



REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 6(a)
DATE OF MEETING:	9TH JUNE 2005	CATEGORY: DELEGATED
REPORT FROM:	CLLR K HARRINGTON (CHAIR - COMMUNITY SCRUTINY COMMITTEE)	OPEN:
MEMBERS' CONTACT POINT:	CLLR K HARRINGTON 01283 218221	DOC:
SUBJECT:	BEST VALUE REVIEW OF HOUSING STOCK INVESTMENT AND ASSET MANAGEMENT	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE:

1.0 Recommendations

1.1 It is recommended that the Housing and Community Services Committee:

- Notes the Community Scrutiny Committee's 'reality checks' in preparation for the Audit Commission's inspection of housing stock investment and asset management.
- Welcomes the hard work and endeavours of Members and officers in preparation both for the inspection and these reality checks particularly in the light of the recent lack of staff resources.
- In parallel with the Annual Review, undertakes the preparation of an Action Plan to address the funding issues. The Action Plan should have clear objectives, takes actions forward to 2015 rather than year-to-year and include risk assessments based on the known situation.
- Strengthens the process of staff consultation.
- Develops a more proactive approach to the management of voids in the Sheltered Housing Service. This would need to be based on the vision for the Sheltered Housing Service and in particular on matching the need for the accommodation with the supply.

2.0 Introduction

2.1 The purpose of this report is to provide feedback and make recommendations on issues discussed at recent meetings of the Community Scrutiny Committee

relating to reality checks undertaken in respect of the Best Value Review of housing stock investment and asset management.

2.2 These matters fall within the remit of the Housing and Community Services Committee. The report is intended to help that committee to improve the quality of its services. The Committee Members would like to particularly thank those officers and members who prepared reports and provided information and advice especially at a time of staff shortages and during this very busy period in preparing for the inspection.

3.0 Contents

3.1 The current Best Value Review of housing stock investment and asset management is an important component of the Council's CPA Improvement Plan as agreed with the Audit Commission. The Commission has also announced its intention to formally inspect the service in June, which will result in a public report about service quality and prospects for improvement.

3.2 During April, the Community Scrutiny Committee completed 'reality checks' on the service to assist officers and members prepare for the inspection. The nature of this work was agreed at an informal meeting of the Committee on the 14 March, which was also attended by Councillor Southern (Chair of Housing and Community Services Committee), the Director of Community Services and the Head of Housing. Work has focussed on the three main areas of:

- The development of the housing vision
- Consultation with internal and external stakeholders (in particular tenants)
- Repairs and voids

This decision was confirmed at the Community Scrutiny Committee meeting on 21st March 2005 (Minute CYS/33 refers)

3.3 A further informal meeting of the Scrutiny Committee was held on April 13th attended by Councillors Harrington, Bambrick, Mulgrew and Mrs Littlejohn with Councillor Murphy later (as an observer). Contributions were received from Councillor Southern (Chair of Housing and Community Services), the Director of Community Services and the Head of Housing.

3.4 The Head of Housing and Director of Community Services provided an update of the Best Value process indicating that the document list (including 95 documents) together with a 25 page self assessment had been submitted to the Audit Commission on 12th April. Attention then focussed on aspects of the three areas of action as a result of which further information and clarification was sought and provided.

3.5 The results of these deliberations were considered at a meeting of the Community Scrutiny Committee on 3rd May when it was agreed that they be

presented to the meeting of the Overview Committee on 16th May to which all members of the Housing and Community Services Committee had been invited. The recommendations were presented to the Overview Committee at its meeting on 16th May (minute OV36 refers).

Vision

- 3.6 The Head of Housing confirmed that a Housing Working Group, consisting of Members and representatives from TACT, have met to commence preparation of the Business Plan. He also advised that the working group would have draft parts of the Business Plan and vision completed by the time of the inspection, which, together with the recently approved Sheltered Housing Vision, the Repairs Policy and Service Plan, would demonstrate that progress is being made. The Committee noted that the Business Plan would not be completed until after the inspection, in July.
- 3.7 The Head of Housing also outlined the problems associated with developing and defining a medium to long-term vision for the service. He advised that the decision to retain the housing stock has left a question mark over medium to long term funding. Although a review is to be carried out in August to re-evaluate the financial situation the Head of Housing indicated that the Housing Revenue Account (HRA) could be in serious financial difficulties by 2010-12.
- 3.8 The Committee concluded in this context, that these financial problems will need to be by tackled by 2007-08 at the latest in order to allow time for the issue to be addressed and remedied.
- 3.9 The Committee was advised by the Director of Community Services that some £1.8 million per annum is technically repaid to the Government as negative subsidy from the HRA and that not having to repay this could solve this funding gap. The Chair of Housing and Community Services advised that he has made personal representations on this issue and anticipates that this would be re-considered following the general election.
- 3.10 The Committee was also advised that in addressing these risks, the Council has agreed to hold some £1 million of capital receipts in reserve.
- 3.11 However, the Committee is of the opinion that the financial pressures will continue to increase in terms of expenditure on maintenance and the reduction in stock due to the 'Right to Buy' whilst the capital value to the Council will continue to fall.
- 3.12 The Committee noted that the Annual Review is to be undertaken in August. Whilst the Committee recognises the difficulties faced under the aforementioned circumstances, concern is expressed that it will only delay the need to address these issues. In this context the Committee considers that there is a need to get down to some serious Action Planning in parallel with the Annual review. The Action Plan should have clear objectives, takes actions

forward to 2015 rather than year-to-year and include risk assessments based on the known situation.

Consultation

- 3.13 The Head of Housing outlined the consultation processes already undertaken. These involved consultation with individual tenants, tenant groups, TACT (Tenant Advisory and Consultation Team), use of the tenant newspaper and presentations at tenant area meetings. He hoped to do more and indicated that arrangements have been made to review the Tenant Compact.
- 3.14 The Key Line of Enquiry (KLOE) 5 on resident involvement in the view of the Community Scrutiny Committee has become a key issue since its formal inclusion in the process since March. Clarification had been sought from the lead inspector and, whilst it is understood that the authority does not have to produce a self-assessment, it remains on the table. The Head of Housing advised that the Tenant Compact would be revised by the time of the inspection. He also informed the Committee that TACT take an important active part in the process. Officers are focussing on making the process of reaching the Council as open and welcoming as possible in order to improve the consultation process.
- 3.15 The Committee was advised that Members were initially involved via a seminar and a further one is planned for May prior to the inspection. A Members Group oversees the process and reports are made to the Housing and Community Services Committee, the last being on 21st April 2005.
- 3.16 The Head of Housing indicated that the opportunity has been taken to address staff at team briefings, including the inclusion of a separate best value housing briefing note, and it was his intention to provide teams with 'bullet points crib sheets' of those matters relevant to that team by the time of the inspection. He also advised that staff had been made aware of the issues relating to voids and the time taken to deal with non-urgent repairs but he accepted that more could be done to engage staff in the process.
- 3.17 Members welcomed the proposals to strengthen arrangements for consultation, especially the review of the Tenant Compact, but considered that staff consultation could be improved.

Voids

- 3.18 The Head of Housing advised members that the voids procedures had been reviewed and new procedures agreed for implementation shortly. He also advised that a 'Fit to Let' standard, established a few years ago, is to be subject of a refocusing exercise and will be re-launched. In addition, TACT are to undertake some on-site reality checks on void inspections. The Head of Housing stated that the 'Hard to Let Action Plans' required further work, but that the system was reviewed regularly.

- 3.19 The Committee received copies of the latest void listing, together with details of specific properties and copies of the recent Action Plans. Unfortunately due to lack of time the Committee was unable to carry out inspections of particular voids and have therefore focused on the process.
- 3.20 The Committee noted that the voids process itself has been the subject of performance improvements since July 2004, with the number of properties at the month's end reducing from over 50 to 36. The average time for re-letting has also reduced significantly from 70 to 31 days. The Committee welcomed these improvements.
- 3.21 The Committee also noted that over 58 % of the void stock consisted of sheltered accommodation and that all of the long term voids are sheltered and classified as 'Difficult to Let' for a number of reasons. The Action Plans demonstrate the ongoing efforts and range of options carried out by the Service to re-let these properties.
- 3.22 The Committee were advised that a substantial part of this performance increase was attributable to the declassification of some of the Sheltered Housing stock and the implementation of a 'Difficult to Let' action plan. Although there could well be financial implications of continuing with declassification these need to be balanced against the additional income of having more properties let.
- 3.23 There are some properties though that may not even be suitable to declassification as General Purpose stock and may need, following an option appraisal process, to be redeveloped or sold. The Head of Housing mentioned two such properties where an option appraisal process will be carried out.
- 3.24 Where properties can be declassified the Head of Housing outlined the process agreed through the Policy Committee. This extensive process entails, in the first instance, detailed face-to-face consultation on an individual basis with all affected residents. These interviews, often with very elderly and/or vulnerable people, need to be handled sensitively. The transition to full General purpose stock is then managed over a long period with an interim lettings policy in place until all properties in the block are not on their original sheltered stock tenancies. In essence this means that property will be let to over 40 year olds in the foreseeable future and only let to those in younger age groups once all the original tenants had vacated.
- 3.25 Nevertheless, the Committee consider that a more proactive approach to the management of voids in the Sheltered Housing Service is required. This would need to be based on the vision for the Sheltered Housing Service and in particular on matching the need for the accommodation with the supply, matters which had previously been discussed by this Committee (minutes CYS 19 and 36 refer).

4.0 CONCLUSIONS

4.1 This report has been prepared to help the Housing and Community Services Committee to continue to improve the quality of its services.

4.2 In conducting the reality check into this best value review, Members have focused their attention on developing the vision for Housing Services, consultation with staff and tenants, and the voids process. The following conclusions have been drawn which have formed the basis for the recommendations to the Housing and Community Services Committee:

- The Committee recognises the present difficult circumstances but is concerned that the Annual Review may only delay the need to address the issues arising from the decision to retain the housing stock. In this context the Committee considers that there is a need to progress an Action Plan in parallel with the Annual review, which will take actions forward to 2015 and include risk assessments based on the known situation.
- The Committee considered that consultation with tenants, stakeholders and staff has been undertaken, welcomed the proposals to strengthen arrangements for consultation, especially the review of the Tenant Compact, but considered that staff consultation could and should be further developed.
- The Committee applauds the performance improvements since July 2004 in the processing of the voids both in terms of the numbers involved and the time taken. Nevertheless, some sheltered accommodation remains difficult to let and the Committee consider that a more proactive approach to the management of voids in the Sheltered Housing Service is required. This would need to be based on the vision for the Sheltered Housing Service and in particular on matching the need for the accommodation with the supply

4.3 The Community Scrutiny Committee would like to thank the members and officers who prepared reports, provided information and contributed to the discussions at our meetings especially during this very busy time for the Division and particularly in view of the recent staff shortages.

5.0 FINANCIAL IMPLICATIONS

5.1 These will need to be determined in the light of the Committee's response to this report.