric approach) is an expected part of everyone's job training budget				
	Further details	P 1	P 2	P 3	EDDC response
1.1	Make sure all staff understands the purpose and value of involvement and the role they play in making this happen. This will help to remove the perceived 'brick wall' between tenants and the Council				All Job Descriptions should currently have a clause in covering customer involvement and managers should ensure their teams are involving customers. Retraining will be delivered during 2016. This will be addressed with managers at HSMT.
1.2	Set targets for staff around Customer involvement (as appropriate to their role) and measure progress against this. Discuss this as part of staff appraisals and provide training as appropriate				This should be an integral part of the job and managers should ensure this is monitored through one to ones and Performance Excellence Reviews. An amount has been set aside in 2016/17 to run further training.
1.3	Change staffs' thought process and attitude by seeing tenants as 'customers'. This will change perspective and encourage a culture of more mutual respect. Include this in staffs'				See 1.1 and 1.2 This also needs to happen from the top down – managers should 'talk the talk' and 'walk the walk'.

	job descriptions				
1.7	Monitor performance annually against the Tenant and Council Partnership Statement, signed by EDDC and HRB and report on this to Customers in the annual report.				Tenant and Council Partnership Statement needs to be reviewed (delayed at request of the Panel for the duration of their review) and if necessary updated through TIF and HRB. TIF in August agreed to each SRG providing an annual report to HRB. Tenants through SRGs help shape local offers. SRGs to monitor local offers for their area.
1.8	Work with Customers to review the Tenant and Council Partnership Statement to ensure it includes the key commitments that need to be jointly delivered and reflect customers' needs and priorities. Include TIF as a signatory to reflect the tripartite responsibilities of this statement				As above.
RECOMMENDATION TWO					
2.0	Make sure tenant involvement priorities are linked to the organisation's vision and objectives				
	Further recommendations	P 1	P 2	P 3	
2.1	Work with Customers to develop a 'road map' to developing a true partnership relationship with tenants and to remove the feeling that 'tenants are expected to fit in with the council'				As above.
2.2	Work with Customers to agree the ways in which they can influence the HRA Business Plan, making sure that the priorities for tenant involvement flow from this, supporting Customers to be involved in key issues and objectives affecting them and the business. Include this in the business plan itself				Hold a service planning event that involves customers, as we used to until the last two or three years. See 2.7 below.
2.3	Work with all involvement groups to develop annual work plans for each group to ensure their priorities are met (and thereby supporting the HRA Business plan). Combine these into a collective annual Customers				Lead officer to facilitate for SRGs if not already done. Wider involvement work plan to be presented to TIF prior to HRB.

	involvement work plan and report against this quarterly to the HRB and tenants via the web site or newsletter				
2.4	Involve Customers in decision making at an early stage (not after decisions have been made) – and make sure papers to HRB show the contribution and changes that have been made as a result of their involvement.				Reports to the HRB should show the contribution and changes that have been made through consulting or working with tenants.
2.5	Involve Customers in designing and reviewing agreed policies and strategies from the outset and make sure papers to HRB show the contribution and changes that have been made as a result of their involvement				Project officer to draw up a procedure for updating, developing policies which should include customer involvement.
2.7	Ensure that involving customers is seen as an active part of business development, service planning and budget setting. This should be monitored by a senior manager and reported annually to the HRB and to tenants in their annual report				Responsible Officer Strategic Lead.
RECOMMENDATION THREE					
3.0	Make customers central to decision making				
	Further recommendations	P 1	P 2	P 3	
3.5	Look at current feedback opportunities (eg repairs satisfaction survey) and work with the Editorial Group (and other interested tenants) to ensure they include questions that customers wish to answer as well as those East Devon Homes wishes to ask				This will be done via SRG not Editorial Group.
3.6	Ensure groups are empowered to make a difference and their life skills and expertise are respected and utilised				Agree more needs to be done. Skills utilised for example as Tenant Inspectors, garden competition entrants and winners, healthy lifestyle (cooking, diet, and exercise) magazine.
RECOMMENDATION FOUR					
4.0	Review the existing structure to ensure groups' effectiveness, including no duplication of				

	members/activities				
	Further recommendations	P 1	P 2	P 3	
4.10	Restrict the number of groups Customers can be members of, to encourage diversity and increased representation				For discussion and guidance with TIF.
4.11	Remember that Resident Involvement leaflets are there to 'sell' resident involvement, so include what's in it for tenants and how East Devon Homes will support tenants involved before listing involvement options; stress that involvement will be appreciated by the council; include time commitment and use appropriate images. All involvement literature needs to be brightened up, with appropriate images (showing a little girl on a balance beam does not equate with Customers becoming more involved)				Review of literature to be carried out during 2016.

	RECOMMENDATION FIVE				
5.0	Develop an annual programme of ongoing activities to promote positive recruitment				
	Further recommendations	P 1	P 2	P 3	
5.2	Measure the success (or otherwise) of various recruitment approaches eg welcome pack, web site, social media, to see which ones work best across all age groups, customers' families (not just tenants named on the tenancy agreement), geography, gender etc				Agree to measure and carry out a review of different approaches.
5.3	Change the ethos, terminology and approach to see tenants as 'customers' to help reduce perceived 'us and them' culture				TIF to debate at next meeting.
5.5	Make better use of staff/contractor contact with customers to proactively identify those who may want to be involved. Ensure a robust process is developed				We will explore how best this can be achieved- staff training will include this.

	to respond to customers identified in this way, so they don't get forgotten			
5.8	Research the reasons why customers don't want to get involved/stay involved – and develop strategies, in partnership with Customers, to resolve these			Will research how best to achieve this and take action to do.

4 Recommendations to be discussed by the Housing Review Board

4.1 The following recommendations need to be discussed by the Board as they have financial implications, and particularly in light of the cut to the Tenant Participation Budgets that have been agreed by the Board for the coming year.

RECOMMENDATION TWO				
2.0	Make sure tenant involvement priorities are linked to the organisation's vision and objectives			
	Further recommendations	P 1	P 2	P 3

2.8	Make sure the Customer Involvement budget meets the needs of the collective annual customer involvement work plan				This is happening currently but must be maintained.
2.10	Develop a way to measure the value for money created (or not) by Customer involvement to show how involvement has influenced and benefitted the business as well as tenants generally. Report on this annually to HRB and tenants in the annual report				We will investigate further with a view to recording and evaluating our involvement activities and the outcomes of these, and most importantly the outputs.
RECOMMENDATION THREE					
3.0	Make customers central to decision making processes				
	Further recommendations	P 1	P 2	P 3	
3.8	Support Customers to be able to 'challenge' East Devon effectively as 'critical friends'. Support staff to understand this is about improving services and is not personal				It will be possible to continue to do this. Training, access to conferences, on line facilities available and funded demonstrate this.
3.16	Find out which communication methods Customers prefer to use – and use these to communicate with them				Could refresh Getting to Know You survey or rely on Open Housing to help us collect the data over a longer period of time.

3.17	Employ another full time Customer Involvement person to support the current role which gets bogged down in administrating to the groups. In this way, one can focus on promoting and developing effective Customer Involvement, whilst the other can focus on admin			If agreed by the HRB the post will be considered alongside others in Housing that are needed to run an effective service 24/7.
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5 Background to aid discussion

- 5.1 The recommendations at 4 above have budget implications which are pertinent to the recommendations the Board is asked to consider.
- 5.2 The budgets for the current year 2015/16 are shown below:
- | | |
|----------------------------|---------|
| Tenant Participation | £44,350 |
| Tenant Scrutiny | £ 5,230 |
| Tenant Conference | £ 3,290 |
| Community Initiative Grant | £ 6,000 |
- 5.3 This is the level of resource that has been required to support the activities detailed at section 2 above, although most of the Tenant Participation budget goes on production of the Housing Matters magazine that is sent out to customers three times a year, along with associated printing and postage costs. This costs around £16,000 (just over half the budget excluding recharges) and the remaining £14,000 is spent mostly on tenant training which is an essential element of effective tenant involvement.
- 5.4 On conferring with our fellow Housing providers across Devon we have discovered that the majority have an IT system that calculates social value arising from the numerous different activities with which tenants get involved, and in line with the investment they have made into each of the activities. Purchase of such a system is likely to cost in the region of £6,000 per annum for a landlord of our size, but would provide us with a facility that would calculate the social value arising from our investment in both tenant involvement and community development activities. However, we are in the fortunate position of having in-house project officers and information & analysis staff who may be able to gather some of this data for us internally, and I suggest this route be taken at least initially with the aim of identifying the social value of our involvement activities.
- 5.5 Some years ago we carried out a Getting to Know You survey with all tenants as part of an exercise called 'tenant profiling', but we were unable to store the information gathered and therefore it was of only limited value. We have often said we should run this survey again, and now that we have our OpenHousing management system within which to store all the data, we could usefully go ahead. It would be most helpful in many areas such as helping us to communicate with individuals in the way that they have identified as the best way for them, in helping us target resources where they are most needed, for example digital or employment training at those who really need it. The survey is likely to cost somewhere in the region of £12,000 but would provide us with a comprehensive view of our customers within the short term. An alternative and less costly approach would be to check key details with tenants at the end of each telephone call and use our OpenHousing management system to store these. Tenants could also use the Tenant Portal to update their own records as and when appropriate, although it would take us longer to gather the data and be able to rely upon it in a comprehensive way.
- 5.6 At the time of the scrutiny review it was assumed that much of the Tenant Participation Assistant's (TPA) time was taken up administering the various groups, and therefore it was

recommended that another full time customer involvement person be taken on to support the role. The Board may consider that this is not necessary now that the TRG is no longer in existence and the TIF, which generates very little administrative requirement, is in operation in its place. (See 1.6/7 above.) The SRGs are now run and supported by the front line teams so there is far less administrative strain being carried by the TPA than was previously the case. There are also a number of new posts where we are considering the business case across the service, and full discussion and prioritisation of these will be undertaken by the Housing Service Management Team at its April meeting.

Annual report of the Housing Review Board 2015/16

The Chairman and Vice Chairman of the Housing Review Board are Councillor Pauline Stott and Pat Rous, respectively.

The Board welcomed a new tenant representative member (Angela Bea) and two new independent community representatives (Julie Bingham and Christine Drew) at its September 2015 meeting.

A new start time of 2:30pm (instead of 6.00pm) for meetings was trialled this year. Members were asked in January 2016 to vote for their preferred start time for the following civic year and agreed to continue with 2.30pm meetings. Since meetings have been held in the afternoons there has been an increase in attendance by tenants and officers as observers.

Words from the Chairman

Another year has come to an end. This year we have had to say goodbye to some of our long standing committee members: the two independent community representatives Rob Finch and Julie Atkin and also two tenant members, Victor Kemp and John Powely. I thank them all on behalf of the Housing Review Board for all the work they did whilst on the committee. We have welcomed on to the Board two new independent community representatives, Julie Bingham and Christine Drew; new tenants Angela Bea and Harry Roberts; and Councillors Megan Armstrong and Ian Hall.

This year started well with aspirations of improving tenants' homes and increasing our housing stock, but our hopes were dashed when it was announced that we would lose 1% of the rents over the next four years. This has a damaging effect on our 30 year business plan, on the £84.5 million loan which we had to take on as part of the national housing debt. It equates to a loss of £7 million over 4 years.

This means we can only do limited things as we don't know what will happen after that. We have just set up a Task and Finish Forum to investigate what scope we have after our yearly loan is paid. For example, we have had to put on hold a decorating scheme until we can see how the funding goes.

We have just introduced the handy man scheme which has been piloted and proved so successful that it's now been extended across the district for all eligible tenants. This trial will last until August 2016.

I would like to thank the Tenant Scrutiny Panel for their excellent report on tenant recruitment and involvement. We hope that more tenants will become involved in the various tenant groups.

I would also like to congratulate the Tenants Conference team for an excellent day for tenants, officers and councilors. It was nice to meet you all.

Our community development team do wonderful work within our council estates and community centres. This year saw the first youth conference called 'The Shout', which was held for children of our tenants throughout East Devon. The team also hold 3 youth clubs called the Switch in Axminster, Honiton and Exmouth. I would also like to thank them for all the work that goes on within community halls and estates, including the Men's Shed in Exmouth.

This year we have sold 17 houses under the Right to Buy and have only replaced them with 1.

We have to sell 4 or 5 houses to build one as we only keep 40% of the money. The rest goes to the Government.

As you can see by the report we have had a very busy year once again and I would like to thank all tenants for paying your rents on time. Because of this we can upgrade your houses quicker.

At the moment we have 2397 people on the council house waiting list and had 139 affordable houses built - very much down on last year

Our thanks go out to the all the officers for the dedication to our tenants, especially John Golding. They certainly make a good team.

The Board

The remit of the Board covers:

- Advising the Cabinet on the Council's landlord activities and functions affecting tenants and leaseholders;
- Maintaining an active involvement in the on-going review of the options for the future ownership and management of Council owned homes, and to make recommendations;
- Promoting good practice and overseeing service improvements;
- Monitoring performance on core housing management activities and reporting to the Cabinet;
- Preparation of the Housing Revenue Account budget and Business Plan;
- Promoting tenant and leaseholder involvement and implementation of the Tenant Compact;
- Consulting with the Tenant Representative Group;
- Encouraging good practice in relation to equality and diversity issues, and ensuring that the needs of vulnerable tenants are satisfied;
- Advise on any other matters affecting the Council's landlord duties and responsibilities.

The Board has continued in its role of introducing service improvements and monitoring throughout the year, liaising with the Tenant Representative Group (TRG) as appropriate. Some examples from the HRB work programme are summarised below:

Draft Housing Revenue Account 2016/17

The draft Housing Revenue Account for 2016/17 was a key document for the Board to influence. The annual HRA was underpinned and influenced by the 30 year HRA Business Plan. 2012/13 saw the major reform to social housing finance and a move to self-financing, which involved the Council taking on debt rather than paying a subsidy to government from tenants' rents. As a result this showed a healthy HRA balance going into the 2015/16 financial year. The budget is produced in accordance with Housing Revenue Account Business Plan assumptions. The big issue for the 2016/17 budget setting was addressing the government's new social rent policy.

Rent reduction implications and policy

In September the Strategic Lead – Housing, Health & Environment explained the impact of one of the announcements contained in the Summer Budget on the Council's Housing Revenue Account (HRA) Business Plan, as well as the financial implications nationally. Government announced a 1% reduction in rents per annum for four years as part of the budget to assist towards achieving the savings required on the welfare budget. Council

representatives objected to the proposal and lobbied hard against the changes, to no avail. The Council's opposition to the 1% reduction was explained to the Board in November by the Strategic Lead – Housing, Health & Environment. He updated the Board on the damaging effect of a 1% rent reduction on the (HRA) Business Plan. The effect was particularly dramatic as the HRA Business Plan had presumed rent increases, so in real terms the reduction of rental income was far greater than 1%. As a result the HRA Business Plan needed to be reviewed to ensure future expenditure was aligned with reduced income expectations. In January the Board agreed to set up a Task and Finish Forum to review the HRA 30 year Business Plan.

Moving rents to target rents

The Board agreed to move rents at tenancy change to formula/target rent levels for new tenants, with effect from 30 November 2015. This would lessen the severity of the 1% four year reductions without affecting current tenants.

HRA financial monitoring reports

A summary of the overall financial position on the Housing Revenue Account (HRA), HRA Capital Programme and the Business Plan for 2015/16 has been regularly provided at meetings. Careful monitoring throughout the year indicated that the HRA was being maintained at/above the adopted level and the Business Plan position remained healthy. It was anticipated that the HRA would come in on budget. The Board were warned in January that the time scale for spending Right to Buy receipts was getting tighter.

Purchase of properties at Mudbank Lane, Exmouth

Early in the civic year the Board agreed that the purchase of 13 affordable rented dwellings at a development at Mudbank Lane, Exmouth, would be a desirable addition to the Council's housing stock. Funding from the HRA, commuted sum monies and Right to Buy receipts would be used to fund the purchase.

Revisions to introductory, secure and flexible tenancy agreements

A revised secure tenancy agreement was introduced and became effective on 1 January 2016. One tenancy document was produced which incorporated the introductory, secure and flexible tenancy agreements, ensuring that all the documents carried the same rights and obligations. Where the tenancy conditions varied due to the type of tenancy being used, these were clearly highlighted. Consultation outcomes and proposed changes were reported to the Board.

Tenant Scrutiny Panel report – customer recruitment and involvement

The Tenant Scrutiny Panel (TSP) presented their report to the Board, which had been undertaken to promote new thinking and re-energise tenant/customer involvement. The TSP made five recommendations, each with a number of sub recommendations. Officers agreed to review the TSP report and recommendations, and respond in a future HRB report.

Tenant inspectors

The Board agreed to a six month trial starting in July 2015 involving tenant inspectors working alongside the Property and Asset Management team in the void management of properties, acting as an additional resource. Details of the pilot scheme, including recruitment, training and monitoring were considered by the Board. The outcome of the review was awaited but it was anticipated that future approval would be sought for tenant inspectors to be a new addition to the tenant involvement strategy.

Repair timescales

A new repairs timescale was trialed, changing repair time scale options from five to two, in line with the Systems Thinking approach to service delivery with the following purpose 'to do the right repair at the right time, get it right first time, and stay fixed'. Following completion of the pilot project, changes would be implemented to priority repairs time scales.

Fire safety update

The Property and Asset Manager reported to the Board on how the Council was meeting current fire regulations in tenants' homes and communal areas. A 5 year programme of works in relation to fire safety was agreed.

Asbestos management survey and policy update

The Property and Asset Manager reported on progress in relation to the management of asbestos within the housing stock. The asbestos control procedure and management plan were reviewed and reported back to the Board. The Board approved a two year programme of works to ensure asbestos management surveys were carried out across the Council housing stock and approved the revised asbestos management plan and procedures.

Extension to handy person scheme

In November the Property and Asset Manager reported how successful the first two months of the trial of the handy person scheme had been. At this meeting the Board decided to extend the trial to a wider area and received an update report in January, when funding was agreed to continue the trial scheme for a further six months until the end of August 2016. The service provided free handy person service for specific tenants and carried out EDDC small scale repairs, under the value of £100.

Grounds maintenance TaFF final report

The Board received the final report of the Grounds Maintenance TaFF and supported its five recommendations. They recognised that the grounds maintenance service provided by Street Scene was good value for money and agreed that the amount paid from the HRA for the service should not change. The Estate Management Service Review Group's remit was extended to ensure tenant involvement in the grounds maintenance service. It was decided not to charge future freeholders/leaseholders of Right to Buy properties for grounds maintenance services. Garden licences would be considered at a future HRB meeting.

Garage review

A progress report was received on the agreed actions following the Garage Management Task and Finish Forum. Officers continued to work up schemes with development potential. Following the rent reduction announcements there was a need to consider where funding would come from to build schemes and the associated costs. A proactive approach would be taken to let some of the vacant garages. Three rural garage sites were recommended for disposal.

Longitudinal study

The Board agreed in November 2015 to replace the STAR survey with a longitudinal study to enable better collection of tenant satisfaction and performance data. The longitudinal study offered a new and improved research approach for collecting information on tenants' experiences and expectations of their homes and the services the housing service provides.

Energy South West initiative

The Board received a presentation from two representatives of Advantage South West on the Energy South West scheme, how the project had been developed and what the advantages would be for tenants and the Council. The Board supported the project and agreed that it should be encouraged and the benefits of the scheme should be advertised to tenants. However, the Board felt that consideration of the transfer of the energy supplier to void properties to Energy South West should be deferred until after the pilot had taken place and the results were available.

Draft Housing Service Plan 2016/17

The Service Plan is produced annually and sets out the key achievements over the past year and the forthcoming issues to be faced by the service. A range of service improvements were identified, performance data reported, consultation proposals outlined and budget information provided to the Board.

Other issues reviewed by the Board during the year have included:

- HRA Outturn report 2014/15 – final year end budget position and comparison against budgets set for the year.
- Annual report to tenants 2014/15 – demonstrated how much work was undertaken on tenants' homes and how this money contributed to the local economy. Widely distributed to tenants, staff and councillors during autumn 2015.
- Tenancy anti-fraud policy and tenancy anti-fraud strategy – approved.
- Pets' policy and leaflet – approved.
- Safeguarding vulnerable adults – policy refreshed in response to changes in legislation and learning.
- Homes & Communities Agency regulatory standards – information on standards expected in social housing and the HCA approach to regulating the sector.
- Membership of Advantage South West procurement consortium – 2014/15 savings noted and 2015/16 continued membership supported.
- Gas servicing contract – extended until March 2016.
- Provision of free and independent financial advice service for tenants – new contract to be entered into.
- Review of housing service complaints April 2014 – March 2015 – main messages and lessons learnt.
- Exmouth shared house update – information on position and progress for delivery.
- Extension request at a property in Exmouth – statement of need requested from Devon County Council Occupational Therapist before further consideration be given to alterations.
- 'Pay to stay' consultation for social housing tenants – Board's comments and concerns included in the Council's response to the Government consultation.
- Housing and Planning Bill – HRB alerted to implications of the Bill and kept updated.

Report to: **Housing Review Board**

Date of Meeting: 10 March 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 12

Subject: **New void performance calculation**

Purpose of report: The report outlines the changes made to how the performance indicator - average re let times - is calculated. This now reflects HouseMark's calculation and is more in line with Systems Thinking being a more accurate end to end measure ensuring we are producing a more comparable and meaningful statistic. The report compares performance using the 'old' and 'new' calculation to provide an understanding of the differences the new calculation will have on void performance. Using the new calculation re let times increased by approximately 5 days. Those teams involved in the void process are using this as an opportunity to scrutinise their work and establish how re let times might be improved.

Recommendation: **The Housing Review Board is invited to adopt the new void calculation.**

Reason for recommendation: To improve how we measure void performance.

Officer: Natalie Brown, Information and Analysis Officer, ext 1583
nbrown@eastdevon.gov.uk

Financial implications: There are no financial implications.

Legal implications: There are no legal implications.

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: • none

Link to Council Plan: Living in this outstanding place

1 Introduction

- 1.1 We constantly strive for better performance and using robust data helps us to determine how we are doing and supports service improvement. Strong performance management uses benchmarking where possible. Benchmarking is reliant on organisations using the same calculation to measure their performance. If not, then we are not comparing 'like for like' and this can lead to all sorts of problems.
- 1.2 With this in mind a recent internal scrutiny of our void performance indicators revealed there was a better and more accurate way of calculating average re let times which will ensure we compare better with others. It is argued that we should change the calculation to provide a more meaningful representation of void turnaround times, make it comparable with other landlords and HouseMark's calculation, and support the Systems Thinking approach of producing end to end performance measures.

2 Void Standard

- 2.1 All landlords have standards which they bring their homes up to prior to letting. This standard varies greatly. In some cases the standard is only to undertake the necessary legal safety checks on gas and electricity before reletting. Others, including ourselves, have a standard that includes undertaking improvements, including significant major works (e.g. new kitchen, bathroom, heating system to bring homes up to the decent home standard). This void standard was introduced in 2014 and the decision was made that the risk of increasing void re let times was better than turning the void around quickly, and then undertaking any major improvements and repairs once the tenant had moved in. Asbestos surveys and fire risk assessments are also an integral part of the void turnaround process which impacts on void re let time.
- 2.2 Many landlords strive to turnaround their voids quickly, primarily to minimise rent loss due to the property being empty, and to achieve impressive performance data. However, due to the amount of work we carry out during the void in order to reach the void standard it is important we separate those properties undergoing major works and those that are not when calculating the average re let times. This will enable us to compare much more usefully with others and to also have a better understanding of void turnaround times. However, it's worth recognizing that even on our 'standard' re let properties we do more work than many other landlords.

3 Average re let time definition and calculation

- 3.1 The performance indicators we use to measure re let times are not new. The indicators measure the average end to end time (in calendar days) to re let vacant properties during the period benchmarked. The number of days vacant of a re let is the number of days between the tenancy end date and the tenancy start date (consistent with the Systems Thinking approach).

There will be 3 key performance indicators looking at average re let times:

- Average re let time in days (standard re lets only)
- Average re let time in days (major works units, including time spent in works)
- Average re let time in days (all re lets, including time spent in works).

Note that certain types of lettings are excluded; mutual exchanges, successions.

- 3.2 These three performance indicators will provide us with an accurate insight into the turnaround times for different types of voids helping us to improve the void process.

4 Void Performance – using the new calculation

4.1 Table 1 compares average re let times over the past three years using the 'new' calculation and the 'old' calculation.

	New Calculation		Number of re lets	
	Major work re let time (days)	Standard re let time (days)	Major work re let time (days)	Standard re let time (days)
2015-2016 YTD	55.3	30.1	71	152
2014-2015	55.9	29.9	91	184
2013-2014	59.2	30.9	55	211
2012-2013	54.4	31.1	43	204

	New Calculation	Old Calculation
	Standard re let time (days)	Standard re let time (days)
2014-2015	29.9	23.0
2013-2014	30.9	24.6
2012-2013	31.1	18.7

4.2 As you can see from table 1 since 2012 the number of major work re lets has increased significantly (in line with the introduction of the 2014 void standard).

4.3 The new calculation shows a significant increase in days compared to the old calculation. However, it is argued this is more accurate reflection of the void turnaround times. It is also worth noting that performance remains consistent (approx 30 days) for the past 3 years when using the new calculation despite the introduction of the new void standard.

5 Void Performance Indicators

5.1 Going forward the void performance indicators below will be used to measure and monitor the performance of the void process. These include:

- Number of re lets that underwent major works
- Number of re lets
- Number of units vacant and available for letting at period end
- Number of units vacant but unavailable for letting at period end
- Average re let time in days (standard re lets only)
- Average re let time in days (major works units, including time spent in works)
- Average re let time in days (all re lets, including time spent in works)

5.2 Teams will also be provided with further and more detailed statistical information on the different aspects of the void process e.g. the time taken for the repairs, to encourage them to explore possible areas for improvement.

6 Conclusion

6.1 To conclude, the new calculation increases re let times but this is a more accurate and reliable way of measuring average re let times.

6.2 Using the new calculation we see that since 2012 void re let times have slightly improved. This is an opportunity for teams to scrutinise their role in the void process and for further improvements to be made and continue to decrease void re let times.

Report to: **Housing Review Board**

Date of Meeting: 10 March 2016

Public Document: Yes

Exemption: None

Review date for release None.



Agenda item: 13

Subject: **Home Safeguard annual report 2014/15.**

Purpose of report: To be aware of the performance of Home Safeguard over the past year and key achievements alongside priorities for the service.

Recommendation: **To approve the Home Safeguard annual report for 2014/15.**

Reason for recommendation: To keep the Housing Review Board apprised of the performance of the Home Safeguard service that forms a critical part of our housing support off to tenants and other customers.

Officer: John Golding – Strategic Lead – Housing, Health & Environment.

Financial implications: The financial implications are included in the annual report.

Legal implications: There are no legal implications requiring comment.

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: • None

Link to Council Plan: Being an outstanding council.

1 Home Safeguard annual report

1.1 Home Safeguard is a key part of our housing service for tenants in sheltered housing and has a significant private sector customer base. Home Safeguard provides a 24/7 community alarm service based on a telephony system with telecare and telehealth capabilities.

1.2 The service has been operating for over 25 years and is a lifeline for many customers enabling them to remain independent and providing their families with reassurance that assistance is easily accessible.

1.3 We monitor Home Safeguard performance closely to ensure that we provide an outstanding service to our customers. For the last few years we have produced an annual report highlighting the key achievements of the service during the year. Our latest annual report is shown in **annex 1**.

- 1.4 You can see from the report that we are achieving a high level of customer service. There is always room for improvement and we put great emphasis on being reliable, professional, caring and friendly. Most of our customers are older or disabled, and many have a vulnerability that we need to appreciate and cater for. The service is an integral part of our sheltered housing offer.
- 1.5 We have kept the annual report brief, focusing on what we consider to be the main features of the service.



Annual report 2014/15



HOME SAFEGUARD

From East Devon District Council

Foreword

Welcome to this our fifth annual report from which you will see that the service is valued by our customers, who are our most important people.

Because the service is provided in peoples' own homes they can stay independent for as long as possible and still feel safe, as someone can be called at the press of a button.

As well as the personal alarm unit and pendant Home Safeguard also provides additional sensors to help people in difficulties: pill dispensers, falls detectors and other items. Just call and our staff will come and see you to discuss other options which might help you.

I am very proud of the service and especially the people who answer the phones and visit our customers.

Jill Elson

*Cabinet Member for Sustainable
Homes and Communities*

Background

Home Safeguard Alarm Services is run by East Devon District Council's Housing Service. It monitors the alarms within East Devon's sheltered housing as well as installing and monitoring dispersed alarms in other properties, both council and private, throughout East Devon.

We continue to be members of the Telecare Services Association (TSA), the industry body for the provision of community alarm services.

As well as pendant alarms our Tunstall PNC6 equipment allows for the monitoring of a range of other telecare products (personal and environmental sensors in the home) including fall detectors, pill dispensers, smoke detectors, carbon monoxide detectors and a number of other sensors. So as well as our personal alarm, we are now pleased to be able to offer a range of other telecare products to some of our service users.

This report gives you information about our performance and achievements for the year September 2014 to August 2015 and sets out some new areas of work that we would like to achieve in the coming year.

Our aims and values

Our principle aim is to enable people who are elderly, disabled or with special needs to live as independently as possible and remain in their own homes if they so wish (EDDC Homes and Communities Plan 2012-2016).

To help us deliver a high quality service that meets the needs of our service users, we aim to:

- treat all service users as individuals and keep them at the heart of all we do
- provide high quality, good value for money services
- ensure our services are accessible to all and enhance quality of life in the communities in which we work.

Our service users and what they say about us

May 2015: *Mrs C called Home Safeguard because she was struggling to breathe. The operator called an ambulance and she was admitted to hospital where she had immediate treatment. Her daughter called us to thank us and said that without our prompt response her mother would not have survived. Her family are extremely grateful for the service we provide.*

While the majority of our service users are elderly, they are not the only people who can benefit from a personal alarm or other telecare products. We have some younger service users who may need the service because they are disabled or vulnerable in some way.

We continue to grow and expand the service. We currently have around 4,400 connections covering:

- East Devon District Council's sheltered housing
- private individuals living throughout East Devon
- a number of Abbeyfield properties in East Devon
- the Teachers Association properties in Paignton and Christchurch
- some alarm services for North Devon Homes
- Gittisham Hill House, near Honiton

We also provide a lone worker monitoring facility for East Devon and Teignbridge District Councils.

We are very pleased that the vast majority of our service users find the service useful and reassuring, giving them peace of mind and making them feel safer in their own homes. Service users also tell us that our staff are helpful and understanding.

June 2015: *Miss F from Colyton was very grateful when the operator called out an ambulance due to a heavy nose bleed. They took her to hospital where the problem was dealt with. She rang to say how grateful she was and how wonderful she thinks the staff are at Home Safeguard.*

January 2015: *Mrs S rang through to thank the operator who helped her and called an ambulance for her after a fall. She was very grateful and made a good recovery.*

From our service user satisfaction survey

Each year we survey at least 5% of our users to check the quality of both installation and monitoring.

Survey results:

2014/15	Percentage of those who responded who are very or fairly satisfied with the service:	
	With installations	With monitoring
Quality of services	93	98
Speed of response	98	98
Helpfulness of staff	96	100
Value for money	89.5	98

The Telecare Services Authority (TSA) has a target of 90% of customers being very or fairly satisfied with the service. From the results above you can see that we exceeded this target in all but one area.

We recognise the importance of customer comments, complaints and commendations and seek to learn from instances where complaints arise. This will sometimes lead to a change in processes. Good feedback to our staff is recognised through our internal magazine (Team Brief).

Service User involvement with Home Safeguard

Wherever possible we want to involve our service users in shaping and developing the services we deliver. We receive feedback on the service from a number of areas including; talking to service users at the annual data check visit; responding to calls from our service users; responding to any complaints made.

Once a year we visit or contact by phone our service users to make sure that they are happy with our service and to check that the personal data we hold for them is up to date. This is known as an annual data check. This is a good opportunity for service users to give us feedback about the service and for us to discuss any new developments with them.

Home Safeguard often attends local events and we will now be inviting local users in the area to come to see us at any such event, so that we can chat to our customers to get their feedback on our service.

Our performance

We are keen to deliver a high quality service that exceeds the industry standards set by the Telecare Services Authority. Our performance statistics show that this has again been the case for the year 2014/15.

Monitoring

During the year we responded to a total of 88,233 calls from alarm equipment, of which 97.49% were answered within 60 seconds, and 99.5% within 180 seconds. The targets set for Telecare Services Association accreditation are 97.5% and 99% respectively.

Installations

We connected approximately 44 new service users per month during 2014/15. All of these were connected within our target times of 2 days for urgent and 5 days for non urgent or standard installations.

Repairs

During 2014/15 we have repaired an average of 18 units per month. 95% were repaired within our target time of 48 hours for critical and 98% within the target time of 96 hours for non-critical (from the time we are first contacted).

Complaints

We received no formal complaints about the service during the year.

Comparison of our performance against the TSA key performance indicators:

	Telecare Services Authority target	Our achievement	Status
Responding to calls	97.5% answered within one minute	97.49%	Just below TSA target
	99% answered within three minutes	99.5%	Exceeding requirements
Installations	90% of urgent installations within 2 days	100%	Exceeding requirements
	90% of non urgent installations within 5 days	100%	Exceeding requirements
Repairs	90% of critical faults completed within 48 hours	95%	Exceeding requirements
	90% of non critical faults completed within 96 hours	98%	Exceeding requirements

Summary comparison with last year's performance figures

	2013/14	2014/15
Number of calls responded to (including automated lone worker alerts, out of hours requests etc)	191,283	170,093 (of which 88,233 were from alarm equipment)
% answered within 60 seconds	97.5%	97.35%
Number of new service users per month	41	44
Number of repairs per month	27	18
Number of complaints received during the year (formal)	0	0

Safeguarding and abuse

We take the matter of safeguarding extremely seriously and have trained all of our staff to recognise the signs of abuse. We work closely with the Devon Safeguarding Adults team to ensure the safety and security of all our service users. We recognise the importance of ensuring our service users are aware of this matter and issue an information leaflet to all new service users outlining the issue.

We have a Safeguarding Vulnerable Adults policy which has been refreshed this year and adopted by the Housing Review Board and full Council.

What it costs to run the service

For 2014/15 the costs of our basic services were £3.78 per week (£4.53 including VAT); this included the installation and hire of the standard equipment and monitoring of calls.

We ensured that the rise in cost was kept to a minimum but at the same time was value for money. Within the local region our costs are extremely competitive.

It cost us approximately **£500,140** to run the service for the year. Funding for the service comes from:

- East Devon District Council - for the operation of the out of hours contract
- monitoring sheltered housing tenants
- hire and monitoring of equipment for private customers
- private corporate contracts that we monitor

Key achievements during 2014/15

- We are now able to offer mobile sim cards in cases where customers do not have a land line telephone. This allows customers to use our service who would not otherwise be able to do so.
- We have introduced further additional sensor equipment and can now offer bed sensors, carbon monoxide and heat detectors, as well as smoke alarms and pill dispensers.
- We have put in place a partnership agreement with the Fire Service for the installation of smoke alarms and free home safety visits.
- We have improved our staff rota system to increase staff availability to take calls at peak times.
- We have upgraded three EDDC sheltered housing schemes in Exmouth
- We have tendered for the upgrading of a further five EDDC sheltered housing schemes; work will be carried out in 2015/16.

Future plans for the service

As well as the continued delivery of an excellent service to our existing service users we have a number of key areas for further development this year which include:

- preparation for the relocation of the Home Safeguard offices and control centre from Sidmouth to either Honiton or Exmouth
- extending the number of corporate accounts we manage
- producing a dedicated Home Safeguard website, separate from the East Devon District Council website
- the introduction of more assisted living technology such as 'mindme' and other devices which work outside the home and so provide reassurance to customers and their relatives when out and about locally
- the sharing of disaster recovery procedures with Exeter City Council.

More information and contacting us

If you require any further information about the Home Safeguard Community Alarm Services or you would like to participate in one of our focus groups please contact us.

Write to: The Home Safeguard Team Leader
 East Devon District Council
 Knowle
 Sidmouth
 EX10 8HL

Email: Homesafeguard@eastdevon.gov.uk

Telephone: 01395 578237

Follow us on Twitter: @EastDevonHomes

Report to: **Housing Review Board**

Date of Meeting: 10 March 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 14

Subject: **Strategy and options for spending Right to Buy (RTB) receipts**

Purpose of report: This report sets out a strategy for spending Right to Buy receipts to ensure we continue to deliver affordable homes in the district.

Recommendation:

- 1. To approve the proposed options for spending RTB receipts to secure additional suitable affordable housing in the district, and**
- 2. To provide delegated authority to the Portfolio Holder Homes & Communities; Chair of the Housing Review Board; and Strategic Lead – Housing, Health & Environment to approve a programme of individual property purchases to meet the short term Right to Buy spending deadline.**

Reason for recommendation: To ensure RTB receipts continue to be used to secure delivery of affordable housing and that they are spent on time. Failure to spend receipts on time will result in them being returned to Government with interest.

Officer: Paul Lowe, Housing Development & Enabling Officer
pjlowe@eastdevon.gov.uk

Financial implications: The financial implications have been indicated in the report and annex.

Legal implications: There are no specific legal implications on which to comment at this stage. The legal issue is the consequence to the Housing Service of not using the RTB funds within the appropriate timeframe as indicated by the new government regulations.

Equalities impact: Low Impact

Risk: High Risk
If we do not spend the Right To Buy receipts in time we will have to give them back with interest.

Links to background information: • .

Link to Council Plan: Living in this outstanding place

1.0 Background

- 1.1 On 2 April 2012, the Government raised the maximum cash cap on Right to Buy discounts to £75,000 and confirmed that receipts generated by the additional sales would be used to fund replacement stock on a one-for-one basis.
- 1.2 In order to benefit from this provision, it was necessary for Local Authorities to enter into an agreement with the Secretary of State under section 11(6) of the Local Government Act 2003. Under this agreement receipts arising from additional RTB sales can be retained provided the authority spends a sufficient level of resources on replacement social housing.
- 1.3 EDDC signed its agreement on 22 June 2012. In essence this commits the Council to spending the receipts on individual projects within three years of receipt. If the receipts are not spent within the allotted time then they have to be returned to Government with interest.
- 1.4 The Council has seen an increase in the numbers of RTB sales since the increased discount was introduced. Since 2012 the council has sold 73 council homes, with a further 22 so far this year. As a consequence this has generated a significant amount of RTB receipts. The attached highlights the amounts generated and required spend dates (**Annex 1**).
- 1.5 To enable the Council to spend the receipts it has to find 70% of the total costs of a project, the remaining 30% comes from RTB receipts.
- 1.6 We are anticipating the RTB sale rate will increase if legislation changes i.e. the right to succession is abolished.
- 1.7 As announced in the 2015 Summer Budget a 1% rent reduction over four years has been imposed on Local Authorities and Registered Providers, starting from 1 April 2016. This has had a major impact on the Housing Revenue Account (HRA) Business Plan. As a direct consequence it has reduced the council's ability to fund affordable housing projects from the HRA. The HRA currently does not sufficient resources to match the RTB funding ratio of 70/30%. If we were to secure HRA funding it would be to the detriment of the capital programme for essential improvement works etc. There is currently limited headroom within the Business Plan to increase borrowing; however, the position is improved from 2017. See below:

Opening Debt cap	
2012/13	87,844,000
SF + existing debt	85,017,129
Headroom	2,826,871
Debt repayments:	
12/13	5,133
13/14	5,409
14/15	579,997
15/16	1,028,801
Headroom 01/04/16	4,446,211
16/17	1,489,900
new borrowing	-700,000
Headroom 01/04/17	5,236,111

- 1.8 Since 2012 the council has spent just over £2m on acquiring additional housing stock. This equates to £600,000 of RTB receipts. To date we have remained ahead of any requirements to spend / payback to Government. As the attached table shows (**Annex 1**) the council will need to consider how it's going to attract the necessary funding to safeguard RTB spend in future years.
- 1.9 The RTB guidance notes from Department of Communities and Local Government (DCLG) states that there are two ways a council can spend the receipts on the provision of affordable housing:
- Use the money itself as a direct provider whereby the council finds 70% of the cost of provision; or
 - Transfer the receipt over to another registered provider, with that other provider putting the remaining 70% funding into the provision.
- 1.10 The primary intended purpose for the RTB receipts is for new build housing and this should be the favoured option, although acquisition of market housing for use as social housing is permitted, but it is also subject to the 30% rule.
- 1.11 Social housing is defined in the agreement as 'low cost rental accommodation'. Affordable rented accommodation is permitted.

2.0 Options for spending RTB receipts

2.1 The Council could decide not to spend the RTB receipts

- 2.1.1 This would result in having to pay the money back to Government with interest of 4% above base rate (calculated from the day of receipt). This option is not recommended.

2.2 The Council could spend all the RTB receipts on new council homes/land.

- 2.2.1 The Council could use the RTB receipts to build and/or purchase new affordable homes itself to add to our housing stock. This would help replenish our housing stock and the rents received will provide revenue for the HRA. RTB receipts can only be used to fund 30% of the affordable housing costs. If the Council were to build or acquire itself it would need to find 70% of the remaining cost either from the Housing Revenue Account (HRA), commuted sum payments through planning permissions, or from borrowing from the Public Works Loan Board (PWLb).
- 2.2.2 The Government announcement to reduce rents has impacted on the HRA Business Plan. As a consequence this has reduced the council's ability to fund affordable housing projects from the HRA. The HRA currently does not have sufficient resources to match the RTB funding ratio of 70:30. If we were to secure HRA funding it would be to the detriment of the capital programme for essential improvement works.
- 2.2.3 In the short term there is currently limited headroom within the Business Plan to increase borrowing; however the position is improved from 2017. After 2017 we may be able to borrow the 70% required from PWLB. This option will largely only apply to acquiring new build market housing (excluding flats, unless the whole block) from a developer or from existing private stock for conversion to affordable rent. 'Buy Backs' is also an option which

we have implemented in recent years where we buy back ex-council housing that has been sold under RTB.

Acquiring new build homes from the open market

2.2.4 The benefits of buying new build properties direct from developers are:

- Quick and straight forward (no chain) if units are already completed.
- 'Stalled' or slow selling developments could be targeted, if buying more than 1 a discount may be applied.
- We could target areas with high housing need.
- Properties would be in good condition limiting maintenance liability.

2.2.5 The risks are:

- Developers might not be keen to sell as having an increased number of social units may have a negative impact on sales values across the scheme.
- If the units are still being constructed there may be development delays.
- The purchase may not represent best value for money.

RTB 'Buy Backs' and existing private housing stock

2.2.5 Officers will explore a programme of RTB 'Buy Backs' on properties located on existing Council estates. We could target specific areas to gain expressions of interest by sending out a letter inviting interested owners to contact us. The benefits of such a programme are:

- The speed of delivery.
- The ability to match purchasing programme to current housing need.
- Estate management and maintenance arrangements are already in place.

2.2.6 The risks are:

- The properties purchased may require internal works to bring them up to standard which would result in additional costs.
- We would need to fund stamp duty, legal and valuation fees etc.
- The purchase may not represent best value for money.
- Sales may fall through.

Building new homes on Housing owned land

2.2.7 Delivering new-build housing is complex and unpredictable. There are a range of issues that can affect the pace of delivery, such as planning and the tendering process. Whilst a few garage sites have been identified there are risks associated with bringing these forward. The rate at which RTB receipts are received, as well as the amount received over any given period is unpredictable. This adds to the complexity in timing their use in accordance with the projected delivery of new build. The result is additional uncertainty over whether the receipts will be spent within the required timeframe. In addition fluctuations in build costs might result in not having enough RTB receipts to part fund the build.

2.2.8 It is likely that additional staffing or consultancy time would be required to manage and oversee this option.

Using RTB receipts to fund land acquisition

2.2.9 Another option is to use the receipts to fund the acquisition of land for developing in the future. The benefits with this option are:

- The receipts are spent in the short term on acquiring the land which could be land banked.
- A suitable scheme could be drawn up and further RTB receipts could then be used to build out the scheme.

The risks are:

- Lack of suitably located land to buy.
- Inflated land prices - we would have to pay Market Value and would be competing against developers.
- Planning risk.

2.2.10 Whilst this option provides a short term solution to spending RTB receipts, the actual delivery of additional affordable housing would be delayed. There would also be associated costs with bringing a site forward; this would also require additional staffing to oversee and/or appointing external consultants.

2.3 To use Commuted Sums from planning gain in lieu of on- site affordable housing with RTB receipts.

2.3.1 This option would not require HRA funding support. However, the amount of Commuted Sums is limited (see below). The current figure available is circa £1.3m. To enable the council to spend this it would require SMT and the appropriate Ward Members support. The amount of commuted sums available would hopefully safeguard the necessary expenditure of RTB receipts for a limited time, perhaps up to March 2017. This is a short term fix. This form of expenditure would require the council to identify suitable open market property, ideally within the locations that the commuted sum was generated in.

- £25,000 from Highfield Centre Dunkeswell
- £1,000,000 from Fortfield Hotel Sidmouth. (Figure to be agreed)
- £20,000 from Kingdom House Broadclyst
- £217,426 from 88-92 Salterton Rd Exmouth

Total: £1,262,426

2.4 Create a RTB grant funding pool for Registered Providers (RP) to bid for.

2.4.1 This option would involve inviting RPs to bid for grant (RTB receipts). The RTB receipts (30%) could fund new development or the acquisition of new build properties. The RP would be responsible for providing the finance for the remaining 70%. The opportunity to bid for funding could be open to all RPs or only our preferred RPs.

2.4.2 This option would help to lever potential additional RP funding into the district. The RP would have to meet certain criteria such as providing EDDC nomination rights, property types and location etc. This type of approach would require RPs to commit to an agreement with the Council.

2.4.3 The benefits of inviting RPs to bid for grant are:

- New affordable homes would be provided in the district at minimum risk to the Council.
- The Council would not have to fund the 70% which would benefit the HRA.
- The grant could unlock sites which had been stalled due to funding pressures.

2.4.4 The risks are:

- RPs have scaled back development; this may mean there's a lack of appetite amongst RPs to bid for RTB grant.
- For development sites it relies on development projects completing at the right time and at amounts the RTB funding can support.
- The additional affordable housing would not go into our housing stock.
- Procurement (OJEU) may delay this approach and will require further investigation.
- RP Business Plans may change, previously agreed schemes may be withdrawn.

2.4.5 In the initial stages we will approach RPs who we work with and gain expressions of interest in a grant funding pool and whether they would be interested in bidding for funding.

2.5 **A hybrid approach**

2.5.1 A hybrid approach could blend a number of the options above, combining RTB receipts, commuted sums, borrowing to finance new build/acquisitions for the council or RP partner/s. This approach could be used to target specific developments in areas of high housing need.

3.0 **Recommendations**

3.1 **Short term approach 2016**

3.1.1 In the short term we have a deadline of 30 September to spend the next tranche of RTB receipts. Due to time constraints we recommend that we combine RTB receipts with commuted sum monies and buy homes on the open market. This option will not require any HRA funding/subsidy.

3.2 **Longer term approach 2017 and beyond**

3.2.1 We will explore further the options for spending the receipts considered in this report. We recommend that after 2017 we adopt a hybrid approach.

Required spend on the provision of new social housing.

New build:	Retained receipts	Required expenditure		Actual gross spend (cumulative)	cumulative RTB receipts used (30%)	shortfall in expenditure
		Expenditure each quarter	Cumulative Expenditure			
	£	£	£	£	£	
spend by 31 March 2015		0	0	2,073,751.38	622,125.41	0.00
spend by 30 June 2015	0.00	0	0	2,073,751.38	622,125.41	0.00
spend by 30 Sept 2015	86,020.35	286,734.50	286,734.50	2,100,781.21	630,234.36	0.00
spend by 31 Dec 2015	105,423.68	351,412.27	638,146.77	2,104,700.23	631,410.07	0.00
spend by 31 March 2016	247,724.68	825,748.93	1,463,895.70	2,104,700.23	631,410.07	0.00
spend by 30 June 2016	248,120.37	827,067.87	2,290,963.57	2,214,700.23	664,410.07	76,263.34
spend by 30 September 2016	241,485.99	804,953.30	3,095,916.87	2,214,700.23	664,410.07	804,953.30
spend by 31 December 2016	281,150.20	937,167.33	4,033,084.20	2,214,700.23	664,410.07	937,167.33
spend by 31 March 2017	134,328.46	447,761.53	4,480,845.73	2,214,700.23	664,410.07	447,761.53
spend by 30 June 2017	340,437.95	1,134,793.17	5,615,638.90	2,214,700.23	664,410.07	1,134,793.17
spend by 30 September 2017	333,404.07	1,111,346.90	6,726,985.80	2,214,700.23	664,410.07	1,111,346.90
spend by 31 December 2017	414,218.75	1,380,729.17	8,107,714.97	2,214,700.23	664,410.07	1,380,729.17
spend by 31 March 2018	390,353.45	1,301,178.16	9,408,893.13	2,214,700.23	664,410.07	1,301,178.16
spend by 30 June 2018	117,236.44	390,788.17	9,799,681.30	2,214,700.23	664,410.07	390,788.17
spend by 30 September 2018	155,376.47	517,921.60	10,317,602.90	2,214,700.23	664,410.07	517,921.60
spend by 31 December 2018	166,490.68	554,968.93	10,872,571.83	2,214,700.23	664,410.07	554,968.93

assumes purchase of George St property £110k April 16

The shortfall in expenditure column indicates the amount of gross expenditure that needs to be spent by the end of each quarter.

Column B - Retained Receipts shows the amount retained for each quarter which will have to be returned if not spent.

Interest will be calculated at 4.5% (4% above base rate) back to the equivalent quarter 3 years ago (eg for Sept 16 it would be calculated back to Sept 13), compounded with 3 monthly breaks - see below for an example:

Example			no. of days	interest @ 4.5%	
				£	
	01/07/2013	30/09/2013	91.00	0.00	241,485.99
	01/10/2013	31/12/2013	91.00	2,709.27	244,195.26
	01/01/2014	31/03/2014	89.00	2,679.46	246,874.72
	01/04/2014	30/06/2014	90.00	2,739.29	249,614.02
	01/07/2014	30/09/2014	91.00	2,800.46	252,414.48
	01/10/2014	31/12/2014	91.00	2,831.88	255,246.36
	01/01/2015	31/03/2015	89.00	2,800.72	258,047.08
	01/04/2015	30/06/2015	90.00	2,863.26	260,910.34
	01/07/2015	30/09/2015	91.00	2,927.20	263,837.54 total payable
		Total interest payable		22,351.55	

4.50%



Policy Fact Sheet: Disposal of Vacant High Value Social Housing

This fact sheet is designed to give Members of Parliament further information about the aims of the Housing and Planning Bill, and how ministers intend each individual policy to work in practice. If you have any questions you would like to ask, please email Brandon.Lewis@communities.gsi.gov.uk

What is the Bill hoping to achieve?

The Housing and Planning Bill will require local authorities to make a payment to Government based on the estimated value of their high value vacant housing, to encourage efficient management of housing assets and to fund the proposed extension of the Right to Buy to Housing Association tenants.

The legislation will not mandate which specific properties the local authority will be required to sell. A portion of the funds will be use to build new homes which reflect the housing need.

Why is legislation needed, and how can Members influence the details?

We are legislating to require councils to make a regular payment to the Government in respect of their vacant high value housing. The Housing Bill will set out the framework needed to achieve this. Details of the definition of 'high value' and the types of housing that may be exempted from being sold will be set out in secondary legislation. We will continue to engage closely with local authorities and other stakeholders on these matters.

How do we see this working in practice?

Government will consult local authorities about the proposed formula and the payment to be made in respect of their estimated high value assets sales.

Local authorities will be expected to sell their high value housing as it falls vacant to make this payment. Local authorities have indicated that there may be local circumstances when they would not wish to sell an individual high value property; consequently, we envisage that they will have discretion to sell an alternative property that falls vacant, providing that the payment is made to Government. In addition to meeting the cost of the payment to Government, a proportion of the receipts from sold properties will be used to meet local authorities' transaction costs and debt supported by those properties. Additionally, a portion of the funds will be use to build new homes which reflect the housing need.



Some key facts, initial reactions, and answers to questions you may find helpful.

What is the definition of ‘high value’?

We are currently in the process of updating data that will be used to help inform the high value threshold, which will be a key element of the high value definition.

What effect will this policy have on housing supply?

A key part of this policy is to release the value locked up in vacant high value housing assets in order to build more homes. A portion of receipts generated from sales will be used to build more homes to increase overall housing supply.

Will this policy affect all councils?

This policy will affect the 165 councils that own their own housing and operate a Housing Revenue Account. This covers a total of around 1.6 million council homes.

How much money do you expect to raise from the policy?

The amount of receipts raised will depend on a number of factors, including how we define high value, and will be set out once the secondary legislation is published.

Will councils be required to sell off all their assets?

Councils will be required to make a payment to Government in respect of their high value vacant housing. They will have discretion about whether individual properties are sold as they become vacant.

Selling off the stock



An interim analysis of the proposals for sales of council houses in high-value areas to finance a new right to buy for housing association tenants October 2015

This interim analysis takes into account several national studies which have examined aspects of the two inter-linked policies, high-value-area sales (of local authority stock) and right to buy for housing association (HA) stock. It is intended as an assessment of the overall impact of the policies. In the absence of published policy statements on key aspects of the policies we have made informed assumptions (in the case of high-value-area sales, based on the April 2015 Conservative Party manifesto announcement).

The analysis was carried out for the Chartered Institute of Housing by John Perry, Steve Wilcox and Peter Williams supported by the four housing trusts which make up the Pegasus Group of housing associations – Affinity Sutton, Guinness, Peabody and Southern.

Overall findings

Our overall conclusion is both policies are likely to produce levels of sales some way below the original expectations. At the same time, funds raised by high-value area sales will not fully cover the cost of local authority (LA) replacements *and* the cost of discounts under an extended right to buy.

High-value-area sales (HVAS)

- HVAS property turnover will be around half what is expected - 3.5% per annum (Conservative Party manifesto figure = 7%).
- Total sales of between 2,100 up to 6,800 homes per annum will be generated (manifesto figure = 15,000).
- We estimate HVAS receipts will be between £1.2 and £2.2 billion per annum depending on assumptions made, whereas the Conservative Party assumed £4.5 billion.
- The lower figure will only amount to half the amount needed to pay for HA discounts, while on our higher estimate virtually all the receipts would be required, leaving very little for LA stock replacement or for the 'Brownfield Regeneration Fund'.
- If the powers in the Housing Bill are used to require LAs to make payments on assumed levels of sales that are not in practice achievable and are therefore not backed by actual receipts, then the required payments will inevitably further affect authorities' ability to invest in their stock and in new build.

Selling off the stock



High-value-area replacement housing

- On LA stock replacements, we assume that they will be much cheaper than the properties sold, that 'the same area' will be defined loosely and that there will be virtually no replacements in central London; all replacements will be at Affordable Rents. (While this is not our preferred or recommended option it is a generous assumption that creates the maximum potential for building new homes.)
- If LA stock replacement is to be fully funded it will require adjustments to the caps on LA borrowing, as some councils will otherwise not have sufficient capacity.
- Under the 2012 plans to 'reinvigorate' right to buy, LA replacement costs were assumed to be £42,000 from each receipt. Taking account of increases in land and property prices we assume a slightly higher contribution of £48,000 is required.
- Therefore prioritising LA stock replacement would leave insufficient funds (from £1.1 to £1.7 million) to meet the costs of compensating HAs for right to buy sales (see below).

Right to buy (RTB2) sales and replacements

- HA tenants entitled to RTB2 will number about 1,450,000. About 1,070,000 will initially be eligible by length of tenancy with a further 125,000 or so becoming eligible annually.
- We estimate that 10% of those eligible will buy over the first five years. Taking those currently eligible plus those becoming eligible each year, this would suggest some 145,000 sales over that period, with most sales occurring in years 2 and 3.
- The average value of dwellings under the current right to buy (RTB1) in 2013/14 was just under £126,000, with average discounts close to 50%. Making a modest allowance for house price increases and assuming an average 50% discount, 145,000 sales would have a value of some £20 billion, split evenly between achieved receipts of £10 billion and discounts of £10 billion, i.e. £2 billion per annum.

Provisional conclusions on the linked impact of HVAS and RTB2

- If there was a fully effective replacement programme this would result (after a time lag) in an annual average of some 31,100-35,800 new LA and HA dwellings over five years.
- However in practice we anticipate that the levels of HVAS and RTB2 sales and receipts are only likely to support a programme of some 24,600-33,700 new LA and HA dwellings a year (with no funding then available for the brownfield site programme).
- Both policies further reduce the pool of homes available at social rents.
- Together with other changes such as the reductions in social rent levels over four years, there will be an impact on business plans and capacity in both parts of the social sector.
- If, as appears likely, receipts from HVAS are not sufficient to fully compensate HAs for RTB2 discounts, or if there is a time lag, there will be a cost to the government.
- On the other hand, if the cost is extracted from local authority Housing Revenue Accounts regardless of whether sales targets are achieved, there will be a further and potentially very damaging effect on councils' capacity to invest.
- It is vital there is detailed consultation on the two schemes and how they interact. This analysis shows that there could be very different consequences depending on the decisions taken. As well as considering the overall impact, the consultation needs to take into account the consequences for individual landlords and local areas.



Background

The new right to buy is linked in policy terms to high-value-area council house sales because it is the proceeds from the latter that will compensate housing associations for the discounts they will be required to offer to tenants. At the moment, there is still considerable uncertainty about how the two policies will operate and interact, including whether HVAS will deliver receipts of sufficient value, quickly enough and distributed in the right way to compensate HAs. In both cases the government has promised that there will be one-for-one replacement of units sold, which raises inevitable questions about whether this is feasible, over what timescales and whether sites can be found in the same areas. It has also promised to invest a portion of the money raised in a 'Brownfield Regeneration Fund' of £1 billion over five years.

This analysis aims to make a balanced assessment of the impacts of these linked policy changes. It is a preliminary assessment based on the limited information so far available. The Summer Budget announced further important changes that affect any full analysis. These include the cuts in social sector rents of 1% each year until 2020, new pay-to-stay rules applying to higher-income social tenants, and several changes in welfare benefits that will potentially affect landlords' incomes. At this stage, however, it is not possible to integrate their effects into our assessment of RTB2 or HVAS.

We also note that the new proposals bring new contradictions:

- rents will be reduced overall but conversion of individual properties to Affordable Rents will still be encouraged and newly built homes will also be at these higher rents
- higher-paid tenants no longer subsidised via sub-market rents will be eligible for a substantial subsidy (via the discount) if they opt for right to buy
- the effects of HVAS are likely to be concentrated in London; achieving replacement in London will be much more difficult but at the same 'exporting' London receipts to other areas will be controversial.

This summary analysis is in four sections. The first considers the high-value-area sales (HVAS) scheme, the second the right to buy (RTB2), the third the replacement of properties sold and the fourth brings these together in our conclusion on the feasibility of the combined policies.

1. High-value-area sales of local authority stock

How many will be sold?

The Conservative Party election manifesto said that 'local authority properties that rank among the most expensive third of all properties of that type in their area - including private housing - will be sold off'. A press release on 14th April defined high-value-area homes by size and regional thresholds (see Figure 1).

Selling off the stock



Figure 1: Conservative Party estimates of value thresholds for high-value-area sales

	1 bedroom	2 bedroom	3 bedroom	4 bedrooms	5 or more bedrooms
North East	80,000	125,000	155,000	250,000	310,000
North West	90,000	130,000	160,000	270,000	430,000
Yorkshire and the Humber	85,000	130,000	165,000	265,000	375,000
East Midlands	105,000	145,000	175,000	320,000	430,000
West Midlands	100,000	145,000	180,000	305,000	415,000
East	155,000	220,000	265,000	440,000	635,000
London	340,000	400,000	490,000	790,000	1,205,000
South East	165,000	250,000	320,000	495,000	755,000
South West	135,000	200,000	260,000	375,000	535,000

Source: Conservative Party press release 14 April 2015

The manifesto pledge was understood to be based on a 2012 paper by the Policy Exchange (PE), *Ending Expensive Social Tenancies*, which included all social housing, whereas the current proposal is restricted to council housing. It included properties valued above the regional median house price adjusted for bedroom size, suggesting that 339,000 properties would potentially be sold. At a turnover rate calculated by PE to be 3.5% annually, sales under their scheme would total 11,800 per year.

PE has re-done its estimates on the basis of sales covering the top third of market values, as now proposed. It concludes that the scheme will now apply to 210,000 LA properties (11.6% of the stock).¹ But this is based on out-of-date stock data; updating it to March 2014 gives a figure of 194,000 properties. PE's estimated turnover rate would produce 6,790 sales per year. However, the government is assuming there will be 15,000 sales annually, which PE believes is 'challenging'.

The average turnover rate for all LA lettings over the last seven years is 6.7%,² but this *includes* internal transfers and transfers between social landlords. Assuming these are allowed to continue in order to facilitate tenant mobility, the underlying turnover rate falls to just 4.2%. In addition, it seems reasonable to assume that the top third in value of LA stock will typically be more popular and have lower turnover.

There is evidence to support lower turnover rates from two other sources:

- A Local Government Chronicle survey of local authorities, based on the regional high value area thresholds in Figure 1, suggests turnover in the range 3-4%.³
- An interim study carried out in four London boroughs (called here the 'four boroughs study') shows turnover rates in the range 3.1 - 4.4%.⁴

¹ See www.policyexchange.org.uk/media-centre/blogs/category/item/the-government-s-right-to-buy-targets-are-achievable-if-the-politics-are-possible

² See *Social housing lettings in England, 2013/14: Continuous Recording (CORE) data*.

³ Calkin, S. (2015) 'LGC research reveals the winners and losers in council homes sell-off plan' in *Local Government Chronicle*, 10 June.

⁴ Liverpool Economics (2015) *Potential effects of the sale of higher-value council homes – Interim report* (see http://www.lgcplus.com/Journals/2015/05/28/v/a/g/HigherValueCouncilHomeSales_InterimReport_Version_04.pdf).

Selling off the stock



Savills has also explored the issue in some detail.⁵ They indicate that 10% of LA housing in England is above the 70th percentile value for all housing – or 167,000 homes based on 2014 stock data – varying from none in the East Midlands to 14% of stock in London. Then using the 2014 distribution of market transaction values for areas, adjusted on a regional basis for the difference between the market value of social housing and all housing, they argue that the total number of homes over the thresholds would be just 59,000 based on 2014 stock data. At a 3.5% turnover rate this would imply just 2,070 sales a year.

Shelter's report *The Forced Council Home Sell-Off* has more detail on the local impacts but given limited detail on its methodology is difficult to compare with PE and Savills.⁶ Overall, it assesses the likely total of HVAS properties to be 113,000 with annual sales running at 3,875. It suggests that 60% of the sales would occur in just 20 authorities and confirms the reliance on London for sales revenues from the scheme.

All the evidence is therefore that the choice of the area basis for the HVAS scheme is very important and any definition will create anomalies. For example, on a regional basis, an LA like Epping Forest (in the East) would be penalised heavily because it adjoins London, whereas neighbouring Enfield would have no properties below the London threshold. At the other extreme, if each LA area itself were taken as the basis for HVAS thresholds, many would have no sales at all as they would have no stock in the highest third of values locally.

As this discussion suggests, until there is some clarity as to the 'rules' we are forced to make assumptions as to how HVAS will work. Based on the PE and Savills analyses, adjusted to reflect March 2014 stock and turnover data, we make the following assumptions:

- turnover will be 3.5% per annum (manifesto figure = 7%)
- total sales of 2,100 up to 6,800 homes p.a. will be generated (manifesto figure = 15,000).

What receipts will the scheme generate?

The government estimates that the 15,000 sales will generate £4.5 billion in usable receipts, after certain costs are paid, an average net receipt of £300,000 per property. Allowing for costs associated with the sales (see below), this would assume an average gross receipt or market value of some £322,000 per unit. Is this reasonable?

If correct, Figure 1 shows that while an £322,000 average value is exceeded by all sizes of property in London, outside London it is only met by 3-bed properties in the South East and the small numbers of 4- or 5-bed properties in some other regions. Therefore only if HVAS sales are heavily weighted towards London will the average gross receipt reach £322,000. However, the Savills note suggests HVAS sales are likely to be *even more* concentrated in London, and that as a result the average receipt could be more like £580,000 per unit. While in the four boroughs study the average value generated was lower, at £400,000, the study did not cover the areas of London with the most expensive local authority properties.

⁵ Buckle, C. (2015) *(Social) Home Truths* (see www.savills.co.uk/research_articles/186866/189182-0).

⁶ available at http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library.

Selling off the stock



In order to make an estimate of the likely yield from the HVAS policy we have to settle on figures for the average value of properties as well as for the numbers sold. Our lower figure for sales is derived from the Savills analysis, with sales concentrated in London. Applying their average valuation (£580,000) to the lower estimate of sales (2,100) suggests a gross annual receipt of about £1.2 billion – little more than a quarter of the figure assumed by government. The higher sales figure of 6,800 is based on PE's analysis and assumes a higher proportion of sales outside London, with much lower average receipts. Using the government's own average sales figure (adjusted upwards to £322,000 – as explained below) this would generate some £2.2 billion annually, still less than half what the government hopes to raise.

These analyses are based on the limited information currently available about how the HVAS might operate. If, for example, thresholds were to be set at different levels, or structured locally rather than regionally, this would result in a very different profile of sales and receipts.

How will receipts be apportioned for different purposes?

On the basis of these different assumptions there will be from £1.2 to £2.2 billion sales receipts to distribute on an annual basis. The question then is how those funds might be distributed across the different priorities identified by government. Under the current LA right to buy (RTB1), the priority claims on the receipts are (in this order):

1. An admin allowance deductible from the receipt.
2. Repayment of attributable debt on each home sold.
3. Certain amounts payable to the LA and to the Treasury.
4. Any remaining receipt being applied towards funding of replacement homes.

For the purposes of this study we have assumed:

- only steps 1 and 2 above will be prior claims on the receipts and step 3 above (compensation payments to the LA/Treasury) will not apply
- one-for-one replacement of LA homes sold will be a first call before the balance of sales receipts are made available for the remaining claims.

On this basis the priority order of calls on HVAS receipts is assumed to be:

1. Pay LA admin costs – we have applied a rounded average figure of £2,000.
2. Repay attributable debt on each home sold – we use a round figure of £20,000 – only a little more than the average debt figure of £15,860 per unit in March 2014.
3. One-for-one replacement of each LA house sold under HVAS.
4. Recompense HAs for the cost of discounts under RTB2.
5. One-for-one replacement of each HA house sold under RTB2.
6. Finance the £1 billion 'Brownfield Regeneration Fund'.

The first two claims deduct on average £22,000 from each receipt. At this stage, while it is not clear that item 3 (one-for-one replacement of LA stock) will take precedence over items 4-6, we have assumed it will be deducted before the remainder is pooled for the remaining items. Our assessment of the costs for items 3-6 is given in the sections below.



Conclusion: what receipts will be available from high value area sales?

Our working assumption for the next stage of the assessment is that between 2,100 and 6,800 sales will take place annually under HVAS, generating an average receipt of £580,000 for the lower sales figure and £322,000 for the higher one.

After deducting £22,000 costs per unit for admin and debt, this will produce net receipts in the range £1.2 to £2 billion annually. If units sold under HVAS are fully replaced (at a cost of £100-300 million annually – see below), we estimate that HVAS would generate some £1.1 to £1.7 billion annually for the other programmes (or £5.4 to £8.6 billion over five years).

Both the Savills and Shelter reports suggest that receipts will be concentrated in London, raising inevitable issues about the likely need to ‘export’ London receipts to compensate for RTB2 discounts elsewhere in the country.

2. Extending right to buy to housing associations

How many HA tenants are likely to qualify for and exercise RTB2?

In total, RTB2 will apply to just over 1.45m new households. But some 26% of social tenants have been tenants for less than three years.⁷ The numbers eligible for RTB2 by virtue of their length of tenancy will initially therefore be about 1,070,000, with a further 125,000 or so becoming eligible annually. This is rather higher than the NHF’s initial estimate of 850,000.⁸

How many of these will be willing and able to buy? About 25% of social housing tenants expect to buy a home at some time; of these only 42% expect to buy their current home, so roughly 10% of all social tenants expected to buy their current home *at some time*.⁹ Can the aspiration to own be translated into getting and sustaining a mortgage and/or raising sufficient cash? There are now fewer higher-income tenants in housing association lettings and mortgage market rules are much tighter. Our assumption is therefore that fewer will be able to access mortgages than was the case with RTB1.

After RTB1 was introduced in 1980 just 10% of council tenants took it up within five years. Current constraints suggest a rather lower level of take-up of RTB2, but there will also be an extra ‘push factor’ on higher-income tenants as a result of the planned ‘pay-to-stay’ scheme. Taking these factors into account, we take the 10% level of RTB1 purchases over five years as a balanced mid-range estimate for RTB2 over the same period. This suggests some 145,000 sales, with most occurring in years two and three, somewhat lower than the original NHF estimate (220,000 sales over five years) but above that of the LGA (120,000).¹⁰

⁷ DCLG (2015) *English Housing Survey Headline Report 2013-14*. DCLG.

⁸ See www.housing.org.uk/media/blog/right-to-buy-extension-estimated-to-cost-12-billion/

⁹ DCLG (2015) *op.cit.*

¹⁰ LGA (2015) *Extending right to buy to housing association tenants will cost £6bn*. Press release, 5 October.

Selling off the stock



How much will be raised by RTB2 sales and what will be the cost of discounts?

The average value of sales under RTB1 in 2013/14 was just under £126,000, with average discounts close to 50%. Allowing for house price increases over five years, and with an average 50% discount, 145,000 sales would produce some £20 billion, split evenly between receipts of £10 billion and discounts of £10 billion (the LGA estimate of discounts is lower, giving a cost of £7.5 billion over five years).

Conclusion: how many sales will take place under RTB2 and what will they be worth?

Our conclusion is that some 145,000 HA tenants will exercise the right to buy in the first five years, at an average value of £138,000, with this being split equally between the receipt and the discount. The expected sales over five years would therefore generate around £10 billion of receipts (given that £10 billion would be accounted for by discounts).

3. Replacing the stock sold under RTB2 and HVAS

The manifesto promised that under RTB2 'homes sold to tenants will be replaced on a one for one basis' and that HVAS sales will be 'replaced in the same area with normal affordable housing'. There are of course issues about what these promises mean. Our assumption is central London will see very little replacement of sold homes in the same area. Elsewhere, we assume replacements will be in the same LA area but this is not critical for our calculations.

Local authority replacements

Under the 'reinvigorated' RTB1 in 2012 the government suggested a typical cost of a replacement LA unit of £140,000, requiring a contribution from the receipt of £42,000, with the remainder financed by borrowing. Taking account of price increases since 2012 we assume a slightly higher contribution of £48,000 per unit (we also assume that government's policy intention is that these homes will be let at Affordable Rent). This is in the mid-range of estimates. The IFS appraisal of RTB2 assumed £20,000 per unit based on prevailing grant rates;¹¹ however, this does seem potentially very low given the extra volume of building required. The four boroughs study assumes a higher grant (in London) of £64,000.

Our mid-point figure also bears in mind that councils' capacity will be affected not just by HVAS but by government policy to cut social sector rents over the next four years. District councils suggest this could remove over 40,000 new build units from their business plans.¹² Building replacements will, in many cases, also be possible only if borrowing caps are raised.

Housing association replacements

In the Affordable Homes Programme 2011-15, the average cost of new build was £145k per unit (ranging from £103k in the North East to £200k in London). Average grant was £18,800, varying from £14k in the East/South East to £25k in London. In the new AHP that began in April, the average grant so far is higher, at £23.5k. However it should be noted that these low

¹¹ Chandler, D. and Disney, R. (2015) *Extending the right to buy: Risks and uncertainties*. London: IFS.

¹² District Councils Network (2015) *Housing rent reduction policy will hit plans to build 42,000 new homes*. Press release, 27 July.

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AHP grant levels are based not just on the new dwellings being let at Affordable Rents, but on cross-subsidy from relets of existing HA stock being switched from social to Affordable Rents. Moreover the capacity to undertake one-for-one replacements will be constrained by the reductions in existing social sector rents and the impact of the next wave of welfare reforms.

Nevertheless, if the cost of deposits were fully repaid, associations could (we judge) build 145,000 new dwellings over five years, i.e. replace those sold. Using all of our estimated net finances from HVAS sales (£1.1 to £1.7 billion annually) as compensation for RTB2 discounts might allow some 112-134,500 new dwellings to be built, i.e. fewer than the numbers sold. While outside the scope of this work, we also note expert views about the limited ability of the construction sector to grow quickly over a sustained period of time and so actually finding the extra capacity to deliver this additional number of homes could be a critical constraint.

4. Interim conclusion – bringing the figures together

Do the finances work?

Looking initially at the HVAS scheme, given that higher-value properties are being sold, and replacements are let at higher rents, then as long as the receipt is sufficient to pay the admin and debt costs, and to fund the replacement unit, in narrow terms the scheme will work. The main drawbacks will of course be:

- higher levels of debt within the HRA requiring raising of borrowing caps where needed
- replacement units being less affordable than those sold.
- a time lag and (in some areas) extreme difficulty in replacing units sold in the same area.

The key issue however is whether the HVAS will not only achieve the above but provide enough funds for RTB2 (and, in theory, the Brownfield Regeneration Fund). While we have taken a more cautious view of the volume of both HVAS and RTB2 sales than the projections when the scheme was announced, we still expect the discounts associated with RTB2 sales to require funding of around £2 billion per year. On our lower estimate of HVAS receipts this level of funding could not be met; at our higher estimate it could be achieved only at the cost of not building the replacement LA units and not contributing to brownfield regeneration. The Shelter report concurs with this assessment.

There are also time lags involved, given that HVAS will take time to set up. If RTB2 were to be started at the same time, there would be delays in funds coming through to compensate HAs for the discounts given on sales. There is therefore potentially a double problem of receipts being insufficient and time lags before they start to flow through. This suggests that a 'gap funding' arrangement will need to be considered for RTB2, with a cost to government that may be short-term or may be permanent depending on HVAS receipts.

What would be needed to bring receipts and costs closer together?

The first critical area is the volume of HVAS sales. Our estimates inevitably include a degree of speculation given that nothing resembling this policy has been implemented before. While receipts could be increased by widening the criteria, there would be considerable downsides

Selling off the stock



especially in the effects on lettings. Beyond the point where sales ceased to be 'high value' there would in any case be diminishing returns in terms of value per unit, ease of selling and adverse publicity; and of course replacement costs would remain the same.

Another approach to closing the gap would be to tackle the cost of RTB2 by tempering demand for it. For example, smaller discounts would both suppress demand and reduce the amount needed to compensate HAs. Alternatively, the qualifying period could be increased from three to five years, which would still mean that long-standing tenants were eligible. Without such changes, it is difficult to see how the gap could be closed. Hence our overall conclusion is that full consultations are required on the details of the two schemes, how they will interact and their implications for housing supply more generally, before either scheme is implemented.

What happens if the government imposes the costs of RTB2 discounts on local authorities, even if HVAS receipts are insufficient to pay for them?

The Housing Bill makes provision (section 62) for the Secretary of State to require local authorities to make an annual payment to government based on the market value of the authority's interest in any high value housing that is likely to become vacant during the year. In other words, the payments may be unrelated to actual sales, with the risk that either across the board or for individual authorities a value is set which is not achieved by the sales which actually take place. While of course the details of how this might work are not yet available, if these powers were to be used to require LAs to make payments on levels of sales that are not in practice backed by actual receipts, then those payments would inevitably further constrain authorities' ability to invest in their stock, both in maintaining the existing stock and in constructing new housing.

While this would be a further way to 'close the gap' between the costs of RTB2 and receipts from HVAS, and potentially avoid the excess cost falling on government, it could (depending on the amounts involved) represent a serious blow to councils' capacity to invest and to the integrity of the 'self-financing' agreement with councils which government entered into in April 2012.

Estate Management Service Review Group
Report to Housing Review Board 10 March 2016

Information only

The Service Review Group was first set up at the end of 2008.

We have a mix of tenants and staff on the group.

Tenants - Pat Rous, Carol Bourne, Dorothy Page, Terry Trebilcock, Harry Roberts, Phil Portman and Officers - Jane Reading, Tash Lodge, Faye Thompson, Chris Plowman

Over the years we have considered and taken part in many aspects of estate management including estate walkabouts, considered and reviewed performance information to monitor and review, reviewed performance data and recently agreed new data the group is to monitor and review, carried out telephone customer satisfaction surveys, co written several articles for the magazine, reviewed and helped design local offers, received and commented on case studies regarding ASB and other estate matters, suggested and commented on reports to HRB, supported tenants to get grit bins replenished, raised concerns about grounds maintenance and grass cutting to the Chair of the Housing Review Board (grounds maintenance TAFF set up),with Officers reviewed the tenant garden competition, reviewed and helped design an Anti Social Behaviour leaflet, considered reasons for low satisfaction in Honiton and made suggestions to make better use of community flat and more estate management presence on the estate.

These are just some of the many parts of the Estate Management Service Review Group has been involved in or contributed to and helps demonstrate the variety of issues covered by the estate management team and the Service Review Group.

Review of the Service Review Group

In the last 12 months we have reviewed the purpose of the group and how it works and agreed that the group needed to change its focus: we wanted to get out on the estates and meet tenants and find out about the problems being faced by them.

We have carried out awareness sessions on subjects that create a high workload for the estate management team and issues for tenants – animal awareness and noise nuisance and energy.

We realised we needed a better understanding of estate management work and issues facing officers on a daily basis. In September we spent a day visiting several estates around the district and learnt how the estate management and community development teams work together to try to resolve some of the issues. This has been one of the most worthwhile things we have done. To further increase our understanding some of us will be job shadowing officers during the summer.

Fire safety is the services top priority and we have now included this as a regular agenda item. We witnessed firsthand when on our visit to blocks of flats in Honiton poor maintenance and how this impacts on the safety of blocks.

We are proud of the positive feedback from the Tenant Scrutiny Panel in their report on Customer Involvement and want to build on this. The report commented:

“The Estate Management Service Review Group has adopted a new format and seems to be moving in a positive direction. They are doing some good practice things e.g. promoting what they want to achieve in Housing Matters; good interaction between tenants and staff; wanting to get closer to tenants – and we look forward to seeing some positive outcomes from this group”.

What’s coming up?

Grounds Maintenance

At our February meeting we considered strengthening links to Grounds Maintenance around the district as suggestion by the Grounds Maintenance Task and Finish Forum. If we take this on Graham Symington who, as part of his remit has a responsibility for grounds maintenance will join the Service Review group. Graham attended the February meeting to brief the group and explain how the group can help him with this work through monitoring the service and also being the eyes and ears on the ground.

Garden maintenance

With the spring and summer approaching garden maintenance is high on our agenda. We are supporting the Estate Management and Community Development teams at Cheshire Road fun day by running an information and hands on gardening stall and we are considering running and supporting gardening workshops and awareness sessions across the district. We have also considering recommended a new category for the annual garden competition in 2016 and will be running a workshop at a Tenant Participation gardening workshop.

Moving forward

Recruitment of new members

Along with most groups we are struggling to recruit new members despite having a good number of enquiries.

Previously we invited them to attend a meeting and observe but unfortunately this hasn’t worked: tenants either didn’t turn up or came to one meeting and decided it wasn’t for them.

As a group we agreed a different approach and arranged an open afternoon for nine tenants interested in joining to meet with Pat and Jane. Unfortunately this has not been successful,

we are now considering others ways to recruit and looking at how the group might engage differently possibly using social media.

Closer working with the Repairs Service Review Group

It is becoming more apparent that the work of estate management and repairs is very closely linked and the two groups need to work together to support each other and officers.

Pat Rous Tenant Lead – Estate Management Service Review Group

15 February 2016