

27 November 2013	ITEM: 12 (ii)
Council	
CABINET PORTFOLIO HOLDER REPORT	
Report of: Councillor Morris-Cook, Portfolio Holder for Housing	
Housing	

Introduction

I am pleased to introduce to Council my portfolio holder report.

This report reflects the volume of activity and progress that has occurred over the past 12 months. Adopting a more strategic and long-term approach to doing business has seen significant and comprehensive changes in our programmes of work.

Underpinning many of the changes has been our new approach to contracting and commissioning. Longer-term strategic planning has enabled us to invest in our council homes, drive up standards for our tenants and stimulate the local economy to produce wider economic benefits for all residents in Thurrock. This has in turn given us confidence to open up dialogue with our tenants who will pay a large and growing part in shaping local housing services.

At the same time we have levered-in significant external funds to enable us to extend our programmes of work. Over £5.5m additional funding has been brought into Thurrock for use in Housing.

Whilst we work against a backdrop of regulatory changes to Welfare benefits and significant economic challenges which have produced real threats to our ability to maintain and deliver services, I am proud to say that we have not only faced-down the challenges but found a route to altering the delivery of our services to provide an improved 'offer' to our tenants. Resident satisfaction surveys reflect growing levels of satisfaction with the housing services which we offer.

We aren't however complacent, we are well aware of the challenges that still lie ahead of us. As we work to gain an improved understanding of our service needs so this places us in a position to act deftly to re-shape our services to address those changing needs.

The report below outlines the significant programmes of work that have been undertaken in the Housing Directorate:

- Repairs and maintenance contract
- New 'Beyond Decency' Housing Standard

- Capital Programme – Transforming Homes
- Green Study
- Tackling Damp and Mould Growth
- Tackling Voids
- A New Framework for Procurement
- Planned Maintenance Service
- Estate Regeneration and Delivering new homes
- Empty Homes
- Wholly Owned Housing Company
- Housing Customer Satisfaction
- Addressing Welfare Reform
- Downsizing
- New Allocations Policy
- Anti-Social Behaviour Team
- Private Sector Housing Strategy
- Neighbourhood Action Plans

- **MFS repairs and maintenance contract:**
 - Housing terminated its contract with the underperforming MFS and entered into an interim agreement (until April 2014) with MEARS for its repairs and maintenance service.
 - Customer satisfaction has improved significantly since this time. This has also resulted in an improved voids turnaround time.
 - Processes now underway to procure the provider(s) for the long term repairs and maintenance service post- April 2014.

- **Introduction of new ‘Beyond Decency’ Housing Standard**
 - A new **Housing Standard** was introduced in January 2013 which:
 - Triggered the wholesale refurbishment of Council homes which improves upon the previous national Decent Homes standard.
 - Allows for new kitchens, bathrooms, windows, electrics, boilers to be replaced as soon as they hit triggers lower than the previous threshold.

- **Capital Programme – Transforming Homes:**
 - The Housing Capital Programme consists of the integration of three streams of work: investment to build new homes, refurbishment of existing homes, estate regeneration.
 - The refurbishment of all existing Council homes is a £68m programme and covers a period of 5 years (2013- 2018).
 - Procuring three contractors drives up standards as each contractor competes for future business from the Council for the remainder of the capital programme.

- The cost of improving Council homes is now estimated to be 50% lower compared to the unit price of improving each home under the previous Decent Homes programme.
 - The programme has introduced wider benefits in the form of training places, support and training for NEETS, apprenticeships, work experience, direct jobs, locally sub-contracted work and funds invested into wider community projects. The focus is on creating local labour and opportunity. To date the supply chain has created 50 Jobs for Thurrock Residents and 5 Apprenticeships. 4 of these apprenticeships are for skilled labour, 1 of them for management.
 - Significant external funds have been levered -into the housing capital (retrofit) programme; 75% of the retrofit measures will be funded by external funding as compared to previous years whereby the Council paid 100% for a much more limited range of thermal efficiency measures.
 - This has enabled the council to improve the energy efficiency of all Council homes to an 'affordable warmth' standard. This in turn will reduce the levels of fuel poverty in the borough.
 - Private households will also benefit from the retrofit programme. The partnership with suppliers will drive down the cost of a variety of retrofit measures which private householders will be able to 'buy-into'.
 - Currently 500 properties have been completed to date under the programme with an average spend of £9500 per property.
- **Completed a 'Green Study' which :**
 - Gives an overview of the energy performance of our homes and measures which could improve their thermal efficiency.
 - Provides a pathway to ensuring our homes meet affordable warmth standards
 - Gives a summary of the external funding sources available to support a retrofit thermal efficiency programme.
 - Provides useful technical data to support our application for external funds.
 - Allowed us to move forward in the capital programme those homes which were the least energy efficient and the most costly to run.
- **Delivering new homes:**
 - Embarked upon the regeneration of **Seabrooke Rise, Grays** which incorporates:
 - 53 homes for affordable rent
 - The scheme will achieve Sustainable Homes Code Level 4.

- A new community house for the tenants.
- Projected start on site Nov 2013

- Commenced the regeneration of **Bracelet Close, Corringham:**
- 12 homes for affordable rent / shared ownership
- Projected start on approx. Jan 2014
- Commenced the regeneration of **Derry Avenue, South Ockendon:**
- 25 homes for older people –The boroughs first HAAPPI scheme all Affordable Rent but with potential for shared ownership depending on demand.
- Awarded £1.3M in grant from the Homes and Communities Agency/Department of Health,
- Projected start on site March 2014
- Commenced the regeneration of **Calcutta Road, Tilbury:**
 - 22 homes for Affordable Rent
 - Projected start on site June 2014
- Exploring the potential for regenerating the **Tilbury Market site :**

Empty Homes Programme (Round 2):

- 35 tenancies for individuals: all former offenders
- Former offenders will also be involved in the refurbishment work, carrying out as much of the labour as possible.
- Project was the subject of a successful bid to the Homes and Communities Agency for £210,000 in grant.
- Projected start on site April 2014

- Investigating the feasibility of setting up **Gloriana, the Council Wholly Owned Company**
 - To assist in the delivery of the council's house building objectives in the face of a broken market. To intervene strategically where the private sector will not and to kick start development.
 - The WOC's Initial programme is to build up to 350 units from Mar 14 to Sep 18. Possible sites include St Chad's, Tilbury and Mulberry Square, Grays.

The remaining programme will be reviewed next year.

- The Final Business case to set up of Gloriana, the council WOC is to be considered at November cabinet.

- **Tackling Damp and Mould Growth**

- The commencement of a programme to tackle damp and mould integrated into the wider capital investment in Council homes.
- Extensive damp treatment work concluded on 15 properties.
- £68k spend on damp works in recent months.

- **Tackling Voids**

- A new approach to tackling high levels of voids has seen a newly established target of 36 days.
- Currently mid-year figures show a continued trajectory in the right direction.

- **A New Framework for Procurement**

- A new Framework for the procurement of future capital works has now been agreed.
- These frameworks are being designed to ensure that small to medium sized firms will have an opportunity to bid for increased amounts of work up to an estimated value of £2million pounds a year.
- Local firms will also have the opportunity to be considered for inclusion on the supply chain for larger main contractor firms on programmes of work valued at over £5m a year

- **Housing Customer Satisfaction**

As part of developing an accountable, transparent, and open service:

- New tenants' led performance indicator have been agreed to be displayed around the borough.
- A protocol between colleagues in Adult Social Care, Mental Health Services and housing has been agreed
- An independent satisfaction survey started with the following results 69% of residents being satisfied with the overall service and 78% of tenants being satisfied with our caretaking service.

- **. Addressing Welfare Reform**

The introduction of the 'The Welfare Reform Act 2013' has meant a reduction in tenant's Housing Benefit if they are "under-occupying" a property and/or capping the amount of benefit they can receive.

Housing has supported tenants in the following ways:

- **Before** the reduction all affected tenants were contacted and given advice,

support and information.

- **Currently:** hired our own Financial Inclusion Officer who has visited or met with over 300 tenants in the first six months of this financial year and helped them apply for additional benefits or with budgeting information.
- **Ongoing:** A new partnership has been created with Family Mosaic who offer financial advice for those in crisis and the latter stages of the process of rent collection, this is a final effort to help tenants sustain their tenancy and be able to afford their properties.

To date our Financial Inclusion Officer has seen 400 people and is estimated to help bring in £65,000 additional income for our tenants this year.

Family Mosaic have seen 85 residents and are currently assessing their impact. An example of their work is for one tenant they were able to get an extra £214 per week in child tax credit.

The success of this work is evidenced by a loss of just 0.2% of the £46m that is due to be collected this year and shows a strong level of collection and support for our tenants.

- **Downsizing:**

This scheme releases some of our larger accommodation by offering a financial incentive to downsize and is consistent with welfare reform changes.

- To date this year 56 tenants have downsized to smaller properties against an annual target of 55.
- We have achieved the annual target in the first six months and will continue to promote this incentive to ensure that everyone can achieve a property suitable for their needs.
- For those who have downsized they will save in total £46k per year on their rent.
- Two separate tenants have saved £50 a week through their moves.

- **New Allocations Policy**

In May 2013 new Allocation Policy:

- Added a five year local connection requirement for anyone moving into a Thurrock Council Property,
- Gives a priority to working families and those in the armed forces or who had previously served.
- Housing transfers were prioritised with 25% of all properties advertised this year being given to tenants looking to transfer to different properties.

Outcome of new allocations policy:

- 18 households successfully bid using the working household priority

- Of all lets 46.3% were transfers allowing current tenants to move to a different council property
- Changed from a Gold, Silver and Bronze 'band' to a '5 Point Scale' which better reflects the requirements of the new policy and allows more nuance in people's ability to bid
- Waiting list and transfer list reduced from in excess of 6000 to 3700 applicants.

- **Anti-social Behaviour Team**

Following a cut to the Council's Anti-social Behaviour Services Housing has now created its own **Anti-social Behaviour team** for tenants in response to this being one key area of tenants concerns.

- **Private Sector Housing Strategy**

A new Private Sector Housing Strategy has been drafted with the objective of improving the standard of private sector housing within the borough. This strategy encompasses the following:

- Private Sector Landlord Licensing,
- a Social Lettings Agency,
- greater powers to licence HMOs,
- A new "Well Homes Index" which focuses resources on those areas where we believe there is a significant amount of low standard private housing.

- **Neighbourhood Action Plans**

- Neighbourhood Action Plans (NAPs) have been created to ensure that tenant's views and priorities are being tackled at a local level and tied into Housing priorities, resources and budgets.
- NAPs involved knocking on every tenant's door in a geographic area and asking for three key priorities in their local area.
- Initial pilot areas were Seabrooke Rise, Wellington Road, Crux, Garrison and Flowers Estate.
- These NAPs will now be rolled out across the borough and will ensure that the Housing Team are working with tenants to help improve their neighbourhoods and communities

Financial Overview

Members have received a number of reports in the past that have explained the Housing Finance Reform and its likely impact on Thurrock Council. That is the one off exchange of increased debt against the annual payment of subsidy to the government.

The following is an extract from the 2012/13 Financial Statement that best explains the financial benefit:

	2011/12	2012/13
	£000s	£000s
Subsidy Payable	12,632	0
Debt Management Costs	203	5,679
Total	12,835	5,679
Increased Resource	7,156	

The Housing Revenue Account receives circa £43m in rents and £4.5m of other income that contributes to this increased resource. This increased resource, along with improved Value for Money from the existing budgets for repairs and maintenance, has allowed the Council to set a budget that concentrates on providing housing accommodation that surpasses the national definition for Decent Homes. This is through:

- a) A five year programme totalling £68m (£13.6m per annum) that will improve all of the Council's existing housing stock; and
- b) Invest in new build and redevelopment.

The Housing Revenue Account started the financial year in a strong financial position to support its ambitious objectives with reserves as at 31 March 2013 as follows:

Reserve	31 March 2013	Use
Balances HRA	1,700,000	Unallocated balance to cushion the HRA against unforeseen events or to help phase major change.
Capital Receipts Reserve HRA	869,538	To meet the costs of the HRA capital programme and new development.
Major Repairs Reserve	3,103,116	To meet the costs of the HRA capital programme.
Development Reserve	2,719,118	Set aside to meet the costs of new housing development.
Total	8,463,772	

In addition to these reserves, the Housing Revenue Account also has the ability to borrow up to a further £20m to meet the costs of its new build/redevelopment programme. The costs of this borrowing would be met from the annual surpluses brought about by the Housing Finance Reform set out above and through the increased rents that would come from increased stock.

All of these plans are currently being factored into the Housing Revenue Account Business Plan that will be considered by Overview and Scrutiny in summary form on 21 November 2013. Current projections are positive showing that all of the ambitious plans are affordable with surpluses beginning to accrue from 2017/18. These surpluses will be available to continue with the new build/redevelopment programme, works on existing stock or to start repaying the debt portfolio.

Conclusion:

You will see that these programmes of work are being delivered across the range of housing services and cover everything from improving our current housing stock and building new homes to offering a better service for vulnerable residents. I am proud that we have been able to keep our eye on the detail whilst casting a longer-eye of where we need to be in the longer-term future. While I am not complacent I am aware that all of this is taking place amidst significant re-structuring and 'back-office' reform which will reduce the costs of housing management, increase the % of HRA spent directly on improving homes and strengthen the front line to support the key programmes of delivery. I am immensely proud of the achievements of the past 12 months. As many of the programmes of work have newly been put in place, the next 12 months will see us consolidating these changes whilst remaining open to continual dialogue and change with our residents.