

# SELECT COMMITTEES

## 1. HOUSING SELECT COMMITTEE

*The Housing Select Committee consisted of the following members:*

Councillor S Murray (Chairman)  
Councillor A Mitchell (Vice Chairman)  
Councillors K Chana, R Gadsby, L Girling, S Kane, J Lea, C Roberts, B Rolfe, G Shiell and J H Whitehouse

The Lead Officer was Alan Hall, Director of Communities. The Committee also appreciated the Housing Portfolio Holder, Councillor D Stallan, attending the meetings to help them with their deliberations.

Wyn Marshall represented the Tenants and Leaseholder Federation, attending the meetings as a non-voting co-opted member to provide the views of residents and stakeholders.

### *Terms of Reference*

The Housing Select Committee was tasked to undertake reviews of housing related services and related functions of the Communities Directorate;

To ensure that they are appropriate and responsive to the needs of residents, service users and others;

To consider the effect of Government actions on housing related services and functions of the communities Directorate;

To undertake performance monitoring in relation to the housing services; and

They also undertake specific projects related to public and private sector housing issues, as directed by the Overview and Scrutiny Committee.

*The Panel scrutinised a number of important issues over the last year, which included:*

**(i) Communities Directorate's Housing Service Strategies** – At the beginning of the year (June 2015) the Committee received several reports on the various Strategies and Standards covering Housing and the Communities Directorate. These included the review of the Housing Strategy, Housing Service Standards Performance (2014-15) and review, the Communities Directorate's Housing Service Strategy on Energy Efficiency, the Housing Service Strategy on Housing and Neighbourhood Management, the Housing Service Strategy on Older People's Housing services and the Housing Strategy: 6 month progress report on the Key Action Plan 2015/16.

These were reviewed and agreed by the Committee and would continued to be kept under review throughout the year.

**(ii) Key Performance Indicators – Outturn (Q4) Performance** - From 2014/15 each former Scrutiny Panel became responsible for the review of quarterly performance against KPIs falling within its area of responsibility. This report therefore included in detail only those indicators which fell within the areas of responsibility of the Housing Select Committee.

Ten of the Key Performance Indicators fell within the Housing Select Committee's areas of responsibility with the overall position in regard to the achievement of target performance at the end of the year, as follows:

- 10 (100%) indicators achieved the cumulative end of year target.

**(iii) Presentation on the current and future approach dealing with Private Empty Properties** – In November, the Select Committee received a presentation from the Private Housing Manager (Technical) regarding the Current and Future approach to dealing with Private Empty Properties.

The Select Committee were advised that nationally, there had been a reduction in the number of empty homes:

(a) From 783,119 in 2008 to 610,123 in 2014;

(b) Within Epping Forest District Council the reduction had been from 1,837 in 2005 to 1,391 in 2014; and

(c) From the £548,829 received by the District Council through the New Homes Bonus, £57,946 was due to the reduction in empty homes.

*(See Case Study for full details)*

**(iv) Results of the STAR Triennial Tenant Satisfaction Survey** - The Council's Communities' Directorate had been a member of Housemark, a national housing benchmarking club, for many years. They had a standard Tenant Satisfaction Survey called STAR (Survey of Tenants and Residents) for its members to use.

The Council had commissioned an independent research company to carry out the STAR survey which took place between July and August 2015. An anonymous postal self completion questionnaire was sent to a random sample of a third of the District Council's tenants. In total, 798 tenants took part in the survey, representing a 36% response rate. This was well in excess of the STAR target. There were 26 questions in total.

Overall the resident satisfaction survey results in 2015 were broadly similar in comparison to the last STAR survey with satisfaction scores varying by one or two percentage points, up or down, on the majority of core questions compared to 2012. Where benchmark information was available, the vast majority of results were generally at or above average when compared with other landlords. The most notable result from the survey concerned the quality of homes which showed an 84% satisfaction level.

**(v) Response to DCLG Consultation on mandatory 'Pay to Stay' Scheme** – The Select Committee received a report regarding the District Council's proposed response to the Department of Communities and Local Government (DCLG) Consultation on Pay to Stay: Fairer Rents in Social Housing.

In June 2013, the DCLG issued a consultation paper entitled "High Income Social Tenants Pay to Stay." At that time, the Government set out its intention that local

authorities should be given the flexibility to charge those with high income proposed at that time, as more than (£60,000 per year) a higher level of rent to stay in their own homes. The proposal at that time was based on the higher rent being set at 80% of market rents. The Housing Scrutiny Panel, which preceded this Select Committee, supported the proposal at that time but had concerns particularly around administration costs, the creation of “ghettos” which would inhibit mixed communities and felt that different thresholds should be applied to different parts of the country.

In October 2015, the Government issued a further Consultation Paper – Pay to Stay: Fairer Rents in Social Housing. Particular attention was drawn to the two questions on which views were invited by the DCLG, these were:

**Question 1:** How income thresholds should operate beyond the minimum threshold set at budget, for example through the use of a simple taper/multiple thresholds that increases the amount of rent as income increases and whether the starting threshold should be set in relation to eligibility for Housing Benefit?

Members felt that the introduction of a simple taper could be a sensible approach on the basis that a tenant’s taxable income increased the level of rent increase. However, this change would make the administrative arrangements difficult.

**Question 2:** Based on the current system and powers that local authorities had, what was your estimate of the administrative costs and what were the factors that drive these costs?

Officers considered that to administer the scheme an additional 2 (FTE) members of staff would be required to deal with matters such as tenants changing incomes and rent levels, backdating increased payments and refunds, altering a tenant’s rent in accordance with their tenancy conditions and undertaking regular reviews.

The Committee was advised that due to changes in income and benefit, officers would need to review cases several times a year.

**(vi) Future Approach to Housing Service Strategies** – The Director of Communities explained that over many years, the Housing Service had formulated a suite of Housing Service Strategies that individually set out the detailed approach taken by the Council and its officers to various housing activities. All the service strategies were produced in a common format and were then reviewed and updated by officers every three years and reported to the Housing Select Committee for consideration. Around the same time, service strategies relating to landlord services were also reported to the Tenants and Leaseholders Federation for their views.

The Communities Management Team (CMT) had recently considered the cost-benefits of spending the significant amount of time to update these Housing Service Strategies. They identified that although the general principles set out in the Service Strategies were followed, the Service Strategies were hardly ever referred to by officers between the three yearly reviews. Moreover, most of the actions included within the Action Plans had usually already been identified and planned prior to the relevant Service Strategy being updated and were included and monitored through the Communities Directorate’s Continuous Improvement Regime in any event.

The CMT was also aware that this approach to strategic service planning was not adopted by any of the other Directorates, Select Committees or Portfolio Holders. There was therefore an inconsistent approach both across the Council and the

Communities Directorate. However, the CMT was also aware that the Select Committee appeared to find it useful to understand and review the Council's approach to the various housing functions.

The CMT did believe that there would be real benefit in continuing to review, update and maintain some of the service strategies in some form, due to their particular strategic importance or a legal requirement.

Officers suggested that a further report be submitted to the Select Committee recommending that the number of strategies should be reduced, with some of them being combined, significantly reduced in content and reviewed every 5 years, instead of every 3 years.

In January 2016 officers came back with a new approach to covering the strategies most needed by the Council, including a reduction the number of strategies from 16 to 7, which the Select Committee supported.

**(vii) Six Month Review of the HRA Financial Plan** - As part of the Chancellor's Summer Budget in July 2015, it was announced that all social landlords must reduce their rents by 1% per annum for four years. The District Council's consultants had assessed that the estimated loss in rental income to the Council's Housing Revenue Account (HRA) would be around £14 million over the next four years and around £228 million over the next 30 years. In view of this significant reduction in rental income, the consultants were commissioned to provide a report on the options available to the Council to ensure that its HRA did not fall into deficit.

The Select Committee were advised that the consultant's report identified a number of options available to the Council to re-cost its HRA Financial Plan for the future, including:

- a) Ceasing all or some of the funding currently available within the Financial Plan for future housing improvements and service enhancements for HRA services;
- b) Reducing investment in improvements to the Council's housing stock;
- c) Reducing/ceasing the Council's own Housebuilding Programme;
- d) Further borrowing for the HRA, repaid by the end of the Financial Plan; or
- e) Combinations of the above.

It was advised that the Housing Portfolio Holder had recommended to the Finance and Performance Management Cabinet Committee in September 2015 that most of the £702,000 uncommitted funding within the HRA's Housing Improvements and Service Enhancements Fund for 2016/17 should not be allocated or spent at present.

**(viii) Key Performance Indicators - Quarterly Progress** – the Committee reviewed the Key Performance Indicators relevant to their Select Committee on a quarterly basis.

**(ix) Data Quality Strategy 2016/17 – 2018/19** – At their March 2016 meeting the Select Committee noted that good quality data was essential in supporting the Council's decision making especially where these involved finance and performance. Additionally the Council's customers, partners and others interested in the Council's performance, needed to rely on the data the Council produced for evaluation purposes. The Council was also accountable for the money it spent and how it

managed competing claims on their accuracy, reliability and timeliness in order to plan for the future and met customer needs.

The authority had identified principles and arrangements for ensuring high standards of data quality and had for a number of years formalised them within a strategy to support consistency and encourage high standards of practice of data quality management. Data quality arrangements included ownership of data, systems and ensuring staff had the skills and knowledge needed to deliver high standards of data and data management.

**(ix) Housing Service Strategy on Empty Properties (3 Year Review)** - There would always be empty homes and properties empty awaiting sale, re-letting or renovation as these were a normal part of a healthy housing market. However properties that were left empty for long periods of time could cause significant problems in the local and national context. They were a wasted resource in terms of housing provision, particularly in areas of high demand like the Epping Forest district where 92% of land was green belt.

The previous and current government had recognised the value of reducing the number of empty properties as part of its overall ambition to provide an additional million homes nationally by 2020. Various incentives and options for local authorities had been introduced which included the New Homes Bonus (which rewarded councils for additional homes provided) and allowing councils the flexibility to charge up to 50% extra Council Tax on property that had been unoccupied and unfinished for 2 years or more. These initiatives had contributed to marked reduction in empty properties nationally.

Within the district the number of empty homes had fallen from 1,837 in 2005 to 607 in 2015. It was the Council's intention to bring 30 empty properties into use per annum.

### ***Case Study: Current and Future Approach Dealing with Private Empty Properties***

The Select Committee received a presentation on the current and future approach to dealing with private empty properties.

On a national level there had been a reduction in the number of empty homes:

- (a) From 783,119 in 2008 to 610,123 in 2014;
- (b) Within Epping Forest District Council, the reduction had been from 1,837 in 2005 to 1,391 in 2014; and
- (c) From the £548,829 received by the District Council through the New Homes Bonus, £57,946 was due to the reduction in empty homes.

The Select Committee noted that despite these figures, it was likely that there was an under reporting of empties to the Council because there had been a removal of incentives for people to inform their local authority that they had a home which was empty. Whilst the numbers for long term empties was steadily decreasing in the district (by 57 in the last year), the number of properties that had been empty more than 2 years had hardly changed (124 down to 122). The main reasons that these properties were empty was because they were being left for investment purposes,

the owner had run out of money, properties were under major renovation or they were being marketed for sale possibly at an inflated price.

It was proposed that in the future officers would:

- (i) Continue to offer advice, information and financial incentives to owners of properties which have been at least 6 month's empty;
- (ii) Consider recommending a reduction in the time limit for eligibility for the Empty Homes Repayable Assistant to 6 months (from 1 year);
- (iii) Risk assess all properties that have been empty for at least 2 years against criteria based on length of time empty;
- (iv) Risk assess probate properties that have been empty for more than 2 years;
- (v) Actively pursue those properties with the highest risk score using enforcement if appropriate;
- (vi) Pursue all empties causing issues to local residents or the environment;
- (vii) Seek member approval for Compulsory Purchase or Empty Dwelling Management Orders; and
- (viii) Consider the possibility of the Council purchasing empty properties to replace homes sold under Right to Buy.