

REPORT TO: HOUSING COMMITTEE
DATE: 5 MARCH 2009
TITLE: DELIVERING DECENT HOMES
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SUMMARY

1. Each year, the Housing Committee is provided with an update of the Housing Capital programme for the current year, a programme for approval for the following year, and a forward forecast of resources over the medium term.

Following the report to Special Housing Committee on 5th February 2009, the Committee approved the capital and revenue estimates for 2009/10. This report updates on performance in relation to the delivery of the past year's programmes, and recommends approval of an action plan to move forward on the local issues and challenges.

RECOMMENDED THAT:

- A The Committee approve the updated action plan outlined in (Appendix 1).
- B The Committee agree to remove Bishopsfield and Charters Cross from the Priority Estates programme and reclassify them as medium term priorities.

BACKGROUND

2. The Government's standard for public sector housing called the decent homes standard has been in existence for some while. If a home is to be judged "decent" by this standard, it must:-
 - (a) Meet Housing Health and Safety Rating.
 - (b) Be in a reasonable state of repair.
 - (c) Have modern facilities and services.
 - (d) Provide a reasonable degree of thermal comfort.
3. The responsibility for the delivery of the Council's repairs and maintenance programs was transferred to the Joint Venture Partnership (Kier Harlow Ltd) from the 1st February 2007.
4. A performance management framework is in place to monitor and manage the partnership. The framework seeks a more outcome based performance approach and sets targets to improve service performance and programme delivery, as well as the achievement of efficiencies and improved value for money.

WHAT IS THE PROGRESS?

Performance

5. In the last financial year, the level of non-decent homes performance reduced to 10.85% of the overall stock. This is significantly better than the national average, which is around 22%, and places Harlow just below the upper quartile of the best performing local authorities.
6. Regular reporting is made to the Government Office for the East of England on a quarterly basis. In addition, decent homes delivery is a national performance measure for housing and, together with all housing's performance indicators, are subject to detailed scrutiny by the Budget and Performance Working Group and the Corporate Management Team on a regular basis.
7. Progress is being made in delivering targets for decent homes standards, however the reductions in capital resources over the last couple of years has placed pressure on achieving the Government 2010 target. Whilst performance is steadily improving in respect of responsive repairs performance indicators, improving customer satisfaction remains a challenge.

Recent Government Announcements

8. The recent Housing and Regeneration Act aims at expanding and simplifying the processes by which a new housing supply can be delivered and ensuring that new homes meet appropriate green targets.
9. In addition to the traditional housing association and developer approach, new supply models are being considered including the setting up by local authorities of "local housing companies" aimed at bringing forward local authority resources.
10. The Government announced a number of local authority pilots to take forward this initiative. Harlow was selected as one of the pilots as a result of an established relationship with English Partnerships which has since been merged into the new Homes and Communities Agency (HCA). The purpose of the pilot is to work with the Communities and Local Government Department (CLG) to evaluate the initiative.
11. The HCA are funding consultancy work on behalf of the Council to consider the range of delivery models that might be appropriate for delivering new homes in Harlow, including local housing companies. This work is likely to be completed by the summer.

12. The Government recently announced the outcome of its national housing subsidy determination. Figures issued for Harlow were for one year only and show a significant reduction. Officers understand that the whole housing revenue account (HRA) subsidy system is under review and to report back in the spring of 2009.
13. In addition a recent consultation paper on 'Proposals for removing revenue and capital disincentives to local authority investment in new council housing' was published in January 2009.
14. There is little detail at the moment but the essence of the new proposal is:-
 - (a) to allow councils to borrow more money for council house building.
 - (b) keep the proceeds from rents and sales, in a relaxation of the previous rules which have discouraged local authorities from building social housing.
15. These recent announcements have opened up the possibility of councils being in the market to build council houses again. Harlow Council will need to consider these proposals and form a view/position as to how to respond.
16. The Government continue to stress the importance of decent homes delivery as part of wider plans in tackling local issues and challenges. The key messages from Government are:-
 - (a) Decent homes by 2010 was the target.
 - (b) That Decent Sustainable Communities is now the goal.
 - (c) Local authorities will need to develop strategies, under their agreed policy framework (such as stock retention), aimed at producing sustainable housing solutions that offer increased choice, and opportunity for local residents.
17. The Government have let it be known that the backlog of repairs in the late nineties was the overarching policy driver for social housing policy (at the time), now it is clearly the lack of affordable housing as part of the wider housing issue arising from the impact of the economic down turn.

Delivering the Housing Repairs and Maintenance Programmes

18. The HRA budget for 2009/10 includes an element for repairs and maintenance which totals £10,376,560. The principal sources of income being rents and charges for services and facilities.

19. In addition, the Council's Housing Capital Programme for 2009/10 totals £11,667,00 for investment in Council housing, funding priorities which include:
- (a) Decent Homes Delivery.
 - (b) Energy Efficiency.
 - (c) Environmental Improvements.
 - (d) Security.
 - (e) Garage Improvements.
 - (f) Tenant Initiatives.
20. A presentation on outcomes delivered for 2008/09 as well as priorities for the programme for 2009/10 will be made by Officers and representatives from Kier Harlow Ltd.

Taking Forward the Housing Asset Management Strategy

21. The agreed Housing Asset Management Strategy contained the following priorities:-
- (a) Decent Homes Delivery.
 - (b) Improving Energy Efficiency and the carbon "footprint".
 - (c) Targeting works to the Priority Estates.
 - (d) Undertaking a stock condition and review of the Sheltered Housing schemes.
22. The review of Sheltered Housing reported back to the Committee in January 2009. Key recommendations agreed included:-
- (a) The change of use of nine schemes.
 - (b) Re-structuring.
 - (c) Assurances on re-letting.
23. Following the introduction of a new charging regime for district heating and increases in fuel prices, concerns were raised over the energy efficiency of some district heating systems. The following were agreed by the Committee and prioritised in the housing asset plan for funding on annual basis, depending on resources, forming part of the annual capital/revenue repairs programmes:-
- (a) Prioritise the implementation of a phased replacement of the current systems over a ten year period.
 - (b) As part of this phased implementation, upgrade heating controls and make the controls more individually controllable.
 - (c) Prioritise insulation arrangements.
 - (d) Implement a pilot scheme for the provision of solar heating and evaluate proposals.
 - (e) Replace as appropriate district heating with individual heating arrangements.

24. Climate change features strongly in recent Government announcements. Housing accounts for more than a quarter of CO2 emissions and if energy efficiency is to be improved in line with Government targets, these emissions will have to be cut considerably. Relatively simple measures on insulation, water and space heating with shorter pay-back times will be the focus. A corporate Sustainability Strategy has been agreed to encourage innovative and cost effective solutions where existing technologies are too costly or otherwise unattractive to householders. A copy of the Strategy and action plan is available as a background paper.
25. In response to these pressures, the Committee approved a number of deferred “innovative” pilot programmes as part of the Capital funding for 2009/10. Officers will report back on these schemes later in the municipal year.

TACKLING THE LOCAL ISSUES AND CHALLENGES?

26. Currently, there are no plans to offer additional funding for those Councils that have decided, in consultation with tenants, to retain their stock in addition to the normal housing subsidy arrangements. A review of the current subsidy system is due to report back in the Spring of 2009. There is currently an annual deficit of £4m between the identified annual need and resources available. This is placing pressure on delivery of decent homes targets. In response to this, Officers are updating the five year decent homes delivery plan. It is likely that the decency rate will reduce, based on current forecasted level of resources, to 75.14% by 2012/13.
27. Councils are being encouraged to develop local approaches that make progress towards meeting Government targets as well as tackle the important regeneration issues they face. There is recognition that local authorities have a range of complex local issues that require differing approaches under their agreed policy framework to be addressed in consultation with residents.
28. In February 2007, the Committee approved an enabling action plan to move forward on the issues. In consultation with tenants and residents the action plan focused to:-
 - (a) Identify best options in leveraging in additional resources.
 - (b) Offer more choice and opportunity under a Harlow Regeneration Strategy.
 - (c) Assess the delivery options outlined in the recently agreed Area Investment Renewal Framework.
29. The action plan provided an “enabling framework” to move forward and build momentum. It is regularly monitored, reviewed and updated as new activities are developed and existing ones complete and is outlined in (Appendix 1).

30. Equally, as part of the development of the Kier Harlow Ltd strategic partnership, there will be a need to look at ways of encouraging a “shared market” for repairs procurement. The Government is encouraging Councils to drive efficiencies by sharing services and best practice. Harnessing the collective power of the public sector is key to future delivery. A number of opportunities are developing in partnership with the Council’s new repairs partner that could provide the opportunity for cost effective and innovative solutions to be sought.

Moving Forward With Priority Estates

31. “Priority Estates” are those estates which have a combination of regeneration needs and structural issues. These principally arise because the homes were built as ‘short life’. These homes were designed and built to achieve a 30 year life span, following which it was expected they would be replaced.
32. The estates initially identified were:-
- (a) Bishopsfield & Charters Cross.
 - (b) The Briars, Aylets Field & Copshall Close.
 - (c) Barleycroft & Lower Meadow.
 - (d) Northbrooks.
33. As more deprivation and structural data has become available it has become clear that the issues at Bishopsfield and Charters Cross are much less pressing than in the other five estates. It has also become clear that there are some very deprived estates that have significant issues with their housing stock. Officers therefore recommend that Bishopsfield and Charters Cross be removed from the Priority Estates programme. Officers are undertaking further analysis of other estates that may need to be included in the programme, and will make further recommendations in due course.
34. As part of a wider action plan agreed by the Committee in February of last year, the Committee agreed to undertake a twin track approach to the Priority Estates: a programme of targeted repairs and maintenance combined with the development of appraisals for the future to ensure that the estates remain sustainable and competitive.
35. A programme of targeted works was agreed by the Committee in 2007 and 2008. These are progressing with work to the Three Hills estate targeted to finish in March 2009. These works were agreed in consultation and include external repairs, external painting, environmental works and security works.
36. Some of the key issues that have emerged from this initial review of Priority Estates are: -

- (a) The estates are very different and will require different solutions. There can be no standardised approach to the estate renewal programme.
 - (b) On five of the six estates (four out of five excluding Bishopsfield / Charters Cross) there are relatively high levels of owner-occupation and this will present issues for the development of some regeneration options as well leading to different approaches to the consultation process.
 - (c) Density levels are relatively low, in national terms, and this does provide opportunities to affect tenure mix and housing type in a significant way.
37. The next step is to clarify the exact boundaries of the areas to be considered, and then develop a vision for each of the areas to inform the options for delivering improvements. Officers propose initial workshops before Easter to develop draft vision statements involving the Leaders of the three political groups, the Chairmen and Vice Chairmen of this Committee and Policy and Resources Committee, Ward Members, and relevant Officers. Community consultation on vision statements would then take place beginning in the summer, with the aim of finalising development briefs by the end of 2009.

Developing Tenant and Resident Led Initiatives

38. Previous consultation, led by the Council, has highlighted the importance of gaining support and commitment for managing change. The community is a valuable resource that can gain a better understanding of the local issues, and testing out the impact on any proposal.
39. In December 2007, the Council received a proposal from the Residents Association of Bishopsfield and Charters Cross (BCCGCRA) to consider the transfer of Council owned stock to East Thames Housing Group (ETHG).
40. Officers have working with ETHG to evaluate the proposal in response to the emerging issues and to provide information, gain wider views and opinions of residents. The initial consultation on opinions is now complete, there is now a requirement for a financial appraisal following the subsidy determination review of the HRA expected in the Spring.

Measuring Performance improvement

41. The Kier Harlow Ltd Joint Venture Partnership performance management framework will provide a robust framework to measure improvement in decent homes delivery. Performance reporting will be made to the Audit and Improvement Committee with regular updates and reporting on progress on the action plan being made to this Committee who will consider policy implications.

42. In addition, the Government is to set out a single set of national priority outcomes for local authorities as part of the revised Comprehensive Performance Assessment process. Councils will be measured against a single set of indicators of which housing will form a part. Local improvement targets will be agreed covering key local contributions to central government's priorities.

IMPLICATIONS

Social Inclusion

The provision of decent, affordable homes is one of the key contributory factors to preventing social exclusion. The Area Investment Renewal Framework will help to address barriers to inclusion.

(Lynn Seward)

Equal Opportunities

There are no specific implications.

(Lynn Seward)

Finance

These are included in the body of the report.

(Andrew P Smith)

HR

There are no specific implications.

(Nigel Delbarhe)

IT

There are no specific implications.

(Decland White)

Legal

The Council has a duty to undertake its housing function, including the management of existing stock and the generation of additional housing, in compliance with legislation, having due regard to Government guidance. This report sets out detailed proposals for the Council to comply with those obligations in relation to the Government's Decent Homes Strategy.

(Mike White)

BACKGROUND PAPERS:

REGENERATION STRATEGY

SUSTAINABILITY STRATEGY AND ACTION PLAN

Housing Capital Programme

Housing Asset Management Plan

APPENDIX 1

DELIVERING DECENT HOMES UPDATED ACTION PLAN