
HOUSING BEST VALUE – INSPECTOR’S REPORT

1 SUMMARY

- 1.1 This report highlights the actions that have been and will be taken in respect of the comments made by the Audit Commission Housing Inspector.

2 BACKGROUND

- 2.1 The Council undertook a Best Value Review of all housing activities from May 2000, culminating in a report to the Community Services Committee on 5 February 2002.
- 2.2 The review was the first major review to be carried out by the authority at a time when the methodology was still being developed at both national and local level.
- 2.3 The Inspection was carried out during the week commencing 7 April 2003. The report was issued on 19 June. This assessed the Council as providing a fair service with poor prospects for improvement.
- 2.4 The Inspector will be presenting the report to Members at the meeting. The report was sent to all Members on 26 June and Members are requested to bring this to the meeting. Should any replacement copies be required, please contact the Committee Section.

3 PROGRESS ON HOUSING

- 3.1 A significant amount of work has been carried out on housing issues since the culmination of the review. A list of achievements over the past year is shown at Appendix 1 of this report.
- 3.2 The main criticisms of the Inspectors are concentrated on strategic issues. The existing housing strategy expires in 2004, although it was not updated for 2002 because the Council considered it prudent to await the outcome of the Best Value inspection.
- 3.3 A new housing strategy is being drafted which addresses the major issues raised by the Inspector. The first early draft has been submitted to the Government Office of the Eastern Region for their views. A final draft will be submitted for Members’ views during the autumn Committee cycle.
- 3.4 Another major concern of the Inspector relates to ensuring the Council complies with the Government requirements in respect of decent homes and bringing the Housing Revenue Account (HRA) into balance.

-
- 3.5 With regard to decent homes, officers had identified the fact that there was the potential for some of the homes to be non-decent by 2010 because of age and if sufficient resources were not allocated to repair and maintenance. Further information is now to hand following a sample survey of properties by Council staff. This has confirmed that information held in the database of stock conditions held by the Council does show that the condition of the stock is such that we will meet the decent homes requirement by 2010.
- 3.6 The database of information has now also been subject to an independent assessment by having external surveyors assess a sample of properties. That assessment has confirmed the integrity of the information held by the Council.
- 3.7 The Housing Revenue Account was estimated to go into deficit prior to the Council having completed the option appraisal of the stock required by the Government before July 2005. Action has already commenced in respect of this problem as part of the budget strategy.
- 3.8 The new housing strategy will incorporate a strategy for dealing with decent homes and maintaining the solvency of the Housing Revenue Account up to 2005/6.

4 OPTION APPRAISAL

- 4.1. As mentioned at 3.7 above, the Council is required to carry out a full option appraisal in respect of the best way to manage the Council's housing stock. There are three main options being promoted by Government. These are:-
- Large Scale Voluntary Transfer – this entails selling all of the houses to a Registered Social Landlord
 - Arm's Length Management Operation (ALMO) – the ownership of the stock is retained by the Council, but management is contracted out to an Arm's Length Management Company. This option is only available to high performing housing authorities or where it can be demonstrated that, by transferring to ALMO, high performance can be achieved.
 - Retain stock but any capital expenditure required to maintain homes at a decent standard which could not be met from existing resources would need to be carried out through the private finance initiative.
- 4.2. This work will involve considerable officer and Member resources as it is essential to involve the tenants fully in the option appraisal. Also tenants have to sign off the appraisal before it can be presented to Government Office.

5 RESOURCE IMPLICATIONS

- 5.1 As outlined in the Corporate Plan/Best Value Performance Plan, over the next few years housing will be a major policy issue for this Council, taking into

account option appraisal, comprehensive performance assessment, the requirement to balance the housing market, the emerging local plan and regional planning guidance and the need to bring the HRA into balance.

- 5.2 This will require considerable officer and Member time. Additional resources are likely to be required and officers will be reporting back to Members on this issue during the development of the budget strategy.

6 RISK IMPLICATIONS

6.1 Strategy Risk

- 6.1.1 The local authority is required to be a major force of influence to balance the local housing market. It is not possible to be actively engaged without quality data and information in respect of the area.

6.2 Resources Risk

- 6.2.1 The Council is still a major landlord of social housing. Maintaining the viability of the Housing Revenue Account is essential in order to safeguard the quality of the housing stock.

- 6.2.2 Without a sound housing strategy, the Council will have great difficulty in attracting Government funding into the District.

6.3 Operational Risk

- 6.3.1 Failure to provide adequate resources may result in the Council being unable to fulfil its housing obligation.

6.4 Regulatory Risk

- 6.4.1 The Council is required to ensure that all houses meet the decency standard by 2010. Also, the Council must cease using bed and breakfast accommodation for the homeless families other than in exceptional circumstances, and then only for limited periods.

6.5 Reputation Risk

- 6.5.1 The Council would not wish to incur a reputation for being a “bad landlord”.
- 6.5.2 Many of the housing services are monitored through Best Value Performance Indicators. Gaining a reputation for being a poor performer would be detrimental to the area and have a negative impact on staff retention and recruitment.

6.6 Third Party Risk

- 6.6.1 Maintaining premises in good condition is essential in order to minimise risk to third parties.

RECOMMENDATION

10.1 It is proposed that Council **RESOLVES**

- (1) To consider the report and presentation of the Housing Best Value Inspector.
- (2) To agree that officers submit a preliminary report to the October meeting of the Community Overview & Scrutiny Committee with proposals and action plans to take forward the new housing strategy and address comments set out in the Inspector's report. (CD(F&ES))

Roger Crofts

Corporate Director (Finance & External Services)

Background Papers:

None.

For further information please contact Roger Crofts on:-

Tel:- 01702 546366 extn. 3006
E-Mail:- roger.crofts@rochford.gov.uk

APPENDIX 1

Achievements for Rochford District Council**Development Projects**

- £2.8 million bid approved by Housing Corporation under Approved Development Programme for 30 flats for a new older persons scheme and a further 30 flats from refurbished accommodation for general needs including key worker accommodation by partner RSL. The approved bid also includes the development of a range of supported housing in the District by a partner RSL on four identified Council owned in-fill sites.
- Partnership bidding arrangements with CPBC for approved funds for supported housing scheme and general needs housing on derelict Essex County Council owned site just outside Rochford District Council boundary.
- £375,000 LASHG Programme for the provision of temporary accommodation for the homeless to reduce the use of bed and breakfast accommodation. Programme with partner RSL includes the purchase of five units and use of six vacancies from RSL stock.
- Development of 'intermediate care' facility in one unit of a Council owned sheltered scheme, as a base for collaborative Care Team in partnership with PCT and Social Services.
- Procurement of one acre of land for key worker housing in design brief for large development site in West Rayleigh

Improvement to Stock

- Secured funding for enveloping works and conversion of two shops to self-contained units (work commenced 18 August 2003).
- Improvements to Hatfield House to create self contained units.

Management Improvements

- Re-introduction of Council's Transfer Incentive scheme to free up multi-bedroom property.
- Almost 300 OAP designated flats now re-designated as general needs accommodation to allow more flexibility of lettings.
- One-year trial of revised working practices to care provision in Sheltered Housing Schemes by using central control for out of hours working.
- Reduction in number of families in Temporary Accommodation
- Release of multi-bedroom vacancies through cash incentive scheme

Joint Working Practices

- Development of floating support scheme to vulnerable tenants in Council owned stock including homeless families in temporary accommodation.

- Development of a range of joint protocols with a range of agencies including mental health team, drug and alcohol services.

Surveys

- The commissioning of a Private Sector Stock condition survey the results of which will be fed into the Private Sector Renewal Strategy.
- Commissioning and research into an older person's strategy to address older persons housing, support and care needs within the District.
- Independent soft market testing showing our 'in-house' costs are reasonable