

Agenda for Housing Review Board

Thursday, 16 June 2016; 2.30pm



[Members of the Committee](#)

Venue: Council Chamber, Knowle, Sidmouth, EX10 8HL
[View directions](#)

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- 1 [Public speaking](#)
- 2 Appointment of Vice Chairman
- 3 [Minutes for 10 March 2016](#) (pages 4 - 10)
- 4 Apologies
- 5 [Declarations of interest](#)
- 6 [Matters of urgency](#) – none identified
- 7 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

- 8 **Housing Review Board forward plan** (pages 11 - 12)
Strategic Lead, Housing, Health and Environment
- 9 **Update on unused land at Millwey Rise and Foxhill, Axminster** (verbal)
Housing Projects Officer
- 10 **Storm damage and water penetration update** (pages 13 – 16)
Property and Asset Manager
- 11 **Condensation awareness update** (pages 17 - 33)
Property and Asset Manager
- 12 **Handy person scheme review** (pages 34 - 43)
Property and Asset Manager
- 13 **Handyperson scheme future options** (pages 44 - 51)
Property and Asset Manager
- 14 **Gas servicing contract 2016-2020** (pages 52 - 54)
Property and Asset Manager

- 15 **Use of Right to Buy receipts** (pages 55 - 56)
Housing and Enabling Officer
- 16 **Housing Revenue Account outturn report 2015/16** (pages 57 - 66)
Housing Accountant
- 17 **Community development update** (pages 67 - 68)
Tenant and Communities Manager
- 18 **Housing senior management structure update** (pages 69 - 74)
Strategic Lead – Housing, Health and Environment
- 19 **Housing and Planning Act 2016** (pages 75 – 80)
Strategic Lead – Housing, Health and Environment
- 20 **Reduction in social housing rent** (pages 81 - 86)
Strategic Lead – Housing, Health and Environment
- 21 **Chartered Institute of Housing income management charter** (pages 87 - 92)
Strategic Lead – Housing, Health and Environment
- 22 **HRA Business Plan Task and Finish Forum** (pages 93 – 94)
To note the scoping document for the HRA Business Plan TaFF. The first meeting will be held on 17 June 2016.
- 23 **Dates of future Housing Review Board meetings**
To note the dates of forthcoming Housing Review Board meetings. These will start at 2:30pm and be held in the Council Chamber, Knowle, Sidmouth:
Thursday 8 September 2016
Thursday 3 November 2016
Thursday 12 January 2017
Thursday 9 March 2017

[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 10 March 2016

Attendance list at end of document

The meeting started at 2.30pm and ended at 4.20pm.

64 Public Speaking

Councillor Ian Hall reported that a loan shark awareness estate walkabout had recently taken place in Millwey Rise, Axminster. He urged that loan shark awareness be kept in the spotlight and the Chairman suggested that an article be placed in the Housing Matters magazine.

RECOMMENDED: that an article be placed in Housing Matters to raise awareness of loan sharks.

***65 Minutes**

The minutes of the Housing Review Board meeting held on 14 January 2016 were confirmed and signed as a true record.

***66 Declarations of Interest**

Angela Bea: Personal interest – housing tenant.

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

Joyce Ebborn: 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.

Cllr Jim Knight: Personal interest – family member lives in a Council owned property and another family member is a housing association tenant.

Pat Rous: Personal interest - housing tenant.

***67 Matters of urgency**

There were no matters of urgency identified.

***68 Forward plan**

The Strategic Lead, Housing, Health and Environment presented the forward plan and advised Members that the forward plan acted 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.

The Chairman advised the Board that the first meeting of the Housing Revenue Account Business Plan Task and Finish Forum would take place on 17 June. The Housing and Planning Bill would have been considered by the House of Commons and the impact of the Bill could be better assessed.

The following additions were made during and after the meeting:

- Statement of intention for unused land at Millwey Rise and Foxhill, Axminster.
- Update report on the effectiveness of work carried out to combat damp penetration in Council properties.
- Update report to raise tenants' awareness of ways of preventing condensation in their homes.

RESOLVED: that the forward plan be noted and updated.

69 Rent setting for 2016/17

The Rental Manager's report provided the Housing Review Board with details of the Government's announcement to give a year-long exception for supported accommodation from the 1% rent reduction in the social rented sector, to reduce the threat to the viability of supported living.

The report explained the financial details and implications of how the exception would impact the supported tenants in sheltered housing. The Strategic Lead – Housing, Health and Environment outlined to the Board the anticipated income into the Housing Revenue Account using the formula previously used for rent increases if a 0.9% increase was implemented. The Board were reminded that the introduction and increase in support charges would be phased. This allowed for an excellent service to be provided to sheltered housing tenants.

RECOMMENDED: that the increase in rents in respect of supported accommodation be approved as per the Government's announcement.

70 Gas servicing contract

The Property and Asset Manager's report requested approval to extend the existing gas servicing contract for a further six months, until 1 October 2016. Officers and tenants were generally happy with the performance and service provision of 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 were currently in discussion with Mid Devon District Council to progress a partnering arrangement with regard to tendering both authorities' gas servicing contracts at the same time.

The results of the tender exercise would be presented at a future Board meeting, ready for commencement of the new contract in October 2016.

Officers had been advised that boiler replacement work should fall under a separate contract agreement and officers had successfully engaged with Fusion 21, a social enterprise company who specialised in large-scale procurement for the public sector. As a local authority the Council could access the existing frameworks that had already been set up and benefit from excellent prices due to the size of the buying power available through Fusion 21.

RECOMMENDED:

1. that an extension until 1 October 2016 to the existing gas servicing contract be approved.
2. that proposals to tender the contract jointly with Mid Devon District Council in line with European procurement regulations be approved.
3. that the use of Fusion 21 and their procurement framework for the boiler upgrade programme be approved.

71 Response to Tenant Scrutiny Panel on tenant participation

The Landlord Services Manager's report responded to recommendations of the Tenant Scrutiny Panel (TSP) report, which was presented to the Housing Review Board on 5 November 2015, in relation to their review of customer recruitment and involvement. She clarified some points and inaccuracies within the original TSP report. The response set out the recommendations that had already been achieved, those recommendations that were

relatively straightforward and had now been added to the work plan, and those that needed further discussion by the Board so that it could be decided whether or not the recommendation should be acted upon.

It was noted that the TSP worked independently and produced an independent report with an effective scrutiny function. Officers gave advice and support as and when it was requested.

The TSP recommendations that had financial implications and required further Board discussion were:

- Make sure tenant involvement priorities are linked to the organisation's vision and objectives (TSP recommendation 2).
- Make sure the customer involvement budget meets the needs of the collective annual customer involvement work plan (TSP recommendation 2.8).
- 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 (TSP recommendation 2.10).
- Make customers central to decision making processes (TSP recommendation 3).
- Support customers to be able to 'challenge' East Devon as effectively as 'critical friends'. Support staff to understand this is about improving services and is not personal (TSP recommendation 3.8).
- Finding out which communication methods customers prefer to use – and use these to communicate with them (TSP recommendation 3.16).
- 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 (TSP recommendation 3.17).

The Board discussed the recruitment of another tenant participation officer and noted the limited finances available to fund an additional post. The budget for 2016/17 had just been set and did not include money for this. The Strategic Lead, Housing, Health and Environment reported that Housing Service Management Team would be considering a number of requests for additional staff, but there was limited scope for new posts, and there was a need to consider priorities from a service management point of view. A decision on any additional investment in staff would be brought to a future Board meeting.

Tenant representative Angela Bea informed the Board that she had recently attended two training events on tenant participation and communication from Councils to tenants. She believed that local representation should start from the bottom up and representation should be based on area rather than subject matter. The Chairman suggested that Angela write a short report for the next meeting of the Housing Review Board on tenant participation and representation.

RECOMMENDED:

1. that the Tenant Scrutiny Panel recommendations that were already being achieved and those that have been incorporated into the resident involvement work plans be noted.
2. that the Housing Project and Information and Analysis Officers be engaged 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. that the OpenHousing management system be used to gather tenant profiling information into the future.
4. that the tenant representative write a short report for inclusion on the next Housing Review Board agenda on tenant participation and representation.

72 Annual report of the Housing Review Board

Members were asked to note the annual report of the Housing Review Board which highlighted the achievements and detailed the work undertaken by the Board over the last year.

The Strategic Lead, Housing, Health and Environment thanked the Democratic Services Officer for her report and commented that it was a good discipline for the Board to annually review the work it had undertaken. Cllr Hull also thanked the Democratic Services Officer for producing such a readable and easy to understand report.

It was noted that the remit of the Board was out of date as some of the tenant groups had changed. This would be updated when changes to the Constitution were made at the annual meeting of the Council on 18 May 2016.

RECOMMENDED: that the remit of the Housing Review Board be updated when the Constitution is updated at the Annual Council meeting.

RESOLVED: that the annual report of the Housing Review Board be noted.

73 New void performance calculation

The Information and Analysis Officer's report outlined the changes made to how the performance indicator 'average re let times' was calculated. This now reflected HouseMark's calculation and was more in line with Systems Thinking, being a more accurate end to end measure ensuring a more comparable and meaningful statistic was being produced. The report compared performance using the old and the new calculation to provide an understanding of the difference the new calculation would have on void performance. Using the new calculation, the re let times increased by approximately five days. The teams involved in the void process were using this as an opportunity to scrutinise their work and establish how re let times might be improved.

RECOMMENDED: that the new void calculation be adopted.

***74 Home Safeguard annual report 2014/15**

The Board received the Home Safeguard annual report which highlighted the key achievements of the service during the year. Home Safeguard was a key part of the housing service for tenants in sheltered housing and had a significant private sector customer base. It provided a 24/7 community alarm based on a telephony system with telecare and telehealth capabilities.

The Board agreed that Home Safeguard was a wonderful service. It had high performance and was highly valued by its customers.

RESOLVED: that the Home Safeguard annual report 2014/15 be noted.

75 Strategy and options for spending Right to Buy receipts

The Housing Development and Enabling Officer's report set out a strategy for spending Right to Buy (RTB) receipts to ensure the Council continued to deliver affordable homes in

the district. Failure to spend receipts on time would result in them being returned to Government with interest.

Since the RTB discount was increased the Council had seen an increase in the numbers of RTB sales. Consequently this had generated a significant amount of RTB receipts. To enable the Council to spend the receipts it must find 70% of the total costs of a project, the remaining 30% would come from RTB receipts. The RTB guidance notes from the Department of Communities and Local Government stated that there were two ways a council could 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.

Options for spending RTB receipts were:

- The Council could decide not to spend the RTB receipts.
- The Council could spend all the RTB receipts on new council homes/land.
- To use Commuted Sums from planning gain in lieu of on-site affordable housing with RTB receipts.
- Create a RTB grant funding pool for registered providers to bid for.
- A hybrid approach.

Officers were working hard to identify funding streams to spend the money on time and at the correct amount in the areas required. The Housing Development and Enabling Officer requested that delegated authority be given to allow for a faster turnaround, reduce bureaucracy and hit deadlines.

The report recommended that in the short term, with a deadline of September 2016 to spend the next tranche of RTB receipts, that the RTB receipts be combined with commuted sum monies and that homes be bought on the open market. This option would not require any HRA funding/subsidy. It was recommended that in the long term, beyond 2017, a hybrid approach be adopted.

The Portfolio Holder – Sustainable Homes and Communities advised the Board that she had asked the Overview Committee to look at an affordable homes policy, in light of the Housing and Planning Bill.

On behalf of the Board, the Chairman thanked the Housing Development and Enabling Officer for his report and the officers for their hard work.

RECOMMENDED:

1. that the proposed options for spending Right to Buy receipts to secure additional suitable affordable housing in the district be approved.
2. that delegated authority be given to the Portfolio Holder Sustainable Homes and Communities, Chair of the Housing Review Board and the Strategic Lead – Housing, Health and Environment to approve a programme of individual property purchases to meet the short term Right to Buy spending deadline.

***76 Selling off the stock**

The Strategic Lead – Housing, Health and Environment presented to the Board two publications; a policy fact sheet on the disposal of vacant high value social housing, from the Department for Communities and Local Government; and ‘selling off the stock’ an

interim analysis of the proposals for sales on council houses in high-value areas to finance a new right to buy for housing association tenants, by the Chartered Institute of Housing.

The details had not been made public as to what constituted high value stock, but the Housing Revenue Account (HRA) Business Plan TaFF would consider this as part of their review. Assumptions would need to be built into the HRA Business Plan. The Strategic Lead, Housing, Health and Environment urged caution regarding any future spending plans until the 'high value' payment formula was published and the implications could be assessed.

The Portfolio Holder – Sustainable Homes and Communities reported that she had been in contact with and was lobbying MPs and members of the House of Lords on many aspects of the Housing and Planning Bill and the Welfare Reform Bill. It was noted the notion of 'Pay to Stay' had been dropped by the Government for the time being.

RESOLVED: that the information papers included in the agenda be noted.

***77 Estate Management Service Review Group report**

The Board was presented with a report from the tenant lead (Pat Rous) of the Estate Management Service Review Group, which highlighted the many ways the group had been involved in a variety of issues. The group was first set up in 2008 and comprised a mix of tenants and staff. Over the last 12 months the group had reviewed its purpose and how it worked and agreed that it needed to change its focus. Some of the areas covered by the review group included animal awareness, noise nuisance and energy. Fire safety was a regular agenda item. Grounds maintenance and garden maintenance were also being considered and there would be closer working with the Repairs Service Review Group. Recruitment of new members continued to be a struggle.

On behalf of the Board, the Chairman thanked Pat for her report, which contained very useful information.

RESOLVED: that the report be noted.

Attendance list

Present:

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

Co-opted tenant members:

Pat Rous (Vice Chairman)
Angela Bea
Mike Berridge
Joyce Ebborn

Independent community representative:

Christine Drew

Officers:

Bev Anderson, Tenant Participation Assistant
Sue Bewes, Landlord Services Manager
Natalie Brown, Information & Analysis Officer
Amy Gilbert, Property and Asset Manager
John Golding, Strategic Lead - Housing, Health and Environment
Darren Hicks, Housing Officer - Estate Management
Paul Lowe, Housing Enabling Officer
Andrew Mitchell, Housing Needs & Strategy Manager
Jane Reading, Tenant & Communities Section Leader
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
Sylvia Martin - Tenant Scrutiny Panel
Peter Sullivan

Apologies:

Julie Bingham – independent community representative
Harry Roberts - tenant
Cllr Steve Gazzard

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
Update on position of the unused land at Millwey Rise and Foxhill, Axminster.	June 2016	Housing Enabling Officer
Storm damage and water penetration update	June 2016	Property & Asset Manager
Update report to raise tenants' awareness of ways of preventing condensation in their homes	June 2016	Property & Asset Manager
Gas servicing contract 2016 - 2020	June 2016	Property & Asset Manager
Handyperson Scheme Review	June 2016	Property & Asset Manager
Handyperson Scheme future options	June 2016	Property & Asset Manager
Use of Right to Buy receipts	June 2016	Housing Enabling Officer
Housing Revenue Account outturn report 2015/16	June 2016	Housing Accountant
Housing senior management structure update	June 2016	Strategic Lead – Housing, Health & Environment
Review of tenant and independent community representative recruitment process	September 2016	Landlord Services Manager
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	Landlord Services 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: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None.



Agenda item: **10**

Subject: **Inclement weather and damp/water penetration to our tenants homes as a direct result of 2013 storms.**

Purpose of report: To update Members on work that has taken place to our 400+ properties as a direct result of the 2013 winter storms.

Recommendation: **Members are asked to note the contents of the report.**

Reason for recommendation: To provide an update to members.

Officer: Amy Gilbert, Property and Asset Manager

Financial implications: These are stated in the 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: Living in

1. Introduction

1.1 Since the severe storms of 2013, the Board has been presented with two reports capturing the situation with regards to damp penetration and water ingress in just over 400 of our properties. The first report was presented in June 2014, followed by a further report in January 2015.

1.2 The severe weather identified problems with our properties that would not have been identified during a normal winter. It is important to note that the significant damage caused was due to the severity of the storms. Even new build properties were affected and many other landlords reported similar problems.

- 1.3 We have taken the approach, throughout this process, that getting the solution right is more important than doing it quickly. However, in the months following the storm we took quick action to remove the sodden cavity wall insulation that existed in many of the properties. We recognised that it was important to take this first step swiftly.
- 1.4 It is likely that we will experience similar extreme weather in future years, therefore, we must consider the best way of protecting our properties. This unfortunate event has presented us with a good opportunity to learn about how we can improve significantly in this area and consider a robust approach going forward.
- 1.5 As well as the initial steps to remove the damaged cavity wall insulation, a significant amount of time was required for properties to be dried out. In many cases we provided dehumidifiers to help this process and tenants were reimbursed for cost of electricity.
- 1.6 Our Senior Technical Officer (Asset Management) as well as our team of maintenance surveyors have been in close contact with the households affected by the event. Many properties were also surveyed by a specialist contractor who provided us with a diagnosis of the apparent problems and offered helpful guidance with regards to what should be done.
- 1.7 In 2014 Members approved that the cost of remedial works should be funded through an over spend of the day to day responsive repairs budget. The approximate cost of these works to date (since 2013) is in the region of £1million.
- 1.8 Claiming on the Council's insurance has been a long process. This is due to the complexity of the claim, the number of properties involved, and the individual approach that has needed to be taken for each property. To date the Council has received £449,950 in compensation. We are in regular contact with the Loss Adjustor and we hope to receive a further payout within the next few months. It has never been envisaged that we would be able to claim for the entire costs of remedial works, getting to this point has proved challenging in terms of the negotiating that has been required. We must also note that the excess applied to each affected property is £100. Our claim will therefore be reduced by at least £40,000.
- 1.9 We have worked hard to ensure good communication with tenants who have been affected by this event. Tenants have been entirely understanding of the need for us (in some cases) to monitor their homes carefully in order to determine the ongoing success of remedial works that have been completed. This has been extremely disruptive in many cases and we have supported tenants as best we can to ensure the process has been as smooth as it can be.
- 1.10 We would like to thank all tenants affected by this unfortunate event for their co-operation in helping us to sort out and remedy the problems.

2. Current position

2.1 Remedial works to the properties worst affected have taken longer than was first envisaged. The main works required have included;

- Re-pointing of walls
- Replacing cavity trays and lintels
- Sealing windows and doors
- Re-pointing of roof verges
- Re-decorating of rooms

Most properties have required a scaffolding system. This has proved time consuming, expensive and logistically challenging. In a few cases we have had to move the tenants out of the property as the works required could not be completed whilst the properties were occupied. This has also added to the costs.

2.2 Due to the complexity of works required, we have now organised the works into 3 phases.

A summary of each phase is set out below;

Phase 1: immediate stabilization and emergency repair to areas of significant damage and water penetration, to include immediate removal of sodden cavity wall insulation. This stage is almost entirely complete although there are a couple of properties that were brought to our attention later on.

Phase 2: Addressing less obvious failures of the external envelope of the building, including re-pointing, brick work, roof works, door and window replacements. Again the majority of these works are now complete. There remain a few properties where problems have been more complex to solve. This phase has highlighted to us where our previous planned programmes of maintenance have not captured all areas of property improvements to the level that we would have liked. We can now use this information and what we have learnt to plan accordingly for future programmes.

Phase 3: We are about to embark on this phase which addresses issues left by the removal of cavity wall insulation. It is important to note that the solutions required will differ from property to property and we have been working closely with specialist contractors to assess our options. We have had to spend a significant amount of time educating tenants with regards to the benefits of, or problems with, cavity wall insulation. Many tenants want what has been taken away replaced, but there is the need for us to carefully consider our next steps in the best interest of both the tenant and the property. If we do not do so we could easily end up in the same position we were in two years ago if there are further extreme weather events. It must also be stressed that wet insulation is worse than having no insulation.

2.3 There is the possibility of grant funding available that we may benefit from with regards to how we choose to re-insulate our properties; again we are taking specialist advice on this area.

2.4 We have recently trained our technical officers in the benefits of thermal imaging. This is a technology that can benefit us in terms of understanding exactly where heat is being lost in a property. This will be an excellent tool for us to use going forward in terms of determining the right solutions for each property.

2.5 This experience has added greatly to our knowledge in the following areas:

- Further knowledge about the fabric and make up of our buildings
- Running future maintenance programmes to ensure our properties are more robustly protected from storm/water damage
- Good and bad practice with regards to insulating our properties

3. Conclusions

- 3.1 We will now work to determine the longer term solutions with regard to phase 3 and put this into a programme of works. There is the opportunity that we could use resources available to us through our Advantage South West procurement framework.
- 3.2 We will explore fully the opportunity of grant funding that will help with expenditure for this final stage.
- 3.3 We will continue to keep affected tenants up to date with progress and we aim to have phase 3 complete before the start of the next winter in order to be as prepared as we can for the colder months.
- 3.4 We have learnt a great deal from this unfortunate incident that is helping us to manage the rest of our housing stock. We may want to further consider in the future a single programme of works that specifically target improvements across the whole housing stock.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 11

Subject: **Targeting condensation and thermal efficiency within the housing stock**

Purpose of report: To update Members on going issues that relate to condensation and mould in our properties

Recommendation: **(1) Members are asked to note the contents of the report in relation to condensation, thermal efficiency and fuel poverty and how we are addressing these issues, and**
(2) To approve where deemed appropriate the installation of ventilation for tumble driers in certain properties.

Reason for recommendation: To ensure members are aware of the problems we are experiencing in this area and what actions are being taken to improve our position.

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

Financial implications: A budget of £120,000 is included in 2015/16 for condensation & damp eradication, it is assumed that the installation of ventilation for tumble driers can be met from this sum.

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: Encouraging communities to be outstanding;;

1. Introduction

1.1 The repairs service receives a significant number of calls a week in relation to tenants complaining about condensation and damp issues in their properties. There has been a noticeable steady rise in such calls, many of which result in Maintenance Surveyors attending the properties to carry out a lengthy inspection and investigation.

1.2 Condensation is the process of water vapour in the air turning into liquid water when it hits a cold surface. Water vapour is created by everyday living activities in the home such as

breathing, perspiring, washing, bathing, cooking, drying clothes and burning fuel for heating. The more people in the house and the more activities taking place, the more likely condensation will occur.

1.3 Condensation is the result of the property having:

- Inadequate heating
- Inadequate insulation
- Inadequate ventilation
- Possible excessive moisture production

1.4 Condensation causes mould, mildew and/or fungal growth on cold surfaces and behind furniture as well as black patches on walls and in corners of rooms, discolouration of walls and wallpaper. It is usually found in areas of cold still air such as behind built in wardrobes; behind furniture and on north facing walls. The problem is most common in kitchens and bathrooms. The following signs could indicate that a property has a condensation problem:

- House getting colder
- Wet walls
- Black mould
- Bad musty smell
- Spoilt decoration
- Clothes, bedding and curtains feeling cold and damp
- Fungal mould appears on clothes in wardrobe

2. How we can support tenants with these problems

2.1 In many cases the problems we are presented with can be improved significantly and in many cases disappear completely when tenants change the way they live in their properties. Often we can clearly link damp problems directly to:

- Drying wet clothes indoors and not ventilating the property sufficiently
- Using tumble driers and not ensuring the air is ventilated correctly
- Insufficient heating of the property
- Tenants bathing/showering and not ventilating the property sufficiently

2.2 As it currently stands, ventilation for tumble driers is an area that falls under tenants' responsibility. We see repeated examples where this is causing significant issues within our properties and we request the ability to install appropriate ventilation in order to protect the property as we see necessary. Although we outline to tenants the need to do this where we come across the problem, for whatever reason this is often not done and over time we are seeing significant damage to our properties. For a minimal cost (in the region of £100) this would save significant officer time and safeguard the fabric of the properties concerned. **We ask the Board to approve this expenditure on certain properties where necessary.**

2.3 We take every opportunity we can to raise awareness of such issues with tenants. This has included articles in Housing Matters, stalls at tenant events (conference/ drop- ins) as well as distribution of leaflets (**Annex 1**) by Maintenance Surveyors/Repairs Advisors. We recognise that we need to do more in this area and we are currently talking to our responsive repairs contactors about the opportunity to run some specific events in

community centres where we can target areas where the problems are most common, for example in blocks of flats.

2.4 Although tenant lifestyle choices as set out above have a part to play in these problems, we must also recognise that it is our responsibility to ensure that the heating systems in our properties are adequate, affordable and fit for purpose. We are often presented with issues around tenants not understanding how to operate their heating systems. We are currently organising a training session for Mobile Support Officers who are often in touch with such tenants in our sheltered housing. They will then be able to assist in ensuring tenants are aware of how to use their heating system. Of course we do cover such issues at property viewings when new tenants come into properties, but such information can be soon forgotten.

2.5 It is important to note that many of our tenants will be officially classed as in fuel poverty. The definition of fuel poverty is as follows '*A household that cannot afford to heat their home to an adequate standard of warmth and meet other energy needs, in order to maintain health and well being*'. We support tenants in a variety of ways with this issue including:

- Ensuring they are on competitive tariffs and they understand their billing arrangements (often tenants are being overcharged/ on unsuitable tariffs to meet their needs)
- Ensuring they understand how to operate their heating system in order to ensure it works efficiently
- Accessing assistance where they are eligible, there are various discounts available including hardship funds that can be accessed through individual suppliers.
- Training front line staff to recognise the signs of fuel poverty and act accordingly.

2.6 We have made this topic a regular agenda item for the Repairs Service Review Group. They have benefited from various guest speakers recently who have been raising awareness in this area and helping tenants to understand how lifestyle choices can often improve the situation. The group will work jointly with officers to organise a project that further raises awareness of the issues.

2.7 Our support of the Advantage South West initiative Energy South West also links closely with this issue in terms of offering competitive rates for tenants to switch suppliers as well as hints and tips about how tenants can improve the energy efficiency of their properties through day to day living.

3 Programmed works

3.1 There are several areas that we must take into consideration around improving our properties to ensure our properties are sufficiently insulated. The information below provides detail on how we can evidence improvements as well as where we need to continue with a robust programme of planned improvements.

Boiler upgrade programme; Over the last 5 years we have upgraded approximately 1200 boilers. We are currently progressing with a further year of upgrades, we are targeting properties we deem to be a priority in terms of the age of the current system.

Door programme: We have replaced approximately 2100 front doors over the past 5 years. Our new doors offer better insulation to our properties as well as obvious safety benefits.

Installation of humidity controlled fans: We are installing an increasing number of humidity fans in our kitchens and bathrooms. Tenant feedback is very positive in this area showing significant differences in ventilation in their properties once the fans are installed. We are installing fans in all void properties (where suitable) as well as part of all of our kitchen and bathroom upgrade programmes. The fans have a number of benefits including:

- Extremely inexpensive to run (max £4.00 per year if on maximum output)
- Very quiet, can barely be heard
- Easy to use and easy to clean

It should also be noted that we benefit from extremely competitive prices as the fans are sourced through Advantage South West.

Loft insulation: Research tells us that a quarter of heat generated can leak up through a roof with inadequate insulation. The more heat retained in a property, the less hard the boiler/heaters have to work to maintain the required temperature in the property. On a standard property with the ideal level of insulation an average of £200 per year can be saved on heating bills. There is an optimum level of thickness required for loft insulation and our aim is to upgrade all our properties to this standard. Currently this is done on every void and we are further upgrading properties as and when we come across them. To date we have upgraded approximately 700 of our properties.

We may want to consider a planned programme for this area in the future.

3.2 Investment in our stock in a number of areas (as outlined above) can considerably improve the efficiency of our properties which has obvious benefits for tenants. During 2016/2017 we will be carrying out a stock condition survey as a follow up to the survey carried out in 2010/11. We are keen to re-evaluate the condition of our stock following 5 years of significant improvement programmes. This will give us a good understanding of where and how we need to invest in the stock over the next 5 years.

3.3 Following the changes in the financial climate it is extremely important that we have an understanding of the future investment required in the stock to properly inform the 30 year Business Plan. An up to date stock condition survey will help us to achieve this.

3.4 In line with continuing to achieve the Decent Home Standard across our stock, we are currently reviewing our position with regards to the data that we are now able to access through the new OpenHousing system. One element of the Decent Home Standard is that properties provide a reasonable degree of thermal comfort. This further raises the fact that our properties need to reach high standards and we must ensure we prioritise this area.

4 Future priorities

4.1 We have recently had a proportion of our stock surveyed in an attempt to gain more information about the thermal efficiency of our stock and what further improvements can be made. This is an excellent step forward in terms of identifying where we need to invest. **Annex 2** gives a sample from the detailed report we have received.

4.2 We should carefully consider the issues raised in this report in relation to any re-design of our stock or in any new build projects. It is important for example that we provide sufficient drying areas to encourage tenants to dry washing outside.

5. Conclusions

- 5.1 Ensuring our properties are sufficiently insulated, ventilated and benefit from appropriate heating systems is a top priority for the housing service. These issues form a key part of what we are trying to achieve on a day to day basis. It should be recognised that to continue to achieve in this area, significant investment in the stock will be required. All of our future planned maintenance programmes will need to consider these issues carefully so we can ensure a robust approach is taken.
- 5.2 We will continue to raise awareness of this important topic with tenants, and look forward to a series of events in the summer months that will specifically raise awareness. This will be an ideal task to set for the repairs service review group.
- 5.3 The final phase of works required to our storm damaged properties (phase 3 as set out in the report elsewhere on this agenda) links closely with the issues raised in this report. We may want to consider a wider programme with regards to improvements that can be made with cavity wall insulations across properties not affected by the 2013 storms. This will require significant investment.
- 5.4 The issue of fuel poverty is a top priority and we can work with tenants in a number of ways to support those that may be affected. We will continue to report to the Board on this topic going forward.
- 5.5 We look forward to presenting further detailed reports on a number of issues raised in this report appreciating this raises a number of key areas of work for the service.

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Environmental Health

Dealing with Condensation and mould growth

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What is condensation?

There is always some moisture in the air, even if you cannot see it. If air gets cold, it cannot hold all the moisture produced by everyday activities and some of this moisture appears as tiny droplets of water, most noticeable on windows on a cold morning. This is condensation. It can also be seen on mirrors when you have a bath or shower, and on cold surfaces such as tiles or cold walls.

Condensation occurs in cold weather, even when the weather is

dry. It doesn't always leave a 'tidemark' round its edges on walls. If there is a 'tidemark', this dampness might have another cause, such as water leaking into your home from a plumbing fault, loose roof tiles or rising damp.

Look for condensation in your home. It can appear on or near windows, in corners and, in or behind wardrobes and cupboards. Condensation forms on cold surfaces and places where there is little movement of air.

Problems that can be caused by excessive condensation

Dampness caused by excessive condensation can lead to mould growth on walls and furniture, mildew on clothes and other fabrics and the rotting of wooden window frames. It also discolours plastic seals on UPVC

windows and sealants around baths and basins.

Also, damp humid conditions provide an environment in which house dust mites can easily multiply.

I

Condensation and mould growth

First steps against condensation

You will need to take proper steps to deal with condensation, but meanwhile there are some simple things you should do straight away.

Dry your windows and windowsills every morning, as well as surfaces in the kitchen or bathroom that have become wet. Wring out the cloth rather than drying it on a radiator.



But remember: the only lasting cure for severe mould is to get rid of the dampness.

First steps against mould growth

First treat the mould already in your home, then deal with the basic problem of condensation to stop mould reappearing.

To kill and remove mould, wipe down or spray walls and window frames with a fungicidal wash that carries a Health and Safety Executive (HSE) 'approval number', and ensure that you follow the instructions for its safe use. These fungicidal washes are often available at local supermarkets. Dry-clean mildewed clothes, and shampoo carpets. Do not try to remove mould by using a brush or vacuum cleaner.

After treatment, redecorate using good-quality fungicidal paint and a fungicidal resistant wall paper paste to help prevent mould recurring. The effect of fungicidal or anti-condensation paint is destroyed if covered with ordinary paint or wallpaper.



What causes condensation?

There are four main factors that cause condensation:

1. Too much moisture being produced in your home.
2. Not enough ventilation.
3. Cold surfaces.
4. The temperature of your home.









You need to look at all of these factors to cure a condensation problem.



1 Too much moisture being produced in your home

Our everyday activities add extra moisture to the air inside our homes. Even our breathing adds some moisture (remember breathing on cold windows and mirrors to fog them up?). One person asleep adds half a pint of water to the air overnight and at twice that rate when active during the day.

To give you some idea as to how much extra water this could be in a day, here are a few illustrations:

2 people at home can produce		3 pints
A bath or shower		2 pints
Drying clothes indoors		9 pints
Cooking and use of a kettle		6 pints
Washing dishes		2 pints
Bottled gas heater (8 hours use)		4 pints

= Total moisture added in one day

 26 pints or 14.8 litres

Reduce the potential for condensation by producing less water

Hang your washing outside to dry if at all possible, or hang it in the bathroom with the door closed and a window slightly open or extractor fan on. Don't be tempted to put it on radiators or in front of a radiant heater.

Always cook with pan lids on, and turn the heat down once the water has boiled. Only use the minimum amount of water for cooking vegetables.


When filling your bath, run the cold water first then add the hot - it will reduce the steam by 90% which leads to condensation.

If you use a tumble drier, make sure it is vented to the outside or that it is of the new condensing type.

Don't use your gas cooker to heat your kitchen as it produces moisture when burning gas. (You might notice your windows misting over).

Try to avoid use of bottled gas heaters; they produce about 8 pints of moisture from an average-sized gas cylinder. (Tenancy Agreements may not allow the use of this type of heater).


2 Ventilation of the home



Ventilation can help to reduce condensation by removing moist air from your home and replacing it with drier air from outside.

Help to reduce condensation that has built up overnight by 'crossventilating' your home - opening to the first notch a small window downstairs and a small one upstairs. (They should be on opposite sides of the house, or diagonally opposite if you live in a flat).

At the same time, open the interior room doors, this will allow drier air to circulate throughout your home. Cross-ventilation should be carried out for about 30 minutes each day. If you have them, open the trickle vents above/in your window frames.



Note: Make sure that accessible windows will not cause a security problem - remember to close them when you go out.

Ventilate your kitchen when cooking, washing up or washing by hand. A window slightly open is as good as one open. If you have one, use your cooker extractor hood or extractor fan.

Ventilate your kitchen and bathroom for about 20 minutes after use by opening a small top window. Use an extractor fan if possible - they are cheap to run and very effective.

Ventilate your bedroom by leaving a window slightly open at night, or use trickle ventilators if fitted. (But again, remember your security).

Keep kitchen and bathroom doors closed to prevent moisture escaping into the rest of the house.

To reduce the risk of mildew on clothes and other stored items, allow air to circulate round them by removing 'false' wardrobe backs or drilling breather holes in them. You can place furniture on blocks to allow air to circulate underneath. Keep a small gap between large pieces of furniture and the walls, and where possible place wardrobes and furniture against internal walls. Pull shelves away from the backs of wardrobes and cupboards. Never overfill wardrobes and cupboards, as it restricts air circulation.

3 Cold surfaces in your home

Condensation forms more easily on cold surfaces in the home, for example walls and ceilings. In many cases, those surfaces can be made warmer by improving the insulation and draughtproofing.

Insulation and draughtproofing will also help keep the whole house warmer and will cut your fuel bills. When the whole house is warmer, condensation becomes less likely.

Loft and wall insulation are the most effective forms of insulation.

If you install any draughtproofing, observe the following guidance:

- Do not draughtproof rooms with a condensation problem, or where there is a heater or cooker that burns gas or solid fuel.
- Do not block permanent ventilators or airbricks installed for heating or heating appliances.
- Do not draughtproof bathroom or kitchen windows.

If you have reason to believe that your home could benefit from an improvement to its loft or wall insulation, please contact your landlord to enquire about the possibility of such an improvement.

4 The temperature of your home

Warm air holds more moisture than cooler air which is more likely to deposit droplets of condensation round your home. Air is like a sponge; the warmer it is, the more moisture it will hold. Heating one room to a high level and leaving other rooms cold makes condensation worse in the unheated rooms. That means that it is better to have a medium-to-low level of heat throughout the house.

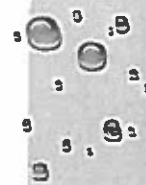
Keeping the heating on low all day in cold weather will help to control condensation, but keep a check on your meters to check how much it is costing you.

For free, impartial advice and help to increase energy efficiency and reduce fuel bills, call Westcountry Energy Action free on **0800 512012**.

If you don't have heating in every room, you could keep the doors of unheated rooms open to allow some heat into them.

To add extra heat to rooms without any form of installed heating, it is better to use electric heaters, for example oil-filled radiators or panel heaters, on a low setting. Remember, you should not use portable bottled gas heaters in homes suffering with condensation as they give out a lot of moisture whilst in use. Contrary to popular belief, it is actually cheaper to heat a room with on-peak electricity than by using bottled gas heaters.

If you have a freezer, it is a good idea to put it in a space suffering from condensation, as the heat from the motor should help to keep condensation at bay.



Be careful not to 'over-ventilate' your home when it is cold, as it will cause the temperature inside to drop and make condensation more likely. It will also increase your heating costs.



If you have any further concerns about mould in your home contact us on **01395 517456**, alternatively email your enquiries to **environmentalhealth@eastdevon.gov.uk** or visit **www.eastdevon.gov.uk**.

Annex 2

3.4 ENERGY-SAVING INITIATIVES

A range of energy-saving measures have been considered and modelled for the East Devon housing stock. The range of measures considered are summarised in this section, and are broken down and presented in terms of their cost-effectiveness in reducing carbon, improving SAP ratings, and reducing tenants' fuel bills.

3.4.1 Measures Considered

Following review of East Devon District Council data the following list of measures were investigated:

3.4.1.1 Floors

- Insulate above solid floors
- Insulate below suspended floors
- Externally insulate exposed floors

3.4.1.2 Draughts

- Block open chimneys
- Draughtproofing to windows and doors

3.4.1.3 Glazing

- Replace single glazing with new double glazing and triple glazing
- Upgrade old2 double glazing to new double glazing and triple glazing
- Upgrade new double glazing to triple glazing

3.4.1.4 Lighting

- Upgrade remaining inefficient lighting3

3.4.1.5 Heating System

- Replace old4 existing regular boilers with combi
- Replace old5 existing combi boilers with combi
- Replace old5 regular existing boilers with new efficient regular boilers
- Replace storage heaters with new A rated combi gas central heating (where gas is in the building, or the postcode)
- Replace storage heaters with new A rated combi gas central heating (where no gas is in the postcode)
- Upgrade older storage heaters to fan storage heaters
- Upgrade older storage heaters to electric CPSU

- Upgrade boilers to Air Source Heat Pump (ASHP)
- Upgrade boilers (houses only) to Ground Source Heat Pump (GSHP)
- Remove inefficient secondary heating
- Change secondary heating fuel to cheaper option

- ☐ Upgrade gas fires to new A rated combi gas central heating
- ☐ Add PCDF reference for boiler instead of generic SAP table entry
- ☐ Remove inefficient or on peak electric secondary heating
- ☐ Replace warm-air heating system with A rated combi system
- ☐ Replace electric heaters with fan storage heaters
- ☐ Upgrade solid fuel room heaters to new oil central heating with combi
- ☐ Upgrade oil room heaters to new oil central heating with combi
- ☐ Decommission electric ceiling heaters, replace with fan storage heaters
- ☐ Decommission electric ceiling heaters, replace with gas combi system
- ☐ Above boiler upgrade options with Flue Gas Heat Recovery (FGHRS)

3.4.1.6 Hot Water

- ☐ Replace cylinders of various assumed specifications with new cylinder with 80mm foam insulation
- ☐ Add jacket to uninsulated cylinders
- ☐ Add hot water tank thermostat
- ☐ Waste Water Heat Recovery (WWHRS)

3.4.1.7 Controls

- ☐ Upgrade central heating controls to full (programmer, TRVs, room thermostat)
- ☐ Upgrade central heating controls to full zone controls
- ☐ Upgrade manual storage heater controls to automatic
- ☐ Upgrade communal controls to full with tariff based on usage

3.4.1.8 Roof

- ☐ Insulate loft from current to 300mm

3.4.1.9 Solar

- ☐ Install solar hot water
- ☐ Install PV panels

3.4.1.10 Walls

- ☐ Install external wall insulation to solid walls (various age bands, brick and stone)
- ☐ Install internal wall insulation to solid walls (various age bands, brick and stone)
- ☐ Insulate pre-1977 cavity walls
- ☐ Insulate 1977-81 cavity walls
- ☐ Insulate pre 1975 system built walls internally / externally

4.4 OPTIONS ANALYSIS CONCLUSIONS

Options summary

Most cost effective measures, £100 /SAP point or better

East Devon District Council appears to be a housing association that contains a large number of fairly standard mid-20th century homes that have had sustained investment in boiler upgrades and cavity/loft insulation. The stock therefore has few major conventional upgrade measures remaining, but a variety of smaller measures remain in smaller numbers and cost effective savings can be made here through attention to detail.

There is not a great amount of potential through the most cost-effective measures (£100 per SAP or better per dwelling), but a variety of these measures remain to be installed albeit in relatively small numbers. Examples of the more notable measures in this cost-effect band include:

- ☐ **Cavity wall insulation to pre 1976 cavity wall** (22 dwellings, average 9.1 SAP points per dwelling)
- ☐ **Remove secondary non-portable electric heaters** (42 dwellings, average 3.4 points per dwelling)
- ☐ **Add actual boiler reference** (950 dwellings, average 2.6 SAP points per dwelling)

Usually the data for specific boilers contains greater efficiencies than the default efficiencies by boiler type

Fair cost effective measures, £100-£500 /SAP point

The range of cost effect £100-£500 per SAP point contains a similar variety of minor measures, but also presents some more significant opportunities for improvement, notably:

- ☐ **Add solar PV panels to suitable roofs** (3,697 dwellings, average 6.5-7.7 SAP points per dwelling)

South facing roofs are most cost effective, but SE/SW and E/W facing roofs are relatively close

- ☐ **Upgrade regular G rated gas boiler to combi** (713 dwellings, average 10.5 SAP points per dwelling)

Note that, using our pricing, upgrading old boilers to new boilers with FGHRs is roughly as cost-effective as a simple upgrade with an additional SAP point or so. Equally, upgrading regular boilers to combi has similar cost effect to simple upgrade with additional benefit in the order of 1 SAP point

- ☐ **Upgrade old storage heaters to high heat retention storage heaters** (575 dwellings, average 7.4 SAP points per dwelling)
- ☐ **Upgrade remaining inefficient lighting** (3,364 dwellings, average 1 SAP point per dwelling)
- ☐ **Upgrade regular E rated gas boiler to combi** (201 dwellings, average 6.7 SAP points per dwelling)

Moderate cost effective measures, £500-£1,000 /SAP point:

The next tier of measures in terms of cost-effective SAP improvement (£500-£1000 per SAP per dwelling) includes several moderate sized opportunities:

- ☐ **Install solar hot water panels where existing system includes hot water cylinder** (2,335 dwellings, average 4.4 SAP points per dwelling)
- ☐ **Check or add 50mm insulation to pre-1966 floors of unknown type** (2,587 dwellings, average 1.9 SAP points per dwelling)
- ☐ **Retrofit WWHRS in suitable shower or shower and bath rooms** (4,247 dwellings, average 0.8 SAP points per dwelling)

The options above do not cover the alternate options considered such as upgrading to heat pumps or upgrading hot water cylinders (given that combi upgrades may render these redundant). The ASHP options tend to result in larger SAP savings than replacing with conventional, efficient boilers, but they are also more costly which means they tend to be slightly less cost effective. CO2 savings also tend to be much smaller or negative because of the fuel switching element.

The paragraphs above deal with SAP cost effect and improvement potential. Our analysis also presents cost effect by fuel bill saving and by carbon saving. The results are broadly similar across the three analyses, with the exception of fuel switching measures. As off peak electricity is broadly the same price as gas, but much more CO2 intensive, fuel switching (especially from solid fuel or electricity) results in a much more dramatic CO2 saving than fuel bill/SAP saving.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None.



Agenda item: 12

Subject: **Review of first six months of the Handy Person Service trial.**

Purpose of report: To outline to the Board the outcomes of the first six months of the handy person service trial scheme.

Recommendation: **To note the outcomes from the six month trial of the Handy Person Service.**

Reason for recommendation: Up date for members.

Officer: Emma Charlton, Housing Projects Officer, ext 2982
echarlton@eastdevon.gov.uk

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

Legal implications: There are no legal implications identified.

Equalities impact: Low Impact

Risk: Low Risk

Links to background information: • [HRB Agenda November 2015](#)

Link to Council Plan: Encouraging communities to be outstanding

1. Background

- 1.1 Following a recommendation from a Task and Finish Forum (TAFF), the Housing Review Board agreed to an initial six month trial of a handy person scheme for tenants of East Devon. The trial scheme is 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.
- 1.2 The TAFF recommended that the trial be run in two areas of the district, Exmouth town, and the Honiton and Axminster areas, each area being served by one of our two responsive repairs contractors.
- 1.3 A handy person for each area would be provided by the relevant contractor for which EDDC would pay an agreed fee.

- 1.4 The service has two parts – (a) to provide a free handy person service for specific tenants (see above); (b) to carry out EDDC small scale repairs, under the approximate value of £100.
- 1.5 One aim of the trial was to find out if by passing these small EDDC jobs to the handy men EDDC would save on overall costs and so be able to fund the handy person service through these savings.
- 1.6 It was initially agreed that the trial would run in two areas for six months starting on 7 September 2015. It was later agreed that from 1 December 2015 the scheme would be offered out across the whole district (HRB paper to 5 November 2015 meeting). The scheme was subsequently extended for a further six month period to the end of August 2016 (see the HRB paper presented to the meeting on 14 January 2016).
- 1.7 This report looks at the outcomes of the trial scheme for the first six months from October 2015 to 31 March 2016. A further report will be presented to the Board with some possibilities for taking the scheme forward after August 2016.

2 Promoting the service

- 2.1 Up to 31 March 2016, 557 tenants have registered onto the handy person scheme of which 486 are sheltered and 71 are general needs. Not all of these will necessarily have used the scheme.
- 2.2 We promoted the service in a number of ways:
- Writing to all those on the Individual Garden Maintenance scheme
 - Mobile Support Officers leafleted all sheltered properties
 - Visiting officers mentioned it to potentially eligible general purpose tenants
 - Writing to those general purpose tenants in the initial trial areas who we could identify as potentially eligible (insufficient data to do a comprehensive mailout)
 - Several articles in Housing Matters
 - Press releases
 - Facebook and Twitter
- 2.3 Tenants heard about the service in a number of ways:
- | | |
|-----|--|
| 350 | from their Mobile Support Officer |
| 91 | from a letter |
| 42 | from a repairs advisor |
| 26 | via the individual garden maintenance scheme |
| 21 | from Housing Matters |
| 6 | no information given |
| 1 | from the website |
- 2.4 Take up by sheltered tenants has been much higher for several reasons including:
- a higher proportion of eligible tenants will be living in sheltered accommodation
 - Mobile Support Officers have encouraged and helped sheltered tenants to take up the scheme
 - eligible tenants in general needs accommodation were harder to reach.

If we continue with the service after August 2016 we need to consider other ways of informing eligible tenants in general purpose accommodation about the scheme.

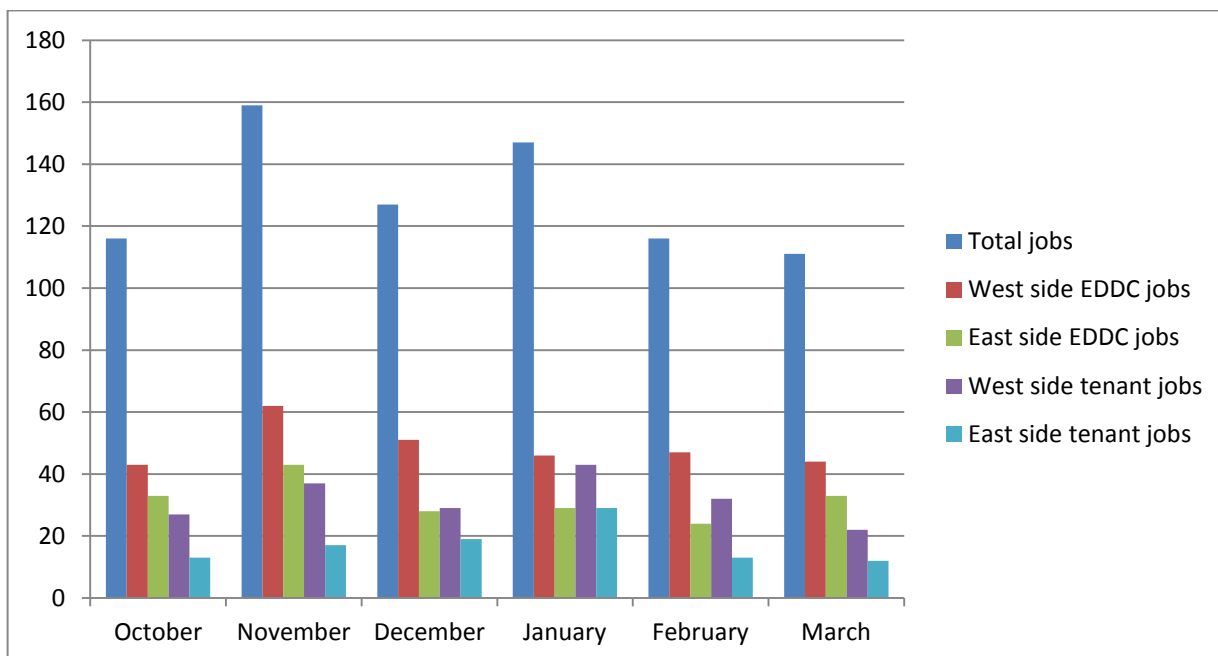
3 Analysis of the jobs requested

3.1 The table below gives an overview of the number of jobs requested:

	Small EDDC jobs	Handy person jobs	Total
West side – includes Exmouth, Ottery and Budleigh	292	190	482
East side – includes Sidmouth, Honiton and Axminster	194	104	298
Total	486	294	780

3.2 The table shows that there have been more EDDC jobs and more handy person jobs raised for the west of the district. This reflects the fact that a larger proportion of our housing (52%) are located in this area. Also 59% of the total number of sheltered properties are located here which would explain why this area has had more handy person job requests. To balance this out there have been times when the two handy persons have worked together on large jobs (both handy person and EDDC jobs).

3.3 The chart below shows the monthly demand for each job type over the six month period.



3.4 Demand for the handy person service has been steady over the initial trial period. Overall demand has been lower than envisaged when the scheme was first proposed.

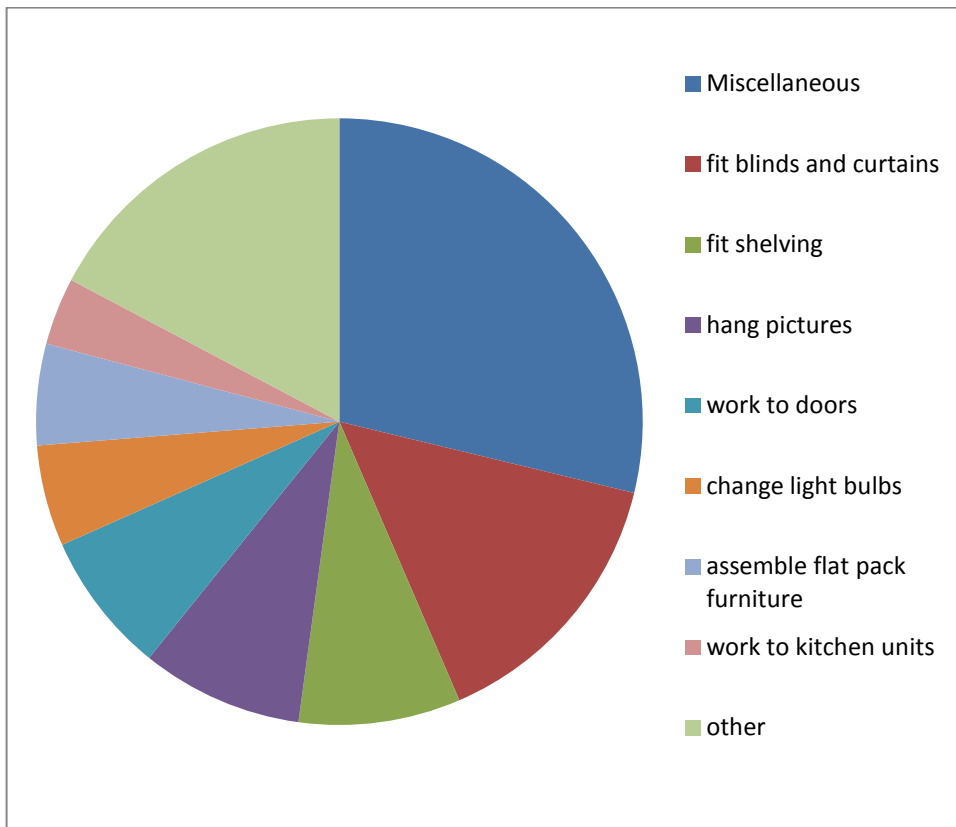
3.5 Travelling time is included with the time each job takes and this will be higher for the east side of the district where our properties are more widely dispersed.

4 Overview of the handy person jobs

4.1 We envisaged that the handy person jobs would take on average about one hour each to complete. In practice we have found this is not the case and nearly half (43%) took longer than one hour, with 18% taking over 2 hours. The average time per handy person job is about 90 minutes (but this does include travelling time).

4.2 The most popular jobs were:

- fitting blinds and curtains (41 requests)
- putting up shelving (24 requests)
- hanging pictures (24 requests)
- assembling flat pack furniture (15 requests)
- fitting light bulbs or repairing light fittings (15 requests)
- erecting or repairing fencing (14 requests)
- work to kitchen units (10 requests)



'Miscellaneous' includes items which fall into no particular category – one off requests such as connect washing machine, fix vacuum to wall. 'Other' includes requests which are not one offs but which are not made as often such things as bleed radiators, repair locks or latches, mount TV, painting.

4.3 The handy persons have reported back that hanging vertical blinds and mounting TVs are all complicated and time consuming and should probably not be included in the items the handy person can help with.

5 Overview of the EDDC jobs

- 5.1 The original proposal for the scheme was for small East Devon repair jobs (value of about £100 or under) to be passed to the handy persons to undertake. It was originally envisaged that the handy person would spend 50% of their time on small East Devon jobs and that EDDC would save on overall costs and so be able to fund the handy person service through these savings. Whether this has been achieved is discussed in section 8 below.
- 5.2 In the first six months 486 small EDDC jobs (81 per month) were passed over to the handy men, although on inspection approximately 30 of these were too large for the handy men to complete and so were passed on to the contractors. This is a relatively low number of jobs which suggests that the Repair Advisors and Maintenance Surveyors need more guidance on which jobs to pass to the handy men.
- 5.3 A brief review of some of the invoices received from the contractors for the six month period also indicates that some potential small EDDC jobs were not passed to the handy men. If the service continues after the trial better guidelines for staff will be required to ensure maximum use of the handy person's time.

6. What do tenants feel about the scheme?

- 6.1 We have surveyed 75 tenants who used the scheme and everyone was satisfied with the service and said they would use it again. Of these all but 5 said that they would be willing to pay towards the service (if charges were reasonable).
- 6.2 We have had no negative comments at all about the handy person service. Everyone who has used it and made a comment, or responded to our survey, speaks highly of the service and the two handy men themselves.
- 6.3 Examples of the comments received from tenants:
- Customer wanted to call to thank us for the 'handy man scheme' he said he does a great job and it's so nice knowing someone is there to help.
 - This email is to congratulate you on the Handyman Scheme. I realise that the scheme is only until the end of February, but, I'm hoping it continues beyond that. There's an awful lot of people in the area who could benefit from it. (received before scheme extended for further six months).
 - What an excellent idea this is. It allows me to get jobs done safe in the knowledge the workman is trustworthy and traceable. Very pleased with everything and will recommend to my neighbours. I hope it continues in future.

7. Other benefits from the scheme

- 7.1 The concept of offering a handy person scheme fits with the current government agenda of helping people stay independent in their own home for longer.
- 7.2 With the handy men going into tenant's houses we have been able to see the condition of properties we would not normally access and allowed us to pick up various repair issues before they become a real problem. The handy men pass back information about the state of the property and how it is being looked after.
- 7.3 With the handy persons out and about on our estates this provides another 'eyes and ears' to potential problems and issues. Both of the handy men have picked up issues which may not have been picked up for a while, for example gutters which need cleaning. They have

also reacted to a couple of emergency calls, for example when an elderly tenant was locked out of her property.

- 7.4 There is a social benefit for some tenants in having another person calling and working in the house when they can chat to them and also check they are OK. Selecting the correct person for the handy person role has been critical and we have been very fortunate with the two employees that have been working with us to date.
- 7.5 There is also a reputational aspect to having someone from the Council to do this work, as they feel they can trust the person who comes, and also have some 'come back' if anything goes wrong. The handy persons have been great ambassadors for EDDC.
- 7.6 In December 2015 we ran a successful promotion helping tenants clear out their loft spaces. Under the tenancy agreement tenants should not store items in their loft space but in reality we know that this does happen. The promotion was to help tenants clear their loft space, take down Christmas decorations etc and at the same time allow us to check the loft space for hazards such as leaks, electrical problems, roofing problems and fire breaks. Altogether 79 tenants took up this offer. From it we have picked up some issues such as lack of sufficient insulation, lack of good fire breaks, poor roof condition.
- 7.7 We have been able to help and support several tenants with mental health problems. For example we helped one tenant, who had been hoarding items for many years, go through all his items and help him decide which to get rid of. Another tenant with a similar problem we actually had to move out temporarily while the handy man cleared out the property and it was made safe. Again the handy person helped the tenant sort out the items they wished to retain.
- 7.8 Our Mobile Support Officers have used the handy men to do certain jobs around the community centres which may otherwise not have been possible, such as putting up screens for events, moving furniture, and fixing shelving.

8. Costs of providing the service and has using the handy persons to do small EDDC jobs been cost effective?

- 8.1 For the purpose of analysis we calculated the hourly rate charged by the contractors as follows:

East side

Working times – 7.30am-4.30pm (less 1/2hr lunch) – 42.5 hours per week (8.5 hrs a day x 5 days a week)

Contract cost - £24,868 (+VAT) (26 weeks)

Hourly rate - £22.50

West side

Working times – 9am – 5.30pm (less ½ hr lunch) – 40 hours per week (8 hrs a day x 5 days a week)

Contract cost - £21,308 (+VAT) (26 weeks)

Hourly rate - £20.50

- 8.2 Some of the handy persons time each week was taken up with administration, rubbish removal, training, van repairs and sourcing materials. Average weekly costs are listed below:

Item	Contractor East		Contractor West		Total cost
	minutes	Cost (£22.50/hour)	minutes	Cost (£20.50/hour)	
Administration	315	118.13	228	77.90	
Inspections	38	14.25	20	6.83	
Rubbish	65	24.38	86	29.33	
Materials	35	13.13	42	14.35	
Total		169.89		128.41	298.30

For a few weeks there were also minor costs for promoting the scheme, van repairs and training.

£298.30 represents 17% of the total weekly cost of £1776.25 (£956.25 for Contractor East plus £820 for Contractor West).

We are aware that too much time appears to have been spent on these other tasks and going forward this will need to be addressed and time on administration particularly reduced.

8.3 The net costs paid to the contractor break down as follows:

	Monthly sum	Total cost for six month trial
Provision of handy person -Contractor East (East) – including provision of van etc	£4,114.58	£24,687.48
Provision of handy person – Contractor West (West) – including provision of van etc	£3,551.33	£21,308
Contractor East materials	variable	£1,673.46
Contractor West materials	variable	£1,399.21
Total Costs for six months Oct 15 – March 16		£49,068.15

8.4 As well as these costs there are also the in house cost of running the service, including staff time in processing requests and monitoring the work.

Time spent per week on handy person service:

Repairs assistants	4 hours
Projects Officers	5 hours
Senior Repairs Officer	3 hours

This equates to £853.89/month (£5,123.34 for 6 months) on officer time.

8.5 There have been additional costs incurred to set up the scheme.

Item	Cost £
Polo shirts with logo	104.50
Printing	23.80
Mail outs	121.17
total	249.47

8.6 This brings the total costs for running the scheme for 6 months to: **£54,440.96**

- 8.7 We have analysed the cost of using the handy person to do the small EDDC jobs by categorising each job into a job type and linking this to the average cost charged by the contractors to carry out a similar job type. For example the average cost of a tap replacement by Contractor East is £52.09 and by Contractor West is £42.39. Using these average costs we can calculate whether or not it is more cost effective for the handy person to carry out the job based upon their hourly time charge compared to what the contractors charge. Material costs are not included for either the handy person or the contractor costs.

8.8 From analysing the costs we estimate that:

cost of handy person doing the small EDDC jobs	£19,500
equivalent cost of contractors doing these jobs	£26,100
saving to EDDC	£6,600
Cost to run the service for six months	£54,400
Labour cost of small EDDC jobs	£19,500
Cost of materials	£2,640
Total cost for small EDDC jobs (£19,500 + £2,640)	£22,140
Cost of providing the handyman service for six months (£54,400 - £22,140)	£32,260

8.9 We have analysed how cost effective it is for the handy person to do the job compared to the contractor (these figures exclude costs for materials).

Category	Number of jobs	Average cost saving per job £	Total saving
doors	60	35	2100
taps and showers	64	19.5	1248
miscellaneous	105	7	735
kitchen units	20	35	700
fencing	19	34.4	653.6
electrics	12	30	360
locks	10	35.25	352.5
light bulbs	12	25.35	304.2
key safes	9	18.8	169.2
toilets	7	23.6	165.2
grab rails	10	13	130
sinks	3	39	117
furniture	1	47	47
gutter	37	1.2	44.4
fit blinds or curtains	5	8.75	43.75
tiling/grouting	2	16	32
washing lines	2	13.4	26.8
collections/clearance	15	1.7	25.5
plastering	4	5.4	21.6
bleed radiators	2	8.5	17
mount TV	1	14.67	14.67
handles and latches	2	4.7	9.4
shelving	1	-14.8	-14.8
fenny signs	1	-31	-31
painting	9	-21	-189
Lofts	79	-6.59	-520.61

8.10 From the above we can see that it is cost beneficial for the handy person to do certain jobs particularly doors, taps and showers, fencing, kitchen units, locks, electrics and light bulbs. Painting and the loft clearances are not cost effective for the handy person to do.

9. What else has the project shown us?

- 9.1 The project would have benefitted from some more in depth analysis of likely demand prior to starting. It appears that no assessment of the likely uptake amongst our tenants was done in advance of offering the service. Uptake has not been as high as was initially expected.
- 9.2 The project required more administration than was planned for but having this in place from the beginning has allowed us to be able to analyse the service in depth.
- 9.3 The project was brought in at a point of great change for the housing service as a whole due to the introduction of the new OpenHousing system. It may have been easier to monitor the project if requests could have been loaded onto the OpenHousing system. This should be considered if the service carries on after August 2016.

10. Conclusions

- 10.1 The scheme has been very popular with the tenants that used the service.
- 10.2 Overall take up has not been as high as anticipated. Take up has been fairly reasonable with sheltered tenants, but has not been very high with general needs tenants and more work promoting the scheme should be directed here.
- 10.3 The scheme brings in benefits other than purely financial.
- 10.4 Summary of expenditure and costs:

	6 months	12 months
Cost to run the scheme for 6 months	£54400	£108800
Cost of small EDDC jobs with materials	£22140	£44280
Cost of providing the handy person service	£32260	£64520
Savings made on EDDC jobs	£6600	£13200

- 10.5 When the scheme was proposed it was anticipated that the savings made by passing the small EDDC jobs to the handy persons would cover the majority of the costs of running the handy person service for tenants. The figures above show that this has not proved to be the case. If the number of small EDDC jobs passed to the handy persons could be increased, and the selection refined to be the most cost effective jobs, such as doors, fencing, and kitchen units, locks, light bulbs, and toilet repairs, then more of the handy person scheme may be paid for by the savings achieved.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 13

Subject: **Handy Person Service – options for going forward after the pilot project ends in September 2016.**

Purpose of report: To determine whether or not the Housing Service continues to offer a Handy Person Service in the future.
Should the Board choose to continue with the handy person service we outline ways the service could work in the future to ensure best value for money and best service for our current and future customers.

Recommendation: **The Board are asked to choose between:**
Option 1 - discontinue the Handy Person Service at the end of the pilot, or
Option 2 - continue with the Handy Person Service.
If option 2 is chosen the Board is asked that delegated powers are given to the Strategic Lead – Housing, Health & Environment, Portfolio Holder for Sustainable Homes & Communities and Property and Asset Manager to decide on the best way forward with the service along the lines of the various scenarios outlined in Section 3. The aim will be to reduce the costs within a 5 year timescale.
If retained regular performance reporting on the scheme will be given to the Board.

Reason for recommendation: To determine the future of offering a handyperson service to tenants.

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

Financial implications: A budget of £100,000 is available for this scheme in 2016/17.

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: Encouraging communities to be outstanding

1. Background

1.1 The previous report presented to the Board at this meeting sets out the background to the trial of the Handy Person Service and reviews the outcomes from the first six months of the trial. We have continued to run the scheme for a further 6 months (approval given on 14 January 2016) to give us sufficient time to review the success of the pilot and to determine how we go forward.

1.2 The key findings from the review were:

- The scheme has been very popular with the tenants that used the service.
- Overall take up has not been as high as anticipated. Take up has been reasonable with sheltered tenants, but has not been very high with general needs tenants, and if the scheme continues more work promoting the scheme should be directed here.
- The scheme brings in many benefits other than purely financial ones for both tenants and EDDC.
- Savings made by passing the small EDDC jobs to the handy person to cover the cost of the service has not been as successful as anticipated. If the number of jobs could be increased there is potential for more savings to be achieved.

2 Determining whether to continue with the Handy Person Service

2.1 The advantages and disadvantages for whether to continue with the service (in some form) or not are outlined below.

2.2 Option 1 – Continue to provide the service

Advantages:

- Scheme has proved popular with tenants that have used the service
- Helps to keep our properties in good order
- Extra 'eyes and ears' on estates
- Fits government agenda of supporting people to stay in their own home
- Social benefit for tenants; supporting tenants with various disabilities
- Good publicity for EDDC
- Good to have this resource within the team to respond and deal with various small issues that arise across the stock.
- Ability to do jobs which currently we do not offer as a landlord.

Disadvantages:

- Expensive to provide, especially if the service is provided free to tenants
- Time consuming for officers to administer and manage
- Demand has been lower than expected.

2.3 Option 2 – Discontinue providing the scheme

Advantages:

- Significant cost savings - the service has a cost to the HRA and in this financial climate it may be felt appropriate to stop providing this non essential service. The current budget (2016/17) for the Handy Person Scheme is £100,000.
- Saving of officer time which is also a cost saving

Disadvantages:

- Loss of goodwill from tenants
- Loss of a service that they have quickly valued
- Reputational loss
- May see deterioration in upkeep of some properties
- Loss of additional benefits to tenants such as social contact, support at home
- Doesn't support agenda of helping people stay independent at home.

2.4 Value for money

The pilot highlighted that the Handy Person Service is an expensive service to run. If the Board chooses to continue with the service we would need to consider carefully the most cost effective way forward. We would aim to reduce the cost of running the service year on year through a variety of ways including the potential to charge tenants for the scheme as well as opening the scheme up into the private sector.

2.5 The Board is invited to decide whether to:-

- (a) Continue providing the service in some form; or to
- (b) Discontinue providing the service.

3 How the Handy Person Service could work

3.1 If the Board decides to continue providing the service we require flexibility and discretion to adopt, propose and change how the service is run. This will ensure we achieve the best value for money out of the service, whilst maintaining all the service benefits. In light of this, it is difficult to say in this report exactly how the service will run in the future. However, we have thought through five possible scenarios, explaining how the service could work in the future and the advantages and disadvantages each would bring.

3.2 Scenario 1 - Continue with running the service as we do currently

3.2.1 The contractors would continue to employ the handy persons on our behalf and we would continue to pass the small EDDC jobs directly to the handy persons, until the end of the current partnership arrangement. The cost for providing the service this way is approximately £108,000 per year, less the savings made by the handy persons doing the small EDDC jobs (approximately £13,200 per year)

3.2.2 The handy persons undertake jobs requested by tenants and also small EDDC jobs. Under the terms of our current partnerships we can only continue to pass the small EDDC jobs to the handy persons if they are employed directly by the contractors. The Responsive Repairs Partnering arrangement is up for review in July 2017 which also highlights a longer term issue with regards to future delivery of the scheme and how the service fits into our future contracting arrangements for day to day repairs.

3.2.3 By using the handy persons to do the small EDDC jobs we have saved approximately £13,200/annum. We are confident that this saving could be improved by passing more of the small jobs to the handy person and by carefully selecting those jobs which bring in the highest cost saving.

3.2.4 If we continue to use the contractors to provide the service after this trial period there are some potential procurement issues with associated time delays which we will need to investigate.

3.2.5 Advantages:

- Currently working well and scheme is already set up and fully functioning
- Handy persons can do the small EDDC jobs
- The contractors deal with management issues.

Disadvantages:

- Expensive
- Less control over type of jobs they can carry out
- Not possible to extend out into the private sector
- Need to investigate procurement issues
- Possible time delay if procurement is an issue.

3.3 Scenario 2 – Continue to run the service with the contractors and consider introducing charges for some/all tenants

Advantages:

- Widens the availability of a Handy Person Service across the district
- Interest has been shown by private customers
- Potential for scheme to be promoted to leaseholders, recipients of disabled facilities grants via the private sector housing team
- Opportunity to open the service to all tenants, regardless of type of accommodation, age or disability and to charge for some/all of these groups
- Introducing charges will bring in revenue and help to cover costs of the service

Disadvantages:

- Introducing charges to customers in the private sector will have additional administration implications and cost
- Tenants may not wish to pay for the service and demand may decrease
- Additional administration required
- Higher expectations for the service amongst users
- Higher costs compared with employing our own handy person in house

3.4 Scenario 3 - Employ our own handy person in-house

3.4.1 To employ a handy person directly, at scale 5 (subject to job evaluation), would be between £26,823 - £29,624 per annum (including National Insurance and Pension), and the costs to hire a van would be £2,124.60 per annum plus insurance and fuel. Total costs (excluding current EDDC administration costs) would be approximately £29,000 - £32,000 per annum (mid range - £30,500).

3.4.2 If the handy person is only carrying out tenant jobs then we would estimate that one handy person for the district would be sufficient.

Advantages:

- Potential saving in costs of employing our own handy person compared with costs of contractors
- More flexibility about type of work they can do
- Part of our own EDDC team – extra input could provide valuable insight
- Could expand out to private sector, which we can't do if running scheme via the contractors.

Disadvantages:

- Cannot undertake the small EDDC jobs under current partnership arrangements as they are under contract terms

- More time spent travelling
- Tenants may have to wait longer for jobs to be done.

3.5 Scenario 4 – Employ our own handy person in-house and introduce charges for some/all tenants

Advantages:

- Income generated to offset costs (see annex 1 for more details on charges)
- Potential saving in costs of providing the handy person scheme in-house
- More flexibility about type of work they can do
- Part of our own EDDC team – extra input could provide valuable insight
- Opportunity to open the service to all tenants, regardless of type of accommodation, age or disability and to charge for some/all of these groups.

Disadvantages:

- Cannot undertake the small EDDC jobs under current partnership arrangements as they are under contract terms
- More time spent travelling
- Tenants may have to wait longer for jobs to be done.
- Tenants may not wish to pay for the service and demand may decrease
- Additional administration required
- Higher expectation amongst tenants.

3.6 Scenario 5 – Employ our own handy person in-house, introduce charges for some/all tenants and also extend out to private customers and take on work for Home Safeguard

Similar to scenario 4 above but extending out to do work for private customers and working with Home Safeguard which will increase revenue. See also **annex 1** for more details on extending service to Home Safeguard.

Advantages:

- Income generated to offset costs (see annex 1 for more details on charges)
- Potential saving in costs of providing the Handy Person Scheme in-house
- More flexibility about type of work they can do
- Part of our own EDDC team – extra input could provide valuable insight
- Opportunity to open the service to all tenants, regardless of type of accommodation, age or disability and to charge for some/all of these groups
- Potential income from private sector work.

Disadvantages:

- Cannot undertake the small EDDC jobs under current partnership arrangements as they are under contract terms
- More time spent travelling
- Tenants may have to wait longer for jobs to be done.
- Tenants may not wish to pay for the service and demand may decrease
- Additional administration required
- Higher expectation amongst tenants
- Safety issues around working in unknown properties
- The HRA would be subsidising a private sector service, the detail of this arrangement would need to be explored.

4.0 Recommendations

4.1 That the Board decides whether to:

- (a) continue providing the Handy Person Service in some form, or
- (b) discontinue the service after the trial period.

4.2 If the Board decides to continue with the service after August 2016, that delegated powers are given to the Strategic Lead – Housing, Health & Environment, Portfolio Holder for Sustainable Homes & Communities and Property and Asset Manager to decide on the best way forward with the service, along the lines of the various scenarios outlined in Section 3 above. The aim will be to reduce the costs within a 5 year timescale. If retained regular reporting on the scheme will be given to the Board.

Annex 1:

A: Introducing a charge for the service to tenants

Almost all of the tenants (93%) that we have surveyed have indicated that they would be prepared to pay towards the service, provided the charges were moderate.

If we decide to charge for the service then we would need to provide some dedicated administration. A grade 3 administration assistant working 2 days a week would cost £8,370 per annum. There would also be a potential increase in the amount the HRA is recharged by Debtors to handle the invoices and non payers.

The approximate rate we would need to charge to cover the cost of the handy person in-house annually would be:

Cost to employ the handy person = £30,500 (approximately)
Additional administration cost = £8,370
Total cost = £38,870

Number of 90 minute jobs handy person could do per year
= 5/day x 5 days/week x 46 weeks = 1,150
Cost per handy person job = £38,870/1,150 = £33.80
Hourly rate = (£33.80/90) x60 = **£22.53**

(Approximate costs if service run in-house)

These rates appear high when compared to what other providers charge (see table below).

Organisation	Charging
Wiltshire Council	£10 per hour but free to those on housing benefit
Plymouth Community Homes	£15 per hour for tenants; £35 per hour for leaseholders
Mid Devon District Council	Operate on a scale of rates depending on the work undertaken
North Hertfordshire Homes	£18.34 + VAT for first hour – then a 15 minute charging block
One Housing (Isle of Dogs)	Free service
Exeter City Council	Free service

We could consider charging a lower rate (say £15/hr) to cover a proportion of the cost of the scheme.

Also we may wish to exempt some tenants from the charge. Options could include:

- Charging all users
- Charging all users but not tenants in receipt of Housing Benefit
- Only charging general purpose tenants and private customers
- Charging private users a higher rate

It may be appropriate to introduce an hourly rate, rather than flat rate charge, as some jobs take much longer than others to complete – for example replacing a light bulb, compared to repairing fencing. However this would be more complicated to administer and may lead to queries over how long the handy person took to complete the job. We would also need to consider if we included their travelling.

Advantages of charging for the scheme

- Brings in revenue to help run the scheme
- Getting tenants used to the likelihood of further service charges in the future.

Disadvantages of charging

- There will be an administration expense in managing the charges
- Customers may make different demands and expect a higher or quicker service if they have to pay for it.

B: Undertake certain jobs for Home Safeguard

An in-house handy person could do some of the routine work for Home Safeguard such as putting up key safes and fitting other telecare equipment.

Current charges to Home Safeguard for fitting key safes:

Contractor East	£29.32
Contractor West	£35.00

Average yearly number of key safes fitted = 125

Assuming it takes 30 minutes to fit a key safe the minimum cost we should charge would be:

Hourly rate $\text{£}22.53/2 = \text{£}11.26$

If we charged Home Safeguard $\text{£}15$ per key safe this would be a significant saving to them and a potential income of $125 \times \text{£}15 = \text{£}1,875$ for the handy person service. Installing other telecare equipment could be charged at a similar rate.

As this work is currently undertaken by our contractors it may not be possible to include this within a handy person scheme provided by the contractors.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: No

Exemption: None



Review date for release

Agenda item: 14

Subject: **Gas Maintenance, Safety and Heating Systems contract 2016-2020.
Request for delegated authorisation for contract award.**

Purpose of report: To update Members on progress towards awarding new Gas Maintenance, Safety and Heating Systems contract to commence 1st October 2016 to run for a period of 4 years with the option of a further extension for up to a 2 year term.

To request authorisation for the Strategic Lead for Housing, Health and Environment and the Property and Asset Manager to award contract to successful tender bid following the tender exercise that is about to commence (May – July 2016).

Recommendation: **Authority is given to Strategic Lead for Housing, Health and Environment, and the Property and Asset Manager (Housing) in consultation with the Portfolio Holder for Sustainable Homes & Communities, to award the contract to the winning tender as determined through the joint procurement exercise currently underway with Mid Devon District Council.**

Reason for recommendation: To ensure the Council is meeting all relevant legislation in line with gas safety requirements. To ensure our properties are sufficiently serviced and can be maintained to the necessary standards.

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

Financial implications: There is a budget of £500,000 for this work in 2016/17.

Legal implications: There are no legal implications requiring comment within the report. However the contractual process is subject to EU Procurement Regs and Legal Services together with the Council's Procurement Officer will advise and support on all contractual issues.

Equalities impact: Low Impact

Risk: Medium Risk

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

Links to background information:

- none

Link to Council Plan: Living in this outstanding place

1. Introduction

- 1.1 The Council awarded 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 4 year period, this was then extended for a further 2 year period as allowed under the terms of the contract. The current RHH contract will end on the 30 September 2016.
- 1.2 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 Union regulation level.
- 1.3 A joint approach has many 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. Tender process

- 2.1 The new contract will be awarded for four years starting on the 1 October 2016 and terminating on the 30 September 2020. There is to be an option to extend the contract which may be used annually a total of two times. The term of the contract may be up to a maximum term of six years ending on the 30 September 2022. The contract term is a 4 + 1 + 1.
- 2.2 In the event of us wishing to extend the contract past 2020 a report will be presented to the Housing Review Board setting out the detail of why this is deemed appropriate. In the event of performance being satisfactory and cost effective it can be valuable having the opportunity to do this if deemed appropriate at the time.
- 2.3 The timetable for retender of the contract will work as follows:

Publish Contract Notice	25/05/2016
Documents distributed to Applicants	25/05/2016
Clarification questions to be submitted	17/06/2016
Clarification responses to be issued	23/06/2016
Submission of ITT	27/06/2016
Evaluation	28/06/2016- 08/07/2016
Decision	12/07/2016- 04/08/2016
Standstill period	05/08/2016- 15/08/2016
Contract Award	16/08/2016
Lead time for delivery	17/08/2016-01/10/2016

- 2.4 The evaluation process is a critical part of the tender process and is the means by which the Authority is able to assess to whom to award the Contract. A panel will be formed to evaluate the tenders, it is important to note that although a joint tender exercise is taking place, the contracts will be awarded as separate contracts for each authority.

2.5 The procurement procedure that the authorities have selected is an open tendering procedure in accordance regulation 27 of the Public Contracts Regulations 2015 and with the Authority's Contract Procedure Rules.

3. Contract Award

3.1 Overall selection will be based upon the most economically advantageous tender and decided upon 50% marks on price and 50% marks on qualitative information provided.

3.2 Tenders will be submitting prices for an all inclusive 3 star maintenance contract as well as a schedule of rates for chargeable works outside of a 3 star contract.

3.3 The 50% qualitative criteria will be based on the following:

- Suitability of a web portal (10%)
- Communication (15%)
- Resourcing (5%)
- Risk management (10%)
- Supply chain management (5%)
- Mobilisation (5%)

3.4 Although this is a standard contract with a clear directive, bidders will have the opportunity to submit an innovative offer; this will need to be submitted in addition to making a full and complete submission.

3.5 The Property and Asset Manager will sit on the evaluation panel along with the Senior Technical Officer (Asset Management) and the Programme Works Officer (Gas). The Strategic Lead for Housing, Health and Environment will be fully briefed on each stage and the contract will be awarded to the most economically advantage tender.

3.6 The Board is requested to give delegated authority to the Strategic Lead for Housing, Health and Environment and the Property and Asset Manager in order to award the contract for gas servicing as appropriate. This will be done in consultation with the Portfolio Holder for Sustainable Homes & communities.

4. Conclusions

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 could result in action by the regulator.

4.2 A report will be presented to the September Housing Review Board meeting with the results of the tender exercise and confirmation of who the contract has been awarded to.

4.3 During mobilisation we will work closely with the successful bidder to ensure the least amount of disruption necessary. We have a good record in this area and we will aim to ensure there is no effect on the high standards of delivery tenants are used too.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 15

Subject: **Update on spending Right to Buy (RTB) receipts on affordable housing.**

Purpose of report: This report provides an update on property currently being acquired using RTB receipts, and Commuted Sums.

Recommendation: **To note the update report on the use of RTB receipts and Commuted Sums to secure suitable property to add to the Council's affordable housing stock.**

Reason for recommendation: To note the progression made so far in spending RTB receipts.

Officer: Paul Lowe, Housing Development & Enabling Officer, ext. 2379.
pjlowe@eastdevon.gov.uk

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

Legal implications: There are no legal implications requiring comment.

Equalities impact: Low Impact

Risk: High Risk
If the Right To Buy receipts are not spent in time the Council will have to return them to Government with interest.

Links to background information: • [10 March 2016 HRB Report](#)

Link to Council Plan: Encouraging communities to be outstanding;

1. Background

1.1 Strategic Management Team (SMT) agreed on the 27 January 2016 to support a number of options that help ensure RTB receipts are spent in accordance with various deadlines imposed by Government. Taking this support forward a report was presented to the Housing Review Board on the 10 March 2016, Cabinet and Council (6 & 20 April respectively) and has been approved.

1.2 The report provided more detail on the options available. One of the options is to use Commuted Sums and RTB receipts to purchase property from the open market. The HRB report sought to secure delegated authority to the Portfolio Holder Homes & Communities; Chair of 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 deadlines.

2 Proposed Property Purchases

2.1 The properties listed below are considered suitable property to add to the Council's housing stock. At the time of writing this update none of the properties have exchanged contracts. Although most are due to exchange and complete shortly.

2.2 Properties currently being purchased are:

Address	Asking Price	Agreed Price	Difference Between Asking Price and Purchase Price	Commuted Sum	RTB Amount at 30%
30 Orchard Close Sidford	£139,000	£135,000	£4,000	£94,500	£40,500
34 Ladymead Sidmouth	£157,500	£153,000	£4,500	£107,100	£45,900
4 Roseway Exmouth	£119,000	£109,500	£9,500	£76,650	£32,850
84 Fraser Road Exmouth	£194,950	£190,000	£4,950	£133,000	£57,000
212 Manstone Avenue Sidmouth	£185,000	£180,000	£5,000	£126,000	£54,000
52 Ladymead Sidmouth	£199,950	£190,000	£9,950	133,000	£57,000
1a George Street Honiton	£110,000	£110,000	N/A	N/A	£33,000
Totals	£1,105,400	£1,067,500	£37,900	£670,250	£320,250

2.3 If all the proposed purchases complete, the amount of RTB receipts stated above should increase once on-costs are taken into consideration, such as stamp duty, survey and legal fees etc.

2.4 Based on the figures above, we remain on target to meet the deadlines to spend RTB receipts by 30 September 2016. If we can continue on the same basis we should also meet the 30 December 2016 deadline.

2.5 As per the 10 March 2016 HRB report, officers are currently working on other options to spend the RTB receipts beyond January 2017 as this is the likely time the Commuted Sums that are currently match funding the property purchases will have run out. These options include working with Registered Providers to bid for the RTB monies and possibly borrowing from the Public Works Loan Board etc.

2.6 If officers cannot attract sufficient interest from Registered Providers or secure appropriate borrowing terms or secure other forms of RTB disposal, then there is the real possibility of having to return unspent RTB receipts to Government.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None



Agenda item: 16

Subject: **HRA Outturn Report 2015/16**

Purpose of report: During 2015/16 monthly budget monitoring reports have informed members of the anticipated year end position. This report contains the final position for the year end and compares this outturn position against the budgets set for 2015/16.

Recommendation: That the HRA outturn position for 2015/16 be agreed.
That £1m is transferred into the HRA Business Plan Volatility Reserve.

Reason for recommendation: To report the outturn position on the Council's approved budgets for the Housing Revenue Account. This final position will flow through to the Council's Statement of Accounts. Members are asked to note the variations from budgets identified within the report and consider the final position.

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Financial implications: Details are contained within the report.

Legal implications: There are no legal implications requiring comment

Equalities impact: Low Impact

Risk: Low Risk

This report looks at the monies the Council holds in reserves and considers these in the light of the current economic situation.

Consideration is given to the Council's financial track record, internal and external audit reports on financial controls and is reflective of occurrences from external factors which affect the Council's finances.

Links to background information: • [Housing Revenue Account Business Plan](#)

Link to Council Plan: Funding this Outstanding Place.

Outturn Report 2015/16

1. Introduction

- 1.1 This report compares the outturn position (actual amount spent or income received for the year) against budgets set for the financial year 2015/16.

2. Housing Revenue Account Position

- 2.1 A summary of the main variations at outturn stage showing the overall saving is shown below.

Appendix A gives a more detailed breakdown of the HRA budgets and actual expenditure and income.

	Variation £000
Rent income (including garage rents) higher due to collection rates being better than budgeted	(312)
Other Income including garden licences, individual garden maintenance, sold flats recovery of costs, rent of land and enhanced housing management support charges	(79)
Day to day repairs – increase in demand and storm damage costs (net of £250k interim insurance claim received)	370
Programmed maintenance – gas boiler servicing contract lower than budgeted and electrical inspections programme not yet in place	(232)
External painting - woodwork being replaced by uPVC so less requirement for painting	(28)
Repairs & Maintenance special works – additional spend on fire safety and asbestos compliance works and increasing requirement for social services adaptations offset by fuel efficiency measures underspend	89
Supervision & Management General – the Service Lead post has remained vacant	(58)
Supervision & Management Special – no spend on New Build Feasibility, underspend on Estate Management due to expenditure being coded elsewhere, Support Services Manager post vacant	(153)
Other Expenditure – significant road repairs offset by minor underspends over other heads	14
Adjustment to bad debt provision	3
Underspend on Major Repairs resulting in reduced contribution to the Major Repairs Reserve	(232)
Revenue Contribution to Capital - underspend on capital and additional capital receipts available for funding	(401)
Net interest on balances and loan repayments	2
Total variations	(1,017)

- 2.2 The following table shows the original budget surplus set for the year and the total variations as identified above to give the actual budget surplus for the year.

	£000
Original Budget surplus	(151)
Supplementary estimates	0
Actual net over/(under)spend as identified in table 2.1	(1,017)
Actual Budget Surplus	(1,168)

- 2.3 These variations will have the following effect on the Housing Revenue Account Balance:

	£000
Housing Revenue Account Balance (01/04/15)	(4,966)
Actual budget surplus as above	(1,168)
Actual HRA Balance (31/03/16)	(6,134)

- 2.4 The HRA balance at the beginning of 2015/16 was £4.966m with the recommended adopted level being £2.069m. The surplus in 2015/16 of £1.168m has increased the balance at the end of 2015/16 to £6.134m; £4.065m above the minimum level.
- 2.5 An HRA Business Plan Volatility Reserve was created in 2012/13 to provide a cushion for repaying the self financing loans should adverse fluctuations in spending and/or rent income occur. The balance in the reserve is currently £3.4m. As the surplus this year is greater than the budgeted surplus by approximately 1m, it is suggested that this sum is transferred into the Reserve from the HRA giving a total sum of £4.4m.
- 2.6 A £4.4m Reserve is considered prudent as this amount gives the HRA a cushion to restructure its budgets bearing in mind the 1% rent reduction, increased right to buy sales, the need to fund 70% of expenditure in acquiring new social homes and the possibility of having to repay right to buy receipts if unspent. In addition there are also the, as yet unknown, effects of sales of high value properties and 'Pay to Stay'.
- 2.7 In considering the appropriate level of balances/reserves to be held for the HRA there are two key factors; ensuring the balance held at any point over the 30 year business plan does not drop below the adopted minimum level of £2m and that there is a sufficient sum above this level to meet debt repayments when required as part of the Plan. Both of these criteria have been met.

3. Capital Programme Position

3.1 The following table shows the HRA Capital Programme Outturn.

HRA Capital Programme Summary	Actual £000
New Housing IT System	21
Major improvements/extensions/loft conversions to existing dwellings	142
Off street car parking	5
Re-modelling of sheltered schemes	77
Social Services Adaptations	173
Refurbishment of Manor Close Seaton	12
Refurbishment of HMO in Exmouth	27
Final costs in respect of 4 flats Bradham Lane Exmouth	3
Redevelopment of properties Normandy Close Exmouth	19
Total Programme	479

3.2 This expenditure has been funded as follows:

HRA capital programme funding	£000
S106 receipt	19
Retained RTB receipts for new social housing*	11
Other capital receipts	429
Revenue contribution	20
Total Funding	479

*Retained right to buy receipts for new social housing can only be used to fund a maximum of 30% of the expenditure incurred.

3.3 This table shows the breakdown of capital receipts received in the year.

Capital Receipts	£000
Sale of council houses/flats	(1,772)
Other receipts including sales of land/garages	0
Total capital receipts received	(1,772)
Allocation of receipts:	
Retained for provision of new social housing	(665)
Retained for funding other HRA capital expenditure	(667)
Paid to HM Treasury	(440)
Total capital receipts allocation	(1,772)

There have been 23 Right to Buy sales completed this year.

Under the terms of the agreement we've signed with the government which enables us to retain Right To Buy receipts, we must commit to spend those receipts within a rolling 3 years or they have to be paid over to the government with interest. The timetable for expenditure to be incurred is as follows:

	£000
By 30 September 2015	287
By 31 December 2015	351
By 31 March 2016	826
By 30 June 2016	827
By 30 September 2016	805
By 31 December 2016	937
By 31 March 2017	448
By June 2017	1,135
By September 2017	1,111
By December 2017	1,381
By March 2018	1,301
By June 2018	391
By September 2018	518
By December 2018	555
By March 2019	753

We have spent the required sums as at the end of March 2016 and are likely to meet the June, September and December 2016 amounts. However from March 2017 onwards it becomes increasingly difficult to spend the sums required partly due to the difficulty in finding property to purchase but also because of the financial constraints of the scheme and the necessity to find the balance (70%) of the costs. This could mean that unspent receipts will have to be paid to the government with interest in the coming financial year.

4. HRA Business Plan

- 4.1 Appendix B shows the Business Plan Operating Account which reflects the above changes in 2015/16 and the subsequent impact on balances for future years.
- 4.2 Our current version of the Business Plan model was bought in 2012 and is now out of date as legislation has changed since then so the latest version is to be purchased from Capita following a meeting with one of their representatives and a useful discussion about the issues facing the HRA and how these may affect the viability of the Business Plan. The cost will be £6,750 which includes the Business Plan, Rent and Right to Buy models as well as membership of the user group and updates to the models as necessary. £5,000 is included in the 2016/17 budget for this and the remainder will be funded from the HRA balance.

APPENDIX A

EAST DEVON DISTRICT COUNCIL REVENUE OUTTURN 2015/2016

2015/2016		HOUSING REVENUE ACCOUNT SUMMARY	2015/2016	
Budget			Actual	Variance
Original	Revised			
	£	£	£	£
		INCOME		
1	(17,868,180)	(17,868,180)	Gross Property Rent including Garages	(18,180,230) (312,050)
2	(257,500)	(257,500)	Other Rents & Income	(336,906) (79,406)
3	(18,125,680)	(18,125,680)	Total Income	(18,517,136) (391,456)
		EXPENDITURE		
		Repairs & Maintenance		
4	2,895,000	2,895,000	General	3,005,705 110,705
5	1,020,690	1,020,690	Improvements	1,110,145 89,455
		Supervision & Management		
6	3,314,240	3,314,240	General	3,255,881 (58,359)
7	1,487,910	1,487,910	Special	1,335,075 (152,835)
8	284,880	284,880	Other Expenditure	298,916 14,036
9	9,002,720	9,002,720	Total Management & Maintenance	9,005,722 3,002
10	0	0	Adjustment to Bad Debt Provision	2,517 2,517
		Capital Charges:		
11	1,089,230	1,089,230	Depreciation - dwellings	1,153,850 64,620
12	142,810	142,810	- other	78,190 (64,620)
13	3,763,960	3,763,960	Transfer to Major Repairs Reserve	3,531,897 (232,063)
14	13,998,720	13,998,720	Total Expenditure	13,772,176 (226,544)
15	(4,126,960)	(4,126,960)	NET COST OF SERVICE	(4,744,960) (618,000)
16	(34,000)	(34,000)	Interest on Balances	(34,485) (485)
17	2,556,120	2,556,120	Loan repayments: Interest	2,548,626 (7,494)
18	(60)	(60)	Interest on Council House Sales	(42) 18
19	2,522,060	2,522,060		2,514,099 (7,961)
20	(1,604,900)	(1,604,900)	NET OPERATING EXPENDITURE - Deficit / (Surplus)	(2,230,861) (625,961)
21	1,028,800	1,028,800	Repayment of external loans	1,038,944 10,144
22	425,000	425,000	Revenue Contribution to Capital Expenditure (TBC)	23,607 (401,393)
23	(151,100)	(151,100)	Deficit / (Surplus) for the Year	(1,168,310) (1,017,210)
		BALANCES		
24	(4,702,545)	(4,966,788)	Balance b/f	(4,966,788) 0
25	(2,900,000)	(3,400,000)	Volatility Reserve	(3,400,000) 0
26	(151,100)	(151,100)	Deficit / (Surplus) in year	(1,168,310) (1,017,210)
27	(7,753,645)	(8,517,888)	Balance C/F	(9,535,098) (1,017,210)

	Original		Staff Numbers Fulltime Equivalents	Year End	Variance
28	3.0		Senior Housing Management	2.0	-1.0
29	26.3		Landlord Services	25.6	-0.7
30	21.3		Housing Needs & Strategy	21.0	-0.3
31	18.0		Asset & Property Team	17.8	-0.2
32	2.1		Communal Areas Cleaning	2.1	0.0
33	18.8		Mobile Support Officers	17.9	-0.9
34	89.5		Total	86.4	-3.1

Significant variances and areas of interest in 2015/16

In line with HRA Self Financing accounting guidelines, the charge for **depreciation** will be credited to the **Major Repairs Reserve** as will a contribution from the HRA for the difference between the Major Repairs expenditure and the depreciation figure.

Major Repairs expenditure will then be funded from the Major Repairs Reserve leaving a nil balance on the reserve.

Revenue Contribution to Capital Expenditure is less than anticipated due to underspends in the capital programme and more capital receipts available to fund capital expenditure.

The change in staff numbers is due to reductions in working hours, the Service Lead post and half the Support Service Manager post (the other half is in the General Fund) remaining vacant.

EAST DEVON DISTRICT COUNCIL REVENUE OUTTURN 2015/2016

	2015/2016		HOUSING REVENUE ACCOUNT	2015/2016	
	Budget			Actual	Variance
	Original	Revised			
	£	£			
			INCOME		
1	(17,450,000)	(17,450,000)	Gross Property Rents	(17,743,746)	(293,746)
2	(418,180)	(418,180)	Garage Rents	(436,484)	(18,304)
3	(257,500)	(257,500)	Other Rents and Income	(336,906)	(79,406)
4	(18,125,680)	(18,125,680)	TOTAL INCOME	(18,517,136)	(391,456)
			REPAIRS & MAINTENANCE		
			Repairs and Maintenance - General		
			Response Maintenance (Day to Day Repairs)		
5	1,908,000	1,908,000	Storm Damage	2,004,323	96,323
6	0	0		273,730	273,730
			Programmed Maintenance		
7	37,000	37,000	Communal Areas Maintenance	3,539	(33,461)
8	0	0	Carbon Monoxide Alarms	3,108	3,108
9	80,000	80,000	Solid Fuel Appliances Servicing	114,737	34,737
10	30,000	30,000	Emergency Equipment test & repair	6,963	(23,037)
11	0	0	Legionella Testing	4,944	4,944
12	500,000	500,000	Gas Boilers Servicing	387,832	(112,168)
13	100,000	100,000	Electrical Inspections	0	(100,000)
14	85,000	85,000	Lift Maintenance	79,038	(5,962)
15	832,000	832,000	Total Programmed Maintenance	600,161	(231,839)
			Cyclical Maintenance		
16	150,000	150,000	External Painting Programme	119,344	(30,656)
17	0	0	Extras to Painting Programme	0	0
18	5,000	5,000	Service of Rainwater Harvest systems	7,797	2,797
19	0	0	Interior Decoration	350	350
20	155,000	155,000	Total Cyclical Maintenance	127,491	(27,509)
21	2,895,000	2,895,000	Total Repairs and Maintenance - General	3,005,705	110,705
			Special Works		
22	75,000	75,000	Social Services Adaptations	147,988	72,988
23	20,000	20,000	Fence Programme	19,601	(399)
24	250,000	250,000	Fire Safety Works	289,810	39,810
25	150,000	150,000	Condensation and Damp Eradication	153,619	3,619
26	10,000	10,000	Loft Insulation	15,091	5,091
27	150,000	150,000	Fuel Efficiency Measures	4,996	(145,004)
28	20,190	20,190	Improvements Voucher Scheme	12,065	(8,125)
29	3,500	3,500	Sanctuary Scheme	8,654	5,154
30	150,000	150,000	Asbestos Works	206,136	56,136
31	10,000	10,000	Gutter Repairs/Improvements	9,941	(59)
32	0	0	Renewal of Walls	45,069	45,069
33	36,000	36,000	Decoration Scheme	0	(36,000)
34	0	0	Handyperson Scheme	38,189	38,189
35	20,000	20,000	Replacement Floors	6,128	(13,872)
36	30,000	30,000	Subsidence	34,670	4,670
37	6,000	6,000	Grant via Tenant Participation	3,667	(2,333)
38	20,000	20,000	Energy Performance Certificates	16,606	(3,394)
39	10,000	10,000	Path Repairs	21,970	11,970
40	20,000	20,000	Minor Schemes	1,254	(18,746)
41	10,000	10,000	Flat Roof Repairs	11,266	1,266
42	30,000	30,000	Chimney Repairs & Removal	63,267	33,267
43	0	0	Smoke Alarm Replacement	158	158
44	1,020,690	1,020,690	Total Repairs and Maintenance - Special Works	1,110,145	89,455

Significant variances and areas of interest in 2015/16

The **rent income** budget was set prudently due to uncertainties including the 'bedroom tax' and universal credit but collection rates have been maintained at a high level.

Other rents and income includes Enhanced Housing Management charges for Support Services and service charges for sold flats.

Gas boilers servicing was completed under budget.

A programme of **Electrical Inspections** has not yet been put in place.

Overspends in some areas of Special Works, notably **Social Services Adaptations**, **Fire Safety Works** and **Asbestos Works**, were partially offset by the **Fuel Efficiency Measures** underspend.

Storm Damage refers to the work required as a result of the early 2014 storms and is the subject of an insurance claim from which £250,000 was received this year. Works are now substantially complete and a final insurance payment is expected in 2016/17.

EAST DEVON DISTRICT COUNCIL REVENUE OUTTURN 2015/2016

2015/2016		HOUSING REVENUE ACCOUNT		2015/2016	
Budget				Actual	Variance
Original	Revised				
£	£				
			SUPERVISION & MANAGEMENT		
			Supervision & Management - General		
1	2,194,320	2,194,320	Employees	2,127,737	(66,583)
2	140,820	140,820	Premises	144,198	3,378
3	110,260	110,260	Transport	130,809	20,549
4	186,830	186,830	Supplies & Services	179,352	(7,478)
5	1,095,850	1,095,850	Support Services	1,095,850	0
6	3,728,080	3,728,080	Total Expenditure	3,677,946	(50,134)
7	(3,120)	(3,120)	Income	(11,345)	(8,225)
8	3,724,960	3,724,960	Net Expenditure before Recharges (see analysis below)	3,666,601	(58,359)
9	(410,720)	(410,720)	Recharges	(410,720)	0
10	3,314,240	3,314,240	Net Supervision & Management - General	3,255,881	(58,359)
			Net Expenditure Analysis by Cost Centre		
11	689,640	689,640	General Operational Management	669,115	(20,525)
12	256,830	256,830	Senior Housing Management	189,584	(67,246)
13	1,066,220	1,066,220	Landlord Services	1,060,655	(5,565)
14	876,470	876,470	Housing Needs & Strategy	874,005	(2,465)
15	807,070	807,070	Asset & Property Team	847,193	40,123
16	28,730	28,730	Council House Sales expenditure	26,049	(2,681)
17	3,724,960	3,724,960	Net Expenditure before Recharges	3,666,601	(58,359)
18	(410,720)	(410,720)	Recharges	(410,720)	0
19	3,314,240	3,314,240	Total Analysis by Cost Centre	3,255,881	(58,359)
			Supervision & Management - Special		
20	52,630	52,630	Communal Areas Cleaning	51,019	(1,611)
21	36,980	36,980	Communal Areas Lighting	33,459	(3,521)
22	31,500	31,500	Communal Areas Heating	22,931	(8,569)
23	410	410	Caretaking & Window Cleaning	411	1
24	40,670	40,670	Community Centres	28,590	(12,080)
25	12,180	12,180	Choiced Based Lettings	9,510	(2,670)
26	319,800	319,800	Maintenance of Grounds	317,800	(2,000)
27	20,200	20,200	Play Areas	6,200	(14,000)
28	50,000	50,000	Estate Management	14,993	(35,007)
29	3,290	3,290	Tenants' Conference	2,256	(1,034)
30	30,000	30,000	New Build Feasibility	605	(29,395)
31	15,000	15,000	ASW Procurement	14,245	(755)
32	10,000	10,000	De-commissioning costs	460	(9,540)
33	5,000	5,000	Business Plan Update	0	(5,000)
34	776,620	776,620	Mobile Support Officers	724,500	(52,120)
35	65,000	65,000	Sheltered Schemes Equipment Maintenance	84,927	19,927
36	14,360	14,360	District Offices Running Expenses	14,274	(86)
37	4,270	4,270	Sewage Treatment Works	8,895	4,625
38	1,487,910	1,487,910	Total Supervision & Management - Special	1,335,075	(139,135)

Significant variances and areas of interest in 2015/16

The **Employees** underspend is due to the Housing Service Lead post remaining vacant plus changes in working hours and short term vacancies.

Some **Estate Management** expenditure has been charged across other cost centres.

No **New Build Feasibility** schemes took place this year.

Mobile Support Officers includes a saving from the Support Services Manager post being vacant for most of the year (50% charged here and 50% charged to Homesafeguard in the General Fund).

Sheltered Schemes Equipment Maintenance is for expenditure on Homesafeguard equipment in sheltered properties.

EAST DEVON DISTRICT COUNCIL REVENUE OUTTURN 2015/2016

	2015/2016		HOUSING REVENUE ACCOUNT	2015/2016	
	Budget			Actual	Variance
	Original	Revised			
	£	£		£	£
1	13,680	13,680	OTHER EXPENDITURE		
2	44,350	44,350	Sewerage - Repairs, Maintenance & Emptying	10,354	(3,326)
3	5,230	5,230	Tenant Participation	50,108	5,758
4	2,030	2,030	Tenant Scrutiny	3,582	(1,648)
5	5,100	5,100	Storage	215	(1,815)
6	30,250	30,250	38 St Paul's Road Heathpark Honiton	3,023	(2,077)
7	0	0	Community Development Work	21,515	(8,735)
8	5,050	5,050	Honiton Together	1,761	1,761
9	20,000	20,000	Minor Management Schemes	6,403	1,353
10	1,020	1,020	Road Repairs	53,938	33,938
11	8,120	8,120	Signs on Estates	300	(720)
12	3,000	3,000	Eviction Expenses	2,601	(5,519)
13	3,050	3,050	Off Street parking - Grants to Tenants	0	(3,000)
14	5,200	5,200	Pest Control	2,909	(141)
15	32,920	32,920	Gully Cleansing	9,947	4,747
16	5,000	5,000	Tree Felling and Planting	28,643	(4,277)
17	75,000	75,000	Landscaping	4,056	(944)
18	0	0	Removal Expenses (Downsizing)	65,334	(9,666)
19	18,270	18,270	Private Water Supplies - Service & Maintenance	0	0
20	7,610	7,610	Removal of Rubbish & House Clearances	27,053	8,783
21	284,880	284,880	Best Value - Housemark	7,174	(436)
			TOTAL OTHER EXPENDITURE	298,916	14,036
			MAJOR REPAIRS ACCOUNT		
22	200,000	200,000	Central Heating Replacement	14,889	(185,111)
23	720,000	720,000	Gas Appliance Replacement	788,610	68,610
24	150,000	150,000	Re-roofing	92,064	(57,936)
25	400,000	400,000	Replacement uPVC fascias etc	373,847	(26,153)
26	650,000	650,000	Replacement Kitchens	537,326	(112,674)
27	300,000	300,000	Replacement Bathrooms	188,453	(111,547)
28	480,000	480,000	Door Replacements	460,861	(19,139)
29	150,000	150,000	Electrical Updating	50,084	(99,916)
30	350,000	350,000	Change Of Tenancy: Electrical Works	468,130	118,130
31	1,596,000	1,596,000	Change Of Tenancy: Other Expenditure	1,789,673	193,673
32	4,996,000	4,996,000	TOTAL MAJOR REPAIRS ACCOUNT	4,763,937	(232,063)

Significant variances and areas of interest in 2015/16

Some significant **Road Repairs** were carried out this year but, as a consequence, expenditure in future years will be minimal.

Major Repairs are classed as capital expenditure and are included in the HRA capital programme but are shown here for information. They are fully funded by the HRA through the Major Repairs Reserve.

**East Devon DC
HRA Business Plan
Operating Account**
(expressed in money terms)

APPENDIX B

		Income					Expenditure										Net Operating (Expenditure) £,000	Provision for repayment of loans £,000	Transfer from / (to) MRR £,000	RCCO £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
Year	Year	Net rent Income £,000	Other income £,000	Misc Income £,000	RTB Admin £,000	Total Income £,000	Managt. £,000	Depreciation £,000	Responsive & Cyclical £,000	Other Revenue spend £,000	Cost of Rent Rebates £,000	Misc expenses £,000	Total expenses £,000	Capital Charges £,000										
1	2013.14	17,042	458	0	30	17,530	(3,438)	(1,232)	(3,541)	(240)	0	10	(8,441)	(2,564)	6,525	(5)	(4,403)	(32)	2,084	4,680	27	6,791		
2	2014.15	17,421	606	0	46	18,072	(3,869)	(1,192)	(4,110)	(244)	0	27	(9,387)	(2,563)	6,122	(580)	(3,657)	(342)	1,543	6,791	32	8,366		
3	2015.16	17,744	734	0	39	18,518	(4,591)	(1,232)	(4,116)	(299)	0	(2)	(10,240)	(2,549)	5,729	(1,039)	(3,532)	(24)	1,134	8,366	35	9,535		
4	2016.17	17,285	883	700	39	18,907	(4,999)	(1,129)	(3,972)	(249)	0	0	(10,349)	(2,548)	6,010	(1,490)	(4,017)	(325)	178	9,535	42	9,755		
5	2017.18	17,003	947	0	39	17,990	(4,905)	(1,115)	(4,227)	(297)	(47)	0	(10,591)	(2,725)	4,674	(1,310)	(3,500)	0	(137)	9,755	50	9,669		
6	2018.19	16,834	974	0	39	17,847	(4,556)	(1,102)	(4,317)	(303)	(65)	0	(10,343)	(2,672)	4,831	(1,587)	0	(2,856)	389	9,669	51	10,109		
7	2019.20	16,665	1,001	0	39	17,705	(4,713)	(1,088)	(4,410)	(309)	(78)	0	(10,598)	(2,647)	4,460	(1,917)	0	(3,651)	(1,108)	10,109	50	9,050		
8	2020.21	17,082	1,028	0	39	18,150	(4,875)	(1,075)	(4,504)	(315)	(85)	0	(10,854)	(2,615)	4,681	(2,259)	0	(3,749)	(1,328)	9,050	44	7,766		
9	2021.22	17,510	1,057	0	39	18,605	(5,043)	(1,062)	(4,600)	(322)	(115)	0	(11,141)	(2,575)	4,889	(2,619)	0	(3,954)	(1,684)	7,766	36	6,118		
10	2022.23	17,947	1,086	0	39	19,072	(5,218)	(1,049)	(4,698)	(328)	(92)	0	(11,384)	(2,522)	5,166	(2,889)	0	(4,055)	(1,778)	6,118	27	4,367		
11	2023.24	18,396	1,116	0	39	19,551	(5,398)	(1,036)	(4,777)	(335)	(95)	0	(11,641)	(2,508)	5,402	(3,288)	0	(2,132)	(18)	4,367	23	4,371		
12	2024.25	18,856	1,147	0	39	20,042	(5,586)	(1,023)	(4,879)	(341)	(127)	0	(11,956)	(2,538)	5,548	(3,718)	0	(1,848)	(18)	4,371	23	4,376		
13	2025.26	19,327	1,179	0	39	20,545	(5,780)	(1,010)	(4,982)	(348)	(101)	0	(12,222)	(2,568)	5,755	(4,180)	0	(1,594)	(19)	4,376	23	4,379		
14	2026.27	19,810	1,211	0	39	21,061	(5,982)	(997)	(5,088)	(355)	(104)	0	(12,526)	(2,600)	5,935	(4,675)	0	(1,278)	(18)	4,379	23	4,384		
15	2027.28	20,306	1,245	0	39	21,589	(6,191)	(985)	(5,196)	(362)	(106)	0	(12,841)	(2,570)	6,178	(2,427)	0	(3,816)	(65)	4,384	23	4,341		
16	2028.29	20,813	1,279	0	39	22,132	(6,408)	(972)	(5,306)	(370)	(109)	0	(13,165)	(2,595)	6,371	(2,710)	0	(3,666)	(4)	4,341	23	4,360		
17	2029.30	21,334	1,315	0	39	22,687	(6,633)	(960)	(5,418)	(377)	(111)	0	(13,499)	(2,640)	6,548	(3,081)	0	(3,486)	(19)	4,360	23	4,363		
18	2030.31	21,867	1,351	0	39	23,257	(6,867)	(947)	(5,533)	(385)	(113)	0	(13,845)	(2,687)	6,726	(3,483)	0	(3,261)	(19)	4,363	23	4,367		
19	2031.32	22,414	1,389	0	39	23,841	(7,109)	(935)	(5,650)	(392)	(116)	0	(14,202)	(2,738)	6,902	(3,915)	0	(3,005)	(18)	4,367	23	4,372		
20	2032.33	22,974	1,427	0	39	24,440	(7,360)	(923)	(5,770)	(400)	(117)	0	(14,570)	(2,855)	7,015	(6,063)	0	(936)	15	4,372	23	4,410		
21	2033.34	23,548	1,467	0	39	25,054	(7,620)	(911)	(5,892)	(408)	(119)	0	(14,950)	(2,955)	7,149	(6,735)	0	(432)	(18)	4,410	23	4,415		
22	2034.35	24,137	1,507	0	39	25,684	(7,890)	(899)	(6,016)	(416)	(122)	0	(15,344)	(3,103)	7,236	(7,413)	0	0	(177)	4,415	22	4,261		
23	2035.36	24,741	1,549	0	39	26,329	(8,171)	(887)	(6,143)	(425)	(124)	0	(15,750)	(3,416)	7,164	(8,137)	0	0	(973)	4,261	20	3,307		
24	2036.37	25,359	1,592	0	39	26,990	(8,462)	(876)	(6,273)	(433)	(126)	0	(16,169)	(4,782)	6,039	(8,911)	0	0	(2,872)	3,307	10	445 *		
25	2037.38	25,993	1,636	0	39	27,668	(8,763)	(864)	(6,405)	(442)	(129)	0	(16,603)	(4,283)	6,783	(225)	0	(2,610)	3,948	445	13	4,406		
26	2038.39	26,643	1,682	0	39	28,364	(9,077)	(853)	(6,540)	(451)	(132)	0	(17,051)	(4,238)	7,075	(20)	0	(7,165)	(110)	4,406	23	4,318		
27	2039.40	27,309	1,729	0	39	29,077	(9,401)	(841)	(6,677)	(460)	(134)	0	(17,513)	(4,332)	7,232	(21)	0	(7,233)	(22)	4,318	22	4,318		
28	2040.41	27,992	1,777	0	39	29,807	(9,738)	(830)	(6,817)	(469)	(136)	0	(17,990)	(4,431)	7,386	(22)	0	(7,388)	(24)	4,318	22	4,317		
29	2041.42	28,691	1,826	0	39	30,556	(10,088)	(819)	(6,961)	(478)	(137)	0	(18,393)	(4,530)	7,634	(23)	0	(7,636)	(26)	4,317	22	4,314		
30	2042.43	29,409	1,877	0	39	31,324	(10,451)	(807)	(7,107)	(488)	0	0	(18,853)	(4,617)	7,855	(25)	0	(7,855)	(25)	4,314	22	4,310		

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 17

Subject: **Community Development Update**

Purpose of report: This report gives an update on the work of the Community Development team.

Recommendation: To note the work carried out by the Community Development team.

Reason for recommendation: To update the Housing Review Board about the work of the Community Development team

Officer: Jane reading, Tenants and Communities Manager, ext. 2236
jmreading@eastdevon.gov.uk

Financial implications: There is a budget of £25,270 in 2016/17 - this does not include the cost of the Community Development Team which is part of the Landlord Services budget.

Legal implications: There are no legal implications

Equalities impact: Low Impact

Risk: High Risk

Reduced involvement and support of this initiative will have an high impact on the health and wellbeing of families and young people and a potential increase in Anti Social Behaviour across the district

Links to background information:

- <http://eastdevon.gov.uk/media/667944/combined-agenda-150115.pdf>
- <http://eastdevon.gov.uk/media/219883/combined-hrb-agenda-071113-public-version.pdf>

Link to Council Plan: Encouraging communities to be outstanding;
Developing an outstanding local economy;
Delivering and promoting our outstanding environment

Report in full

1. The Housing Review Board has received a number of reports about the work of this team over the last six years.

2. In January 2015 the Housing Review Board agreed to increase the team to four permanent FTE and to the appointment of an apprentice. In addition to this the team has increased by 0.4 (1 day x permanent and 1 day temporary until December 2016).
3. The Housing Revenue Account (HRA) also funds 1.5 days of a Countryside Education Ranger. This post is managed by the Countryside Team Leader based in the Countryside and Arts Development Service.
4. As previously reported the team delivers a wide range of community projects including the very popular and successful SWITCH projects: structured clubs and activities aimed at young people in Axminster, Littleham and Honiton. The Honiton SWITCH project opened in November 2015 and delivers services to young people predominantly from the Heath Park estate. SWITCH also delivers community festivals in four areas Littleham, Axminster, Honiton and Sidmouth /Sidford , nine community fun days, including some in our more rural locations and villages, and this year will deliver two events for national play day and running trips and activities for young people. In addition the team continue to support local youth groups and other groups and clubs, providing advice and guidance around set up, safeguarding, processes and procedures, funding and running groups.
5. We continue to work closely with the Targeted Families Support project now known as Early Help. The work has grown over recent months with the Community Development team taking a counselling and mentoring role for two young people. Our work to support the Open Door church with the extremely successful Men's Shed in Littleham has resulted in the building and opening of a new workshop. The Men's shed project continues to use Clayton House community centre for three days per week to run "clean" activities such as pool and computer work, and uses the workshop to run the creative and often very dusty work with wood.
6. As referred to in paragraph 3 above from November 2014 the HRA has funded a part-time Countryside Education Ranger position for 1.5 days per week to work in areas of the district with high levels of social housing. Although managed by the Countryside Team Leader the work carried out on our estates is agreed in advance with the Tenants and Communities Manager. This has included working with the Community Development team at events and with the SWITCH youth groups in Littleham, Axminster and Honiton. A series of regular sessions are also held with Children's Centre's in these areas. The project aims to increase the use of local green spaces as research shows that spending time outdoors helps to improve health and wellbeing for individuals, as well as providing a free and positive activity for family and community bonding. Families and young people have been engaged in activities, including exploring local nature reserves and parks, minibeast hunting, crafts using natural materials, making bird feeders and campfire cooking.

Report to: **Housing Review Board**

Date of Meeting: 16 June 2016

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 18

Subject: **Senior Management Structure review – Housing Service.**

Purpose of report: The report considers the interim senior management structure in the Housing Service and confirms a more permanent structure suitable for the delivery of services to the Councils tenants and customers in the private rented sector.

Recommendation: **To note the implementation of the Housing senior management structure as set out in this report.**

Reason for recommendation: To finalise the structure following a period working with an interim structure.

Officer: John Golding Strategic Lead – Housing, Health & Environment, ext 2767.
jgolding@eastdevon.gov.uk

Financial implications: The current structure is included in the 2016/17 budget.

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: Continuously improving to be an outstanding Council.

1. Background

1.1 For some time now we have been operating with an interim senior management structure in the Housing Service. The restructure of the Council's Strategic Management Team (SMT) and the creation of Strategic and Service Lead roles necessitated 'knock on' changes at Service level in Housing to maintain capacity and deliver the ambitious improvement programme set out in Council and Service Plans.

1.2 The SMT restructure did create a Service Lead role for Housing, and I initiated the recruitment process, but did not recruit to the position. We then experienced the retirement of the Housing Needs & Strategy Manager who was also performing the functions of the unfilled Property & Asset Manager post until his retirement. Recruitment to the Housing

Needs & Strategy Manager post produced two excellent internal candidates who performed better than the external competition.

- 1.3 The Housing Needs & Strategy Manager position was filled on a permanent basis and the Property & Asset Manager filled on an interim basis for one year. The interim period expired in May, which has prompted a review and need to confirm a structure going forward.
- 1.4 The current senior management structure in Housing is shown in **annex 1**. This has worked well over the past 10 months with individuals demonstrating a great passion, energy and commitment to their work. We have a good mix of experience and creativity, fresh ideas, whilst recently being able to reward aspiring younger talent, and having an eye to future succession planning. We operated to this structure some time ago prior to colleagues acting up and taking on additional duties.
- 1.5 The areas of responsibility for each manager is broadly as follows:
 - **Landlord Services Manager** – Rents/income management; Support services; Home safeguard; estate management; community development.
 - **Housing Needs & Strategy Manager** – housing options/homeless prevention; allocations/Devon Home Choice; strategy and enabling; housing IT systems.
 - **Private Sector Housing Manager** – enforcement of housing standards; HMOs; mobile home site licensing and conditions; Disabled Facilities Grants; home loans; energy efficiency; empty homes; private water supplies.
 - **Property & Asset Manager** – Repairs; programmed works and improvements; tenant permissions; Right to Buy; adaptations.

Further detail is set out in **annex 2** an extract from our 2011 Housing Service Directory, although there have been some minor changes in the past five years.

- 1.6 The current senior structure is based on four specialist areas within Housing recognising that the different disciplines require managers with strong general management skills, coupled with specialist knowledge in the different areas of responsibility. We have worked hard to ensure that teams do not work in silos and senior managers provide cover for each other and leadership to the teams even where this is not 'their' team.
- 1.7 Alternative senior management structures could include fewer managers with individuals adopting a wider remit, a more senior manager (Service Lead level) with fewer managers below, or having generic managers with responsibility for a geographic area of the district (say east/west). We could have also reorganised around the Hub concept with a loose front office (operational): back office (strategic/support) split of services.
- 1.8 Equally there are opportunities to amalgamate some of the Housing Services with Environment Services and senior management in Environmental Health & Car Parking; StreetScene; and/or Countryside & Leisure.
- 1.9 I have looked again at whether the senior management tasks in the Housing Service could be distributed amongst three managers rather than four, but have concluded that each post has a sufficient range of operational, staff and policy issues to justify a senior manager leading the activity. We currently have a good balance of suitably qualified, experienced and knowledgeable managers with skills and abilities to cover the technical, operational and legal elements of the Service, and a gender balance.
- 1.10 I have removed from the 2016/17 Housing Revenue Account budget the cost of a Service Lead for Housing. I felt that with a strong and clear management structure and competent managers below this post, the new role was unnecessary. The separation of duties could

be confused between the group of senior managers with the Service Lead role in place, and duplication of effort and conflicting demands could arise through the numbers of senior managers in the Service area.

- 1.11 Budget has also been a consideration in planning for the future senior management structure, not wishing to add to the current budgets, and the fact that we have a team leader structure below the senior managers to provide day to day supervision and management of the teams.
- 1.12 There are more radical options for the senior management structure that can be seen in some Councils and Registered Providers, however, I am not convinced that these are necessarily better or more efficient than our 'tried and tested' if somewhat traditional structure. The spans of control (number of subordinates a supervisor manages – see below) in our structure appear sensible for our business needs, range of services we deliver and geographical spread. We have approximately 110 staff assigned to twelve teams/groupings.



- 1.13 Using Systems Thinking principles I am keen to have a group of managers 'in the work' and applying their time and effort on 'what matters' to customers, with a focus on value demand, eliminating waste, and ensuring customer satisfaction. This sits well with the East Devon District Council organisational culture of being visible, accessible and operational as managers.
- 1.14 Future office relocation to two centres means that we can ensure that we have a senior manager in both locations at most times with four managers in post.
- 1.15 I am anticipating a further retirement in the next two years and I propose that we review the structure again if/when that event occurs. There is also an opportunity now to redistribute activities between managers without necessitating a restructure and this is something I will keep under review. There is currently a logical matching of Service activity with a manager, although this has not produced an even distribution of work tasks.
- 1.16 Therefore, I have recently made a permanent appointment to the position of Property & Asset Manager. This approach has been approved by the Strategic Management Team. A Job Evaluation of the post has recently been completed and there are no new financial implications arising from this decision.

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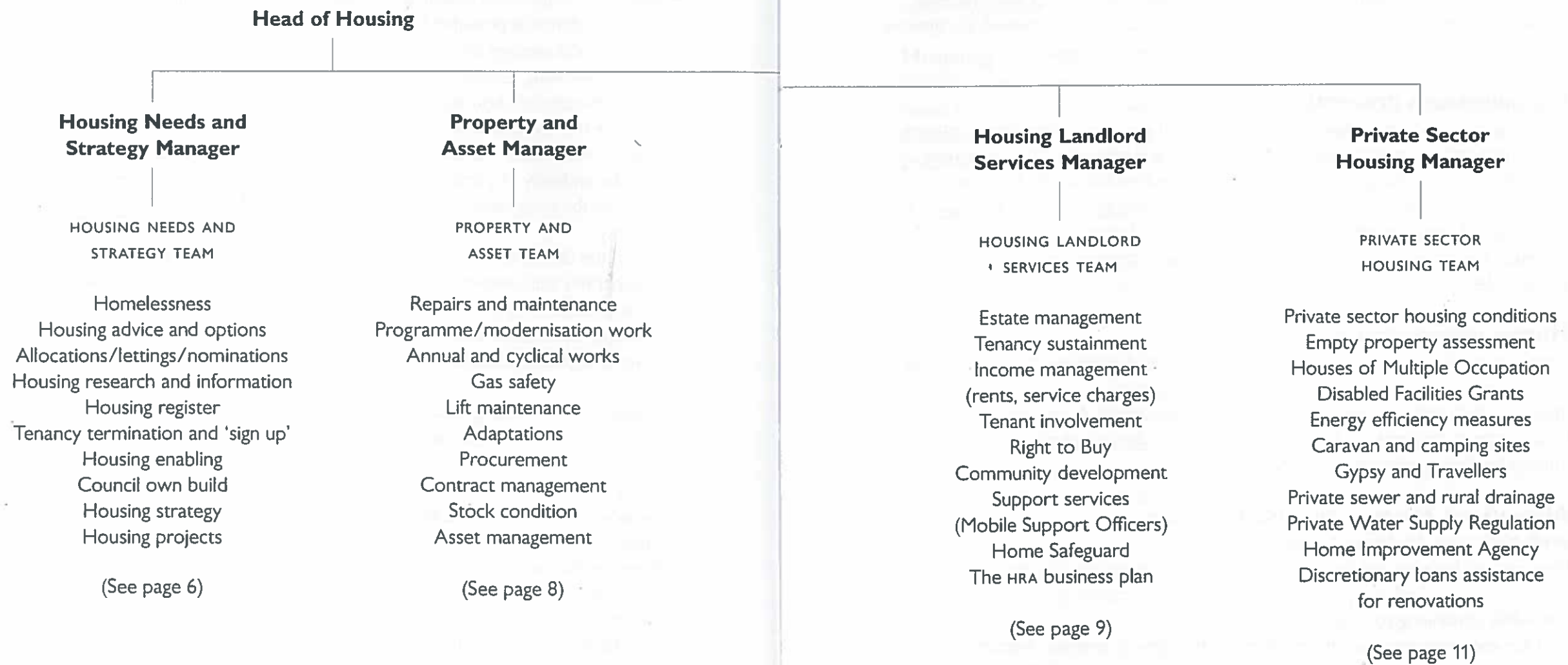


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Housing Service structure and functions

The diagram below shows how the Housing Service is made up, and what each team is responsible for.



Agenda item 19

Local Government Association Summary

Housing and Planning Act 2016

13 May 2016

BACKGROUND

On Thursday 12 May, the Housing and Planning Act received Royal Assent. The Housing and Planning Bill (the Bill) was introduced in the House of Commons on 13 October 2015 by the Secretary of State for Communities and Local Government, the Rt Hon Greg Clark MP. It followed an announcement made in the 2015 Queen's Speech that "legislation will be introduced to support home ownership and give housing association tenants the chance to own their own home."¹

The Housing and Planning Act 2016 (the Act) contains provisions on new homes (including starter homes), landlords and property agents, abandoned premises, social housing (including extending the Right to Buy to housing association tenants; sale of local authority assets; 'pay-to-stay'; secure tenancies), planning, compulsory purchase, and public land (duty to dispose).

The full text of the Act will be available here:

<http://www.legislation.gov.uk/>

KEY AMENDMENTS

The LGA worked with a number of MPs and peers during the passage of the Bill to provide background information and research on the proposals, support and table amendments to the legislation.

Our campaigning on behalf of local government, developed with the support from and input of councils from across the country, led to a number of positive changes in the final Act.

Higher value council homes

- The Act requires councils to sell higher value housing as it falls vacant. We worked with parliamentarians to put on the face of the Bill a requirement to ensure that where the Government makes an agreement with a local authority outside London about building new homes, at least one new affordable home is provided for each dwelling that is assumed to be sold.
- Parliamentarians secured a commitment from the Government that the change of wording from 'high' to 'higher' value would not be used to raise additional funds from local government.
- Peers sought to include a clarification that councils would be able to retain sufficient receipts from the sales to fund the provision of a replacement property, but this was overturned.

¹ <https://www.gov.uk/government/speeches/queens-speech-2015>

Secure tenancies

- Enabling local authorities to grant longer-term tenancies of up to 10 years in certain circumstances with potential for longer tenancies for families with children. The legislation originally limited this to five years, with no concession for families with children.

Starter homes discounts

- The Government will introduce in regulations restrictions around the resale of Starter Homes so that owners cannot 'cash in' the discount after a few years. The regulations may prevent the home being sold at full price for a specified period of time, or could require the seller to make a payment to the Secretary of State, local planning authority or another specified person.

Pay to stay

- For tenants above the high income thresholds ('pay to stay'), rent increases will be tapered. Every £1 they earn above the threshold will mean a 15p increase. The income thresholds will increase annually in line with CPI. Amendments that would have increased the income threshold to £40,000 (and £50,000 in London) were overturned.
- The Government committed to councils being able to keep the costs of administering pay to stay and to consider exemptions where the costs outweigh the additional rent collected.

Competition in processing planning applications

- The Government will carry out time-limited pilots on competition in processing planning applications, which will be fully evaluated.

The LGA Chairman Lord Porter spoke on the role of local government in housing provision in a number of the debates. The LGA also worked closely with our President and Vice-Presidents, as well as a large number of MPs and peers from all political parties, to update and inform throughout all stages on the legislation.

GET IN ON THE ACT

The LGA will produce a Get in on the Act guide to the legislation shortly, summarising the impact of the legislation on local government and the work of the LGA in influencing the legislation as it passed through Parliament.

<http://www.local.gov.uk/get-in-on-the-act>



What you need to know about the Housing and Planning Act 2016

The Housing and Planning Act 2016 has now completed its passage through parliament and received Royal Assent. It provides the necessary legislation for government to implement the sale of higher value local authority homes, starter homes, pay to stay and a number of other measures, mainly intended to promote homeownership and boost levels of housebuilding in England.

This briefing for CIH members summarises the measures introduced by the new legislation and highlights areas where further details are still to be set out in subsequent regulations.

Although the Act has now become law, this does not mean that all of these measures will immediately come in to force. In many cases the timeline for changes actually being introduced is still not known, however we will update CIH members as more information emerges.

Main measures contained in the Act

Extension of the right to buy

- Following a deal struck between the government and the National Housing Federation, whereby housing associations will extend the right to buy to their tenants on a voluntary basis, the Act enables the government to make payments to associations to compensate them for the cost of the discounts on offer
- The Act also allows the government to publish 'the home ownership criteria' (a set of rules for the extension right to buy) and to direct the Homes and Communities Agency to monitor associations' compliance with the criteria.

Sale of higher value vacant local authority homes

- The Conservative Party manifesto set out plans to require local authorities who have retained ownership of their stock to sell higher value homes as they become vacant. The intention is to use the receipts from these sales to fund the extension of the right to buy to housing association tenants
- The Act enables the government to set out a definition of 'higher value' homes and will create a duty on local authorities to consider selling homes that meet this definition when they become vacant
- The Act allows the government to estimate the amount of money they would expect each individual authority to receive, in each financial year, from sales of higher value homes. Authorities will then be required to pay this amount to the Treasury
- The Act also states that all higher value homes will be replaced with another 'affordable home' (which could be a starter home). In London the replacement rate will be two new homes for every one sold
- Details of both the definition of higher value homes and the mechanism by which the government will calculate the amount owed by each stock retaining authority will be published at a later date. The regulations used to determine these will be discussed in both the House of Commons and the House of Lords before they are implemented

Starter homes

- The government have previously announced that they intend to build 200,000 starter homes exclusively for first time buyers aged over 23 and under 40, and for sale at 20 per cent below normal market prices. The Act creates a new duty on all local authority planning departments to promote the supply of starter homes in their area
- The Act also allows the government to set regulations requiring starter homes to be included on residential sites as a condition of securing planning permission. However developments in rural exception sites will be exempt
- These regulations will be issued at a later date and government are [currently consulting](#) on the detail of the policy. We will be responding to the consultation.

Mandatory use of fixed term tenancies

- The Act requires that most new local authority tenancies are granted for fixed terms of between two and 10 years
- However local authorities will be able to grant households containing a child under the age of nine a longer tenancy, which will last until that child reaches the age of 19. The secretary of state will also have the power to allow councils to grant a secure tenancy in some other circumstances, to be set out at a later date
- At the end of a fixed term landlords will have to do a review to decide whether to offer a new tenancy, either on the same or a different property
- The Act also requires that in future successions to secure tenancies, other than when a spouse or civil partner is succeeding, will result in the granting of a fixed term (rather than a secure) tenancy
- Housing associations are unaffected by this section of the Act and will still have discretion to use either assured or fixed term assured shorthold tenancies.

High income social tenants: mandatory rents (Pay to stay)

- The Act requires local authority tenants with a higher income to pay a higher rent. Initially a 'higher income' will be defined as a household earning more than £31,000 per year, or £40,000 in London. These thresholds will be uprated annually in line with inflation (CPI)
- The Act requires local authority tenants to declare their income to their landlord and allows local authorities to share data with HMRC in order to verify that the information they have been given is correct
- Increased rents will be calculated on a basis of an additional 15p rent for every extra pound earned above the income threshold. However tenants who are in receipt of housing benefit (or who would be eligible to receive it if their rent were increased) will not be affected
- The Act requires local authorities to return any additional rental income generated by the policy (minus administrative costs) to the Treasury
- Housing associations are not subject to the policy. However if they choose to implement a pay to stay scheme, they will also be able to access HMRC data subject to specific conditions.

Other significant measures

- The Act increases the government's powers where a local authority does not have an up to date local plan. In future the government will be able to direct an individual authority to prepare or revise their local plan, to submit it to independent examination, to publish any recommendations from that examination and to consider whether they should be adopted



- The Act gives the government powers to grant automatic planning consent on any land allocated in a development plan document - the council's role would then be to agree any technical details. The government say that currently they would only use this power for land identified on their new brownfield registers
- The Act includes a package of measures to help tackle rogue landlords in the private rented sector. This includes:
 - allowing local authorities to apply for a banning order to prevent a particular landlord/letting agent from continuing to operate where they have committed certain housing offences
 - creating a national database of rogue landlords/letting agents, which will be maintained by local authorities
 - allowing tenants or local authorities to apply for a rent repayment order where a landlord has committed certain offences (for example continuing to operate while subject to a banning order or ignoring an improvement notice). If successful the tenant (or the authority if the tenant was receiving universal credit) may be repaid up to a maximum of 12 months' rent
- The Bill will allow a private landlord to regain possession of a property they believe to have been abandoned without a court order. They will be able to do this by sending two notices at different times requesting a written response from the tenant. Before they can send the second notice rent arrears must have been accrued. If a third party, such as a charity or local authority, had provided the tenant's deposit, they will also receive a copy of the notices

- The Bill will put a duty on local authorities to ensure they have enough plots of land available for self build to meet local demand.

What does CIH think?

Overall response

We welcome the government's ambition to substantially increase levels of house building and their desire to reverse the decline in home ownership, but are clear that as a country we will not be able to build new homes at the rate required if we build almost exclusively for home ownership. We need to build more homes of all types, including more affordable homes to rent.

We remain concerned about the on going loss of social rented housing, a problem which will be exacerbated by some of the measures in the Act (including the sale of higher value council homes, if these are not replaced, and starter homes, if these are included on sites instead of affordable homes to rent). [Our research has shown](#) that overall, taking right to buy sales, higher value sales and conversions to affordable rent into account, we are likely to have 370,000 fewer homes for social rent by 2020, compared to 2012 levels.

Right to buy and the sale of higher value council homes

We are clear that if much needed affordable rented housing is sold, that it must be replaced. However our analysis suggests the revenue generated from higher value sales is unlikely to be enough to both compensate housing associations for the cost of right to buy discounts and to fund replacements. [We have estimated that](#) if additional funding is not provided that up to 7,000 council homes per year could be lost.

We are also concerned that replacements will not necessarily be in the same areas as the homes that have been sold and may not be like-for-like (eg: social rent for social rent).



Starter Homes

We support the government's ambition to help more people become home owners. However, while starter homes will certainly benefit some people, they will not be affordable for all. It is therefore vital that they are provided alongside, rather than instead of, other affordable options for people on lower incomes.

We remain concerned that if developers are required to make a fixed percentage of homes on each site starter homes, that many of these will be provided at the expense of much needed new affordable homes to rent.

Mandatory use of fixed term tenancies

It is vital that decisions about how fixed term tenancies are used can be made locally, in order that individual landlords can take local circumstances into account. We are therefore pleased that amendments introduced following negotiation between the Lords and the government have increased the maximum period for which a fixed term tenancy can be offered from five to ten years, or longer in the case of households containing a child under nine.

However we still believe that local authorities should also retain some freedom to continue offering secure tenancies where necessary, as undoubtedly there will be occasions where this is simply much more appropriate than a fixed term.

Pay to stay

The amendments introduced following concerns raised in the House of Lords, such as annual uprating of the thresholds and confirmation that households in receipt of housing benefit will not be affected, address some of our concerns about this policy.

However we still consider that the thresholds above which rent will be increased are too low and that many households who can not reasonably be classed as 'high earners' will be affected. We also believe that the scheme will lessen incentives for working tenants to increase their income, by reducing the amount of any extra earnings that they are allowed to keep, and will be both complex and expensive for local authorities to administer.

Find out more

For more information about the Housing and Planning Act, attend one of our events:

- CIH Eastern region Housing and Planning Act event, 8 June 2016 in Cambridge
Book your place
- Housing and Planning Act: Ask CIH - member webinar, 9 June
Register now
- Housing and Planning Act Summit, 21 June in London
Book your place



Reduction in social housing rents

Briefing note: April 2016

This note provides an outline of The Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016, which contain detail on the exceptions permitted when implementing the reduction in social housing rents under section 23 of the Welfare Reform and Work Act 2016. It is designed to assist officers, housing association boards and local authority elected members in understanding the intended operation of the new regulations.

The first part of this briefing note gives a general overview of the regulations focusing on their potential impact and the scope for flexibility. The second part of the note provides a more detailed analysis of the main points of interest.

Overview

Potential impact

There is no doubt that the regulations will reduce substantially the rent generated by local authorities and housing associations over the next four years, and that this will have a significant adverse impact on their business plan projections. There is potential for the impact to be mitigated or delayed in some circumstances, and a possibility that rent reduction will not apply in future years to certain types of accommodation, which is subject to a one-off exception (pending further research by DCLG).

Landlords do have the option of making a case for an exemption because of the impact that rent reductions have on viability, as indicated by their business plan. However, there is a presumption against making such exemptions, and it is clear that the landlord would have to demonstrate that they have exhausted all other options for maintaining viability.

It seems clear that the bar for granting exemptions will be set at a high level, and so landlords may wish to seek external assistance if they wish to build their business case in support of an exemption.

Flexibility

The regulations provide little room for manoeuvre around the calculation of rents for existing tenants during the period that rent reductions must be applied. However, there are a number of areas, including the following, where there is scope for flexibility.

- Landlords may apply a 10% flexibility to formula rents for supported accommodation
- Almshouses, co-operative housing associations, mutual housing associations and community land trusts may implement a 5% rent flexibility on social rents
- Some landlords could elect to de-pool service charges for social rented properties, if they haven't already fully de-pooled their charges
- There is an option to use a depreciated replacement cost basis when calculating formula rents for supported housing
- Landlords may choose to implement accelerated rent reductions, if it suits them to reduce rents to 2019/20 levels in an earlier year, and then maintain rents at those levels until the end of the rent reduction period
- There may be potential for landlords to retain additional rent charged to high income social tenants during 2016/17

This briefing note has been prepared by Glenn Smith, associate director of financial consultancy, CIH consultancy



Next steps

Landlords and their legal advisors should check through the definitions provided by the regulations and ensure that they have interpreted them correctly when implementing social rent reductions. They should also review their business plans and conduct further scenario analysis, in order to help manage the impact.

CIH consultancy

CIH consultancy is available to provide additional support to any landlord wishing to consider the detailed impact of these regulations. We can help you to assess the impact of different approaches to setting rents and service charges, explore the flexibilities that are available under the regulations, develop a business case for an exemption from the requirement for rent reduction, or refresh your existing business plan projections.

For further information or to discuss the support that we can provide please contact Glenn Smith, associate director of financial consultancy on 07974 675731 or email glenn.smith@cih.org.

The regulations

The Secretary of State has published The Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 under powers conferred by sections 24, 25, 27 and 33, plus Schedule 2 to the Welfare Reform and Work Act 2016. These regulations provide greater clarity on the types of tenancy and tenant that are exempted from the requirement to make rent reductions for four years from April 2016/17.

The regulations come into force on 1 April 2016 and apply to registered providers (including both local authorities and housing associations).

Note that the regulations form a key part of the legal framework governing social rents and affordable rents. The regulations are subject to interpretation, and we strongly advise all landlords to seek their own legal advice when deciding how to implement them.

Changes introduced

Definitions

The regulations include a number of definitions for terms in paragraph 2 that are core to implementing social rent reductions. These definitions include:

- Absolute exception (identifies types of accommodation that are always exempted)
- Affordable rent housing (must be provided under specified funding routes)
- Income qualification criterion (applies to the assessment of household income for high earning social tenants)
- Intermediate rent accommodation (specific types of accommodation provided by a PRP)
- Public assistance (includes grant, subsidy, loan or land provided to a landlord)
- Qualifying year (used if making accelerated reductions)
- Specialised supported housing (supported accommodation for people who would otherwise be in care)
- Supported housing (low cost rental accommodation, provided with support)
- Temporary social housing (low cost rental accommodation for homeless people)
- Unrestricted value (used to assess whether accommodation received public assistance)

The interpretation of these and other definitions contained within the regulations is a matter for individual landlords and their legal advisors. There may be differences in the definitions used for the regulations and similar terms used for other purposes, and so we advise checking through the definitions carefully when implementing the reduction in social housing rents.



Exceptions from S23 of the Act

Paragraph 3(1) of the regulations specifies 12 types of accommodation, where the requirement for reducing social rents does not apply in any year. These are:

- (a) accommodation where total household income meets the income qualification criterion;
- (b) in cases where sub-paragraph (a) does not apply, accommodation where total household income met the income qualification criterion in the previous relevant year;
- (c) intermediate rent accommodation;
- (d) specialised supported housing;
- (e) PFI social housing;
- (f) temporary social housing;
- (g) student accommodation;
- (h) accommodation where the rent registered under the Rent Act 1977 is lower than the social rent rate;
- (i) in cases where sub-paragraph (h) does not apply, accommodation where the Rent Act 1977 rent criterion is met;
- (j) care homes;
- (k) relevant Housing Act 1996 accommodation;
- (l) accommodation where the rent payable by the tenant was temporarily reduced or waived for any period during the previous relevant year.

Paragraph 3(2) lists four further types of accommodation where there is a one year exception for 2016/17 only. These types are:

- (a) supported housing which is not specialised supported housing;
- (b) almshouse accommodation;
- (c) accommodation provided by a co-operative housing association or a fully mutual housing association;
- (d) accommodation provided by a community land trust.

It is possible that this exception could be extended into future years, as a result of an ongoing assessment by DCLG. Results of that assessment are due to be published in the spring of 2016.

Where there is an exception, the existing rent guidance should apply. This means that housing associations need to observe the Rent Standard, published by HCA in April 2015 and local authorities should have regard to the Guidance on Rents for Social Housing published by DCLG in May 2014.

Paragraph 3(3) enables landlords to reduce social rents by more than 1% in any year and then make a lower reduction (or possibly no reduction) in subsequent years – provided that they reduce rents by at least 3.94% from their starting level (2.97% for tenancies starting after 8 July 2015). Note that paragraph 3(3) does not apply in respect of affordable rent housing, where the social rent was higher than 80% of the market rent at the time the tenancy began.

Finally, paragraph 3(6) of the regulations permits the social rent rate for supported housing to be set in line with regulation 10, which allows for them to be up to 110% of the formula rent.

Exceptions from Part 1 of Schedule 2 to the Act

Part 1 of Schedule 2 to the Act specifies the calculation of maximum rents. Paragraph 4 of the regulations prescribes 12 types of accommodation where these calculations do not apply. This list includes:

- (a) accommodation where total household income meets the income qualification criterion;
- (b) intermediate rent accommodation;
- (c) supported housing which is not specialised supported housing;
- (d) specialised supported housing;
- (e) PFI social housing;
- (f) temporary social housing;
- (g) student accommodation;
- (h) care homes;
- (i) relevant Housing Act 1996 accommodation;
- (j) almshouse accommodation;
- (k) accommodation provided by a co-operative housing association or a fully mutual housing association;
- (l) accommodation provided by a community land trust.



Note that there are differences between the lists that apply under regulation 4 and regulation 3 (shown earlier in this note).

Where there is an exception, the existing rent guidance should apply. This means that housing associations need to observe the Rent Standard, published by HCA in April 2015 and local authorities should have regard to the Guidance on Rents for Social Housing published by DCLG in May 2014.

High income social tenants

The regulations define high income social tenants as those where the household income was £60,000 or more in the tax year ending in the previous year. Household income relates to income that is subject to income tax earned by the tenant(s) and partners living at the address. The two highest incomes are taken into account when calculating household income.

Regulation 5 sets the maximum rent in respect of high income social tenants at the level that would have applied under current guidance. This means that the 2014 DCLG Guidance on Rents for Social Housing applies to high income social tenants of a local authority, while the April 2015 HCA Rent Standard applies to high income social tenants of a private registered provider.

The accompanying Guidance on the Welfare Reform and Work Act 2016 social rent reduction from DCLG makes it clear that updated provisions will be introduced for high income social tenants when the Housing and Planning Bill comes into effect. These are likely to include arrangements for local authorities to pay additional rent collected to the government.

There are currently difficulties for landlords in accessing the information they need on household income in order to identify high income social tenants, which are likely to remain until the government has put arrangements in place for sharing information on personal incomes. This means that any schemes implemented under these regulations would rely on voluntary co-operation by the tenants who stand to pay higher rents.

Accordingly, it seems unlikely that landlords will implement higher rents for high income social tenants until further legislation is in place.

Rent Act 1977 tenancies

The regulations specify that S23 of the Act does not apply in the case of:

- Accommodation where the rent is registered under the Rent Act 1977, and the registered rent is lower than the social rent; or
- Other accommodation where the Rent Act criterion is met.

In these cases, the maximum rent payable by the tenant is the social rent (plus up to 10% in the case of non-specialised supported housing).

Temporary reductions or waivers

Paragraph 8 of the regulations requires a landlord to disregard any temporary reductions or waiver of rent when calculating the maximum rent for a dwelling.

Supported housing

At paragraphs 10 and 11 the regulations permit a landlord to set higher rents for supported housing.

Where a supported housing tenancy begins during 2016/17 and the tenant is charged a social rent, regulation 11 allows for the formula rent used to calculate the social rent to be increased by up to 10%. Landlords may also implement a CPI + 1% rent increase for 2016/17 in respect of supported housing where the tenant pays a social rent (followed by 1% reductions).

Where a supported housing tenancy begins before 1 April 2016, and the accommodation is let at an affordable rent, regulation 11 also allows the maximum rent for 2016/17 to include the effects of a CPI + 1% increase in the market rent, if that rent is higher than the social rent.

It is important to note that the definition of "support" provided at regulation 2 is very specific, and provides greater clarity on the types of supported housing that are excluded from the rent reduction requirement.



It is also clear that, in applying the exception for supported housing, it is important to take into account the characteristics of the tenant, as well as the accommodation itself. For example, supported housing must be:

- Low cost rental accommodation
- Made available only in conjunction with the supply of support
- Only available to residents who have been identified as needing support
- Either:
 - Designed, altered or refurbished to enable independent living; or
 - Available to people from a designated group with specific support needs

This may mean, for example, that tenants who live in a supported housing scheme and live independently without support are not covered by the exception.

Almshouses, co-operative/ mutual housing associations and community land trusts

Regulations 12 and 13 allow the following in respect of almshouses, co-operative housing associations, mutual housing associations and community land trusts:

- Landlords may increase the formula rent used to calculate the maximum social rent in 2016/17 by up to 5%
- If the rent payable by the tenant is higher than the maximum social rent, then a 1% reduction should be applied in 2017/18
- The maximum rent for 2016/17 includes the effects of a CPI + 1% increase in the rent payable by the tenant (followed by 1% reductions)

Where a tenancy begins before 1 April 2016, and the accommodation is let at an affordable rent, regulation 13 also allows the maximum rent for 2016/17 to include the effects of a CPI + 1% increase in the market rent, if that rent is higher than the social rent.

Accelerated reductions

Landlords may decide to implement rent reductions of more than 1% in the case of properties let at a social rent. If they do so, the qualifying year for those properties occurs when:

- For properties let before 8 July 2015, the rent payable reaches 3.94% less than the rent payable in 2016/17
- For properties let on or after 8 July 2015, the rent payable reaches 2.97% less than the rent that would have been payable in if the tenancy had started at the start of 2016/17.

Landlords making accelerated rent reductions do not need to make further reductions after the qualifying year.

Financial viability impact

Regulation 15 outlines the criteria, under which a landlord may seek modification or disapplication of the requirement for rent reductions.

In the case of a housing association, the requirement may be modified or dis-applied if:

- Complying with the requirement would jeopardise its financial viability
- It has recently received a transfer of housing from another registered provider, and either:
 - The specific housing concerned was subject to a direction that modified or dis-applied the requirement for rent reductions; or
 - The regulator has already issued a direction to the transferee permitting them to modify or dis-apply the requirement for rent reductions

Further guidance for housing associations on applying for an exemption was published recently in the HCA note Explanatory note for making a formal application for an exemption to the rent reductions in the Welfare Reform and Work Act 2016.



A local authority may also apply for an exemption if the Secretary of State considers that it would be unable to avoid serious financial difficulties if it were to implement rent reductions. Further guidance on the application process for local authorities is expected.

It is reasonable to assume that the bar for granting an exemption is likely to be set at a high level for both housing associations and local authorities. We anticipate that a successful application would need to demonstrate that the applicant is unable to avoid the difficulties, even after taking actions such as:

- Reducing operating costs
- Utilising all of the flexibilities permitted by the regulations
- Revising plans for investing in the existing stock
- Changing plans for developing new housing
- Disposing of dwelling and non-dwelling assets
- Working in partnership with other providers
- Transferring stock to another landlord
- Switching tenures for some dwellings

It is also clear that any exemption may apply for a specific period, and may be limited to part of the landlord's stock.

Service charges

Regulation 16 clarifies whether service charges are included within "rent" for the purposes of rent reductions. In the case of affordable rent properties, "rent" includes service charges (in line with the definition of affordable rent used elsewhere), unless the property is let at a social rent because the social rent rate is greater than 80 per cent of the market rent. For properties let at a social rent, "rent" excludes service charges. This means that landlords continue to have flexibility to apply different increases in respect of the service charges they make for social rented properties, reflecting changes in the actual cost of the services. This flexibility appears to permit service charge de-pooling, if a landlord wishes to de-pool service charges from an inclusive rent.

Formula rent

The schedule to the regulations defines the method of calculating the formula rent. The formula is in line with previous formulae prepared by DCLG and HCA.

For supported housing, the regulations permit the use of depreciated replacement cost, when calculating formula rents, instead of the existing use value. This is already permitted in the HCA Rent Standard, but is not included in the DCLG Guidance on Rents for Social Housing. This change provides local authorities with additional flexibility when setting rents for supported housing, and applies to the base formula rent calculated for 2000/01.

The formula rent calculation laid out in the Schedule to the regulations also specifies the Rent caps that apply for 2015/16.

References and links

[The Social Housing Rents \(Exceptions and Miscellaneous Provisions\) Regulations 2016 \(SI 2016 No. 390\)](#)

[Welfare Reform and Work Act 2016](#)

[Guidance on Rents for Social Housing](#)

[Rent Standard](#)

[Guidance on the Welfare Reform and Work Act 2016 social rent reduction](#)

[Explanatory note for making a formal application for an exemption to the rent reductions in the Welfare Reform and Work Act 2016](#)

Agenda item 21



INCOME MANAGEMENT:

CIH charter for housing



INCOME MANAGEMENT: CIH CHARTER FOR HOUSING

There has never been a more challenging time to be a social landlord: the roll out of universal credit, welfare reforms and the rent reduction from April 2016 continue to put financial pressure on landlords and tenants alike. More than ever, landlords need to ensure that their core services - especially income management - are efficient, effective and fit for purpose in this new operating landscape.

The CIH **income management charter** is a flexible framework that helps you develop an excellent approach to managing internal income collection. It helps organisations to identify what outcomes a good quality income management service can deliver. It is intended to be used as a self assessment tool and to support internal challenge and service improvement - through tenant scrutiny, peer or independent review for example.

The charter focuses on income management – to include rental income, service charges and sundry debts. It does not cover investment or grant income. However, the underlying principles may be adapted to cover these areas.

By signing up to the CIH income management charter, you are making a public commitment to deliver a high quality approach to income management, which balances the needs of the business against outcomes for tenants.

There are five core principles underpinning the **income management charter** for housing

1. It has been developed using sector expertise
2. It is flexible and can be tailored to suit the outcomes that matter to you and your tenants
3. It is focused on outcomes, not on processes
4. It drives sector-led improvement
5. It complements existing frameworks or initiatives

How do we sign up for the charter?

Initial sign-up is voluntary, based on self-assessment – at this stage you will be recognised as ‘working towards’ meeting the commitments of the charter. To be recognised as fully meeting the commitments of the charter, you will need to undergo an independent accreditation carried out by CIH consultancy. When you pass this you will be publically recognised as meeting the commitments of the charter and will receive the charter stamp and certificate.

What are we signing up to?

	Core commitment	We can demonstrate that
1	We recognise that effective income management is integral to everything we do as a business	<ul style="list-style-type: none"> • There is strong corporate commitment, leadership and accountability to deliver an effective approach to managing our income streams • Our approach to governance and risk management enables us to understand and plan for potential challenges to our income streams • We have a whole organisational approach to income management - it is not just seen as the function of the income collection team • We have robust governance and scrutiny arrangements in place to challenge and drive performance • We are flexible and quick to respond to any economic, legislative and regulatory changes that will impact on the way we manage our income • Our whole organisation understands the importance of income collection in terms of our overall financial viability

What are we signing up to?

	Core commitment	We can demonstrate that
2	We equip everyone involved in income management with the right skills, capacity and resources	<ul style="list-style-type: none"> • We commit sufficient time, capacity and resources to ensure we can consistently and effectively collect income • We have a structure in place that has the right people, with the right skills in the right jobs to ensure effective income management • We invest in training and development to ensure that staff at all levels have the appropriate knowledge, skills and flexibility to manage income recovery efficiently and effectively • We have (or are proactively working towards) reliable and flexible IT systems that provide real time payment information, self serve options for tenants and we support our staff to manage income effectively • We have robust, flexible procedures that enable staff to use their judgement and that reflect the best interests of both our tenants and the business
3	We provide an accessible and accountable income management service	<ul style="list-style-type: none"> • We have created a payment culture and tenants understand the need to pay their rent, service charges and other sundry debts; and the impact on them and the business if they don't • We offer a range of options for tenants to pay their rent, service charges and other debts, to balance the needs of our tenants and our business • We treat people fairly regardless of age, disability, gender assignment, marriage or civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation • We take all complaints about the services we provide seriously. This is demonstrated in our overall approach to handling complaints, which are regularly monitored against targets and contribute to the process of continual learning • We collect relevant and meaningful information about tenants, which helps us to tailor our income management approach accordingly. Information collected is safely stored and used in accordance with data protection requirements

What are we signing up to?

	Core commitment	We can demonstrate that
3	<i>[Continued]</i> We provide an accessible and accountable income management service	<ul style="list-style-type: none"> • We provide a range of jargon-free communication options which give clear and concise information on service standards, payment methods, and how to get help. Information is available in different languages and formats (on request) • We have clear policies, procedures and processes in place for delivering the income management service, which set out the aims of the service and the roles and responsibilities of all parties. Policies and procedures are developed in consultation with stakeholders • We use our existing knowledge about our tenants as well as responding to new information and circumstances to ensure that vulnerable tenants and other high-risk groups are appropriately supported
4	We deliver a fair and consistent approach to income management that reflects a commitment to creating sustainable tenancies	<ul style="list-style-type: none"> • Our approach to income management balances prevention, support and recovery • We have appropriate resources in place to minimise the risk of rent arrears by carrying out a robust approach to prevention, including pre-tenancy work • We provide a range of tenancy support services, both in-house and through partnership working, which cover money and financial inclusion advice and employment support • We ensure that our approach is proportionate and flexible, taking into account individual circumstances, while upholding the values of our organisation • Our overarching ethos is one that encourages and supports tenant independence with a focus on enabling them to pay their rent • We consider affordability alongside what we need to deliver and improve services when setting our rent and other charges • We ensure that appropriate and timely referrals are made to homelessness and other advice services when we do take enforcement action

What are we signing up to?

	Core commitment	We can demonstrate that
5	We ensure that a value for money approach is embedded	<ul style="list-style-type: none"> Value for money is understood and embedded in our work. It is part of our performance management framework, determines how we allocate resources and is widely communicated to staff and tenants who are encouraged to identify opportunities to improve value for money We understand the cost of delivering our income management service balanced against the impact of our activities and assess and re-configure our approach regularly We understand how our cost and performance compares with other similar or local landlords and we use that information to improve our service
6	We continually strive to understand and improve our performance	<ul style="list-style-type: none"> We have an effective performance management framework in place to report, monitor and review performance. Our income recovery targets are challenging, subject to regular review and contribute to ongoing improvement Tenants are encouraged and able to hold us to account about how we manage our income management service. We provide our tenants with regular information in an agreed format on our costs, performance and satisfaction, to enable them to make evidence-based, value for money judgements. We use information obtained from tenant scrutiny to inform and drive service development We encourage feedback about our income management service including comments, compliments and complaints, and meaningful satisfaction information. We use this feedback intelligently to continuously review and improve our service Good practice is sought and adopted from within and outside the sector

If you think your organisation meets all of the above criteria, why not apply for the CIH income management accreditation to receive formal sector recognition as one of the leaders in the delivery of effective income management services? **Find out more and apply at: www.cih.org/**

Agenda item 22

Scoping template

Housing Review Board – Housing Revenue Account 30 year Business Plan

Scope of work for scrutiny:

Broad topic area:	Housing Revenue Account (HRA) 30 year Business Plan (BP).
Specific areas to explore within topic area:	<p>Impact of recent Government announcements on the HRA BP, including:</p> <ul style="list-style-type: none"> • 1% rent reduction policy • Pay to Stay consultation • Right to Buy receipts – retention and spending • Sale of high value stock <p>The review should also cover - The borrowing headroom and capacity to increase debt; Review of the loan portfolio together with the risks and sensitivity analysis; Spending of Right to Buy receipts.</p>
Areas NOT covered by the review:	Areas outside of the HRA BP.
Desired outcomes of the review:	To produce a new, refreshed HRA Business Plan that is 'fit for purpose' and effectively manages financial and operational risks to the business.
Who should be consulted to obtain evidence (e.g. Ward Member, officers, stakeholders)	<p>Strategic Lead – Housing, Health & Environment Strategic Lead - Finance Housing Accountant Portfolio Holder – Sustainable Homes and Communities Housing Review Board Tenants</p>
What evidence already exists (consultation, good practice examples)	<p>Government consultation documents and feedback from other social housing providers. Examples of Business Plans from other local authority housing providers and housing associations. Housing & Planning Bill. Chartered Institute of Housing policy and practice.</p>
What experts are	Capita

needed to help with the review:	Legal Financial
What other resources are needed:	HRA Business Plan model
Undertaken by the Committee or is a TAFF required:	Task and Finish forum
Timescale including start date:	Start: June 2016 End: December 2016
Who are the recommendations being reported to:	Housing Review Board and onto Cabinet.