

## **BEST VALUE REVIEW – HOUSING STRATEGY**

### **1 SUMMARY**

- 1.1 This report updates Members on progress to date of the Best Value Review in respect of the Housing Strategy.
- 1.2 The review has identified areas, which will require further investigation, and a requirement for funding upon which Members views are sought.

### **2 BACKGROUND TO THE REVIEW**

- 2.1 The review so far has been carried out against the background of great uncertainty with regard to the future provision of social housing by local authorities.
- 2.2 The Government's Green Paper on housing, whilst suggesting support for local authorities, nevertheless envisages a target 200,000 dwellings per annum being transferred over to Registered Social Landlords, by Large Scale Voluntary Transfer. There is also the suggestion that local authorities should set up "arms length" Management Companies to manage the housing stock.
- 2.3 It is further suggested that rents should move to market levels over a period. This could have a major impact on whether or not tenants wish to retain the local authority as landlord.
- 2.4 Under the existing financial regime for local authority housing, officers have already drawn to Members attention, the real problems of funding facing the Council, which would lead to the need for higher rents, poor service and minimal investment in the stock.
- 2.5 The funding regime is, however, being changed. Authorities are required to bring in resource accounting from 2001/2002. In addition, there will be a Major Repairs Allowance (M.R.A) in order to ensure stock is adequately maintained.
- 2.6 As yet we do not know what the M.R.A. will be. In order to fully appreciate the changes we also need to know whether our current borrowing approvals will be reduced as a result of the M.R.A.
- 2.7 Once officers are fully aware of the impact of the new financial regime, then it will be possible to give an informed assessment of the options available to the Council.

**3 CURRENT STRATEGY**

- 3.1 The current Strategy was developed for the 1998/1999 financial year. It has been updated for 1999/2000 and 2000/2001.
- 3.2 The Government Office of the Eastern Region currently assesses the Council's Strategy as "below average." A general comment is made in respect of the quality of the Strategy, although no specific statements are made as to what is required to achieve a better working. A copy of the Statement shown as Appendix (2).
- 3.3 The Department of Transport Environment and Regions has recently issued a checklist, which states what a plan should attempt to achieve in order to be judged as a "good performer."
- 3.4 The checklist is shown as Appendix 1 of this report, together with officers' views as to whether or not our current Strategy meets the criteria.
- 3.5 In a number of areas, officers are of the view that our actions do meet the requirements but the wording of the Strategy does not demonstrate the fact.
- 3.6 In other instances, we clearly do not meet the requirements. In some cases change could be accommodated from within existing resources. In other cases finance and staff time will be required, which could be significant. Members will need to determine whether or not the resource should be made available.

**4 VALUE OF IMPROVING THE STRATEGY**

- 4.1 The fundamental questions posed by the Best Value group was: does it matter that we get a below average rating?
- 4.2 If it were merely a matter of improving the rating for cosmetic purposes, the group would have been unable to recommend devoting additional resources to the exercise.
- 4.3 When issuing borrowing approvals, the Government Office does have a degree of flexibility. It therefore follows that there is a greater chance of attracting more resource to the authority, if we are seen as a good performer.

- 4.4 There is no doubt that in a number of areas, we are not perceived by DETR as providing a top quality service. By conforming to their guidelines, more resources could follow. There are, however, cost implications and these need to be assessed against other competing demands.
- 4.5 In the Green Paper the Government holds out the possibility that an authority which has adopted the option of an arms length company, could attract greater financial support. In order to adopt this option, the authority would need to be regarded as a good performer.
- 4.6 Whilst there are no specific promises of additional resource, any potential benefits of improving the Strategy cannot be quantified. It is not unreasonable to assume that if the Council does nothing, then the authority cannot expect a better financial settlement from the Government towards Housing.

## **5 IMPROVING THE STRATEGY**

### **Factor 1 Item 1**

- 5.1 In comparing our current Strategy to the requirements of best performance, as shown as Appendix 1, it is clear that the Council could not realistically improve it's current rating within the next two years.
- 5.2. One of the main requirements is that the Housing Strategy reflects the Community Plan. The Council does not at present have a Community Plan. To produce such a plan is now a statutory duty and will occupy a significant amount of officer time over the coming year. Government guidelines are still awaited. In addition significant consultation with partner agencies will be required. It would be unrealistic to expect the completion of such an exercise before December 2001.
- 5.3 One other key requirement in improving the Strategy, is to commission a House Stock Condition Survey: this should include both private and public sector housing stock. Such a survey is currently estimated to cost £35,000. There is no budget provision in the current year. If Members are minded to support the carrying out of a survey, then a bid for funding from the 2001/2002 budget would be required.
- 5.4 Benchmarking may prove problematic and it will also consume a significant amount of officer time. It may transpire that the best way of carrying out the exercise, is to join a benchmarking club. This would be an additional cost, probably in the region of £5,000.

**Factor 1 Item 2**

- 5.5 The majority of issues in this section would have to be dealt with from within the existing officer resource. Workloads will require careful prioritisation, in order to ensure essential services are not hampered.

**Factor 1 Item 3**

- 5.6 Again, this will consume officer time but if the Council is to be really effective, it must consider seriously the adoption of a 24-hour responsive noise monitoring service. This has substantial budget implications. If Members wish this to go forward for further consideration, a bid for resources from the 2001/2002 budget will be required. More effective enforcement of tenancy conditions for causing nuisance will also be required, together with the use of anti social behaviour orders in appropriate cases.

**Factor 1 Item 4**

- 5.7 Most of the issues here would just require officer time, although there would be of a cost of surveying houses in multiple occupation, for which no estimates are available at present.

**Factor 1 Item 5**

- 5.8 The Council does have problems in meeting the requirements of this section and it is for this reason that Homelessness & Housing Advice is currently the subject of a Best Value Review. Whilst it is premature to try to predict the outcome of the review, it would certainly require additional resource to provide an independent Housing Advice Service. Again, if Members were minded to pursue this type of initiative, a bid for resources from the 2001/2002 budget would be required.

**Factor 1 Item 6**

- 5.9 To comply with this section will require officer time, an element of training and the cost of surveys. Estimates of these costs are not available at the present.

**Factor 2 Item 1**

- 5.10 We appear to comply to a high degree with this area of work. Officer time required to ensure the Strategy reflects this. Efforts need to be made to try to stimulate more tenant participation, which is a key factor to what the Government views to be an effective Strategy.

**Factor 3 Item 1 and 2**

- 5.11 Comply with main areas, officer time required to write up procedures, formulate new policy and try to generate more tenant involvement.

**Factor 4 Item 1**

- 5.12 Mainly comply, officer time required on review of Tenant Participation Compact.

**Factor 4 Item 2**

- 5.13 Mainly comply, but action plan identified need for additional staffing resource, for which there is no budget provision. Funds would also be required if Members were minded to agree to a scheme of paying tenants to become involved.

**6 WAY FORWARD**

- 6.1 In developing the Strategy for next year, officers will review the current document to ensure that it accurately reflects our compliance with the Government's views as to best performance. This will be carried out from within existing officer resource.
- 6.2 In accordance with reports made to Members by the Chief Executive, officers will be carrying out work on developing a Community Plan. As mentioned at 5.2 above, the Community Plan is unlikely to be completed until the end of 2001 or early 2002. A new Housing Strategy is required by July 2001. The new Strategy will not therefore comply with Best Practice and will need to be reviewed once the Community Plan is adopted.
- 6.3 It is very unlikely we will ever achieve a high degree of accreditation with Government Office unless we carry out robust House Stock Condition and Energy Efficiency Surveys. This should include Council and RSL stock in addition to all private stock within the District. This will need to be considered within the budget making process.
- 6.4 A tenant survey, which complies with Audit Commission Guidelines, is now under way. The results of this will be analysed and used to influence the development of the Strategy.
- 6.5. Officers will need to explore innovative ways of generating more tenant participation, as this is regarded by Government as being key to a sound Housing Strategy and management.

- 6.6 The key issue with regard to the future of housing, is whether or not it is in the best interests of the tenants to remain under local authority control. Once the new financial regime is clarified, a report will be brought to Members highlighting the advantages and disadvantages of the options available. It is essential that an option appraisal exercise is conducted in line with D.E.T.R. requirements.

## **7 LEGAL IMPLICATIONS**

- 7.1 None, other than a statutory duty to prepare a Community Plan. A robust Housing Strategy is required by Government, in order to allocate resources. Many of the actions which follow from the Strategy will be mandatory.

## **8 RESOURCE IMPLICATIONS**

- 8.1 These are set out, where possible, within the report.

## **9 ENVIRONMENTAL IMPLICATIONS**

- 9.1 Sound strategies, which deliver greater fuel efficiency and reduction in CO2 emissions, is beneficial to the district as a whole.

## **10 PARISH IMPLICATIONS**

- 10.1 Housing issues affect all parishes in the district.

## **11 RECOMMENDATION**

- 11.1 It is proposed that the Committee **RESOLVES**
1. To note progress on the best value review to date and to comment on any particular issues that should be considered within the review process.
  2. That the next Housing Strategy clearly shows where the authority currently complies with Government requirements.
  3. To request Finance & General Purposes Committee to make budget provision in 2001/2002 for House Stock Condition and Energy Efficiency Surveys in the sum of £35,000.
  4. That Officers report back as soon as practicable in respect of Homelessness and an independent Housing Advice Service.

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5. That Officers report back as soon as practicable on the options available to the Council in respect of it's own housing stock.
  6. Request Transport & Environmental Services Committee to determine whether or not to seek budget allocation in 2001/2002 for the provision of a 24-hour responsive noise service. (CD(FES))

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