

# Public Document Pack

**Mid Devon District Council**

## **Homes Policy Development Group**

**Tuesday, 15 January 2019 at 2.15 pm**  
**Exe Room, Phoenix House, Tiverton**

**Next meeting**  
**Tuesday, 12 March 2019 at 2.15 pm**

Those attending are advised that this meeting will be recorded

## **Membership**

Cllr W J Daw (Chairman)  
Cllr Mrs E M Andrews  
Cllr Mrs H Bainbridge  
Cllr D R Coren  
Cllr Mrs G Doe  
Cllr R J Dolley  
Cllr P J Heal  
Cllr F W Letch  
Cllr J D Squire

## **A G E N D A**

*Members are reminded of the need to make declarations of interest prior to any discussion which may take place*

- 1      **Apologies and Substitute Members**  
To receive any apologies for absence and notice of appointment of substitutes.
- 2      **Declaration of Interests under the Code of Conduct**  
Councillors are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.
- 3      **Public Question Time**  
To receive any questions relating to items on the Agenda from members of the public and replies thereto.
- 4      **Minutes (Pages 5 - 8)**  
Members to consider whether to approve the minutes as a correct record of the meeting held on 13 November 2018.

- 5      **Chairman's Announcements**  
To receive any announcements that the Chairman may wish to make.
- 6      **Performance & Risk for 2018-19** *(Pages 9 - 18)*  
To receive a report from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 2018/19 as well as providing an update on the key business risks.
- 7      **Financial Monitoring**  
To receive a verbal report from the Group Manager for Financial Services presenting a financial update in respect of the income and expenditure so far in the year.
- 8      **General Fund Budget 2019/20 - update** *(Pages 19 - 28)*  
To receive a report from the Deputy Chief Executive (S151) considering the initial draft 2019/20 budget and options available in order for the Council to set a balanced budget and agree a future strategy for further budget reductions for 2020/21 onwards.
- 9      **Draft 2019/20 Housing Revenue Account (HRA) Budget** *(Pages 29 - 42)*  
To receive a report from the Deputy Chief Executive (S151) and the Director of Operations considering the options available in order for the Council to set a balanced budget for 2019/20 and agree a future strategy for further budgetary planning for 2020/21 onwards.
- 10     **HRA Medium Term Financial Plan** *(Pages 43 - 48)*  
To receive a report from the Deputy Chief Executive (S151) providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2019/20 – 2022/23.
- 11     **Meeting the Housing Needs Policy** *(Pages 49 - 76)*  
To receive a report from the Housing Options Manager. Homelessness legislation states under the Housing Act 1996, as amended under the Homelessness Act 2002 Part VII, that the Housing Options Service should have a Supply and Demand policy. This has also been stated in recent Supreme Court cases.
- 12     **Review of the Void Management Policy** *(Pages 77 - 94)*  
To receive a report from the Group Manager for Building Services advising Members of the revised Void Management Policy.
- 13     **Housing Sector Update** *(Pages 95 - 100)*  
To receive a report from the Group Manager for Housing providing a written briefing on latest developments relating to social housing.
- 14     **Identification of items for the next meeting**  
Members are asked to note that the following items are already identified in the work programme for the next meeting:

- Performance and Risk
- Financial Monitoring
- Corporate Asbestos Policy
- Tenancy Strategy
- Housing Assistance Policy, Devon Wide
- Chairman Annual Report for 2018/19

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

**Stephen Walford**  
Chief Executive  
Monday, 7 January 2019

Anyone wishing to film part or all of the proceedings may do so unless the press and public are excluded for that part of the meeting or there is good reason not to do so, as directed by the Chairman. Any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

Members of the public may also use other forms of social media to report on proceedings at this meeting.

Members of the public are welcome to attend the meeting and listen to discussion. Lift access to the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, or if you would like a copy of the Agenda in another format (for example in large print) please contact Sarah Lees on:

Tel: 01884 234310  
E-Mail: [slees@middevon.gov.uk](mailto:slees@middevon.gov.uk)

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## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 13 November 2018 at 2.15 pm

### **Present**

#### **Councillors**

W J Daw (Chairman)  
Mrs E M Andrews, Mrs H Bainbridge,  
D R Coren, Mrs G Doe, R J Dolley,  
P J Heal, J D Squire and R Wright

### **Apologies**

#### **Councillor**

F W Letch

### **Also Present**

#### **Councillor**

R L Stanley

### **Also Present**

#### **Officers**

Andrew Pritchard (Director of Operations), Joanne Nacey (Group Manager for Finance), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Claire Fry (Group Manager for Housing), Rob Fish (Principal Accountant) and Sarah Lees (Member Services Officer)

## 40 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Councillor F W Letch who was substituted by Councillor R Wright.

## 41 **PUBLIC QUESTION TIME**

There were no members of the public present.

## 42 **MINUTES**

The minutes of the special meeting held on 15 October 2018 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

## 43 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman informed the Group that the Cabinet Member for Housing and the Director of Operations were meeting with the Housing Minister on 27<sup>th</sup> November in London to discuss issues relating to the Right to Buy Scheme and Universal Credit. They would report back to the next meeting.

## 44 **PERFORMANCE & RISK**

The Group had before it, and **NOTED**, a report \* from the Director of Operations providing Members with an update on performance against the Corporate Plan and

local service targets for 2018/19 as well as providing an update on the key business risks.

The following was highlighted within the report and brief discussion took place regarding:

- The Housing service had hosted a very successful regional meeting for the Tenant Participation Advisory Service (TPAS). The event had been attended by 50 external attendees and four of the Council's own involved tenants. Representatives from the Regulator for Social Housing and the Ministry of Housing, Communities and Local Government were also present. Three Officers and an involved tenant, David Taylor, gave a presentation about the Council's approach to tenant involvement which was very well received.
- The risk presented by Homelessness and insufficient resources to support an increased homeless population which could result in a failure to meet the statutory duty to provide advice and assistance to anyone who was homeless. In mitigation of this risk it was explained that the Housing service had implemented a staffing restructure to build capacity and it was planning to convert an existing property to provide more temporary accommodation.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 45 **FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPTEMBER 2018**

The Group had before it, and **NOTED**, a report \* from the Deputy Chief Executive (S151) presenting a financial update in respect of the income and expenditure so far in the year.

Consideration was given to the following:

- The forecasted General Fund deficit for the current year was £305k. A large part of this related to the under recovery of planning fees. This was a difficult area to address as it was a demand led service. It was hoped that things would pick up in the New Year and there would be more momentum to getting planning applications approved and built out. It was explained that the under recovery of planning fees reflected the national position and therefore was not impacting on this authority alone.
- For the HRA, the forecasted overspend had been £10k, however, there had been a turnaround in dwelling rents and the situation was looking more favourable.
- Whether consideration was being given to other council's building houses bordering Devon and their proximity to future possible developments within Mid Devon, for example, houses being built in the Taunton area might actually be closer in proximity to Mid Devon developments than say Bickleigh.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 46 **DRAFT 2019/20 HOUSING REVENUE ACCOUNTS (HRA) BUDGET**

The Group had before it, and **NOTED**, a report \* from the Deputy Chief Executive (S151) and Director of Operations considering options for the Council to set a balanced budget for 2019/20.

It was explained that as the draft budget currently stood the HRA budget for 2019/20 had been balanced. However, the report, did outline a few high level issues affecting the HRA today, along with how they might impact when setting the final budget for 2019/20. These included Right to Buy property sales and rent decrease.

Note: \* Report previously circulated; copy attached to the signed minutes.

#### 47 **DRAFT 2019/20 GENERAL FUND AND CAPITAL BUDGETS**

The Group had before it, and **NOTED**, a report \* from the Deputy Chief Executive (S151) considering the initial draft 2019/20 budget and options available in order for the Council to set a balanced budget and agree a future strategy.

Consideration was given to the following:

- The initial aggregation of all service budgets currently indicated a General Fund budget gap of £662k.
- 2019/20 would be the fourth and final year of a four year fixed funding settlement which would see a further reduction of £179k bringing the Revenue Support Grant to nil for 2019/20. The end of this four year settlement period would bring a number of uncertainties and risks.
- Pay estimates, which were linked to national pay scales, had been increased by an average of 3%.
- Council Tax had been modelled on a £5 increase.
- For 2018/19 the Council had been fortunate enough to be in the 100% Business Rate pilot which had given the Council an additional circa £200k. However, for 2019/20 this would be reduced to 75% and whilst the Devon Pool would be submitting an application to be a part of this, the chances of success were not predicted to be high. The Council would then revert back to a 50% position but still benefit from membership of the Devon Pool.
- Previously the New Homes Bonus had supported the Council's capital programme but the methodology for the calculation of this may change and this was a significant risk..
- A provisional settlement was due to be issued by central Government by 6<sup>th</sup> December 2018. As soon as this was received a briefing note would be sent to all Members providing a summary on how this would impact on the budget for 2019/20.
- Using reserves to balance the budget in 2018/19 was a one off resolution. Using reserves does not address the underlying issues and the Council would be reluctant to rely on this again for 2019/20.

Brief discussion took place regarding:

- Increased premises costs in relation to Carlu Close.
- The removal of the Crediton Office budgets.
- Reduction of income/increased expenditure in relation to Market Walk.
- Additional weed spraying as a result of the County Council withdrawing its provision of this service across the District.

It was requested that the Group receive more information regarding the removal of ragwort and what the District Council was doing about this particularly dangerous weed.

Note: \* Report previously circulated; copy attached to the signed minutes

#### 48 **HOUSING UPDATE**

The Group had before it, and **NOTED**, a report \* from the Group Manager for Housing providing an update on the latest developments to social housing.

Reference was made to the following:

- The recent very successful TPAS event. Tenants felt that they had had an opportunity to express their views. A further event in Bristol had been attended by the Chief Executive and some tenants.
- There was still a lot in the housing press about cladding and fire safety showing that this was still a high priority.
- Following an FOI request, data had revealed that between April 2013 and March 2018 £3.87 billion had been spent by local authorities nationally on providing temporary accommodation for the homeless.
- The number of “for profit registered providers” of housing had grown in the last year and the Council had been contacted by one of these providers which was keen to work with developers in the District to build affordable homes linked to section 106 agreements, rather than developing their own homes from scratch.
- National Housing Federation Summit – the Prime Minister had attended this in September 2018 and amongst other things had referred to ‘a certain stigma’ which she claimed ‘still clings to social housing’. She had talked about housing management, as well as design and construction as being important factors in making those who live in social housing “so good that people are proud to call it home.”
- There was a growing call for reform in the area of Right to Buy.
- The use of drones by Oxford City Council to survey the roofs of its Council owned properties was cited as an example of improved technology being used to help support a Council’s business.

#### 49 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

In addition to the items already listed in the work programme for the next meeting it was requested that the Group receive a report back from the Cabinet Member for Housing and the Director of Operations regarding their meeting with the Housing Minister on 27<sup>th</sup> November 2018.

(The meeting ended at 3.10 pm)

**CHAIRMAN**



## HOMES PDG 15 JANUARY 2019

### PERFORMANCE AND RISK REPORT FOR 2018-19

**Cabinet Member** Cllr Ray L Stanley  
**Responsible Officer** Director of Operations, Andrew Pritchard

**Reason for Report:** To provide Members with an update on performance against the corporate plan and local service targets for 2018/19 as well as providing an update on the key business risks.

**RECOMMENDATION(S):** That the PDG reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern to the Cabinet.

**Relationship to Corporate Plan:** Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

**Financial Implications:** None identified

**Legal Implications:** None

**Risk Assessment:** If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

**Equality Impact Assessment:** No equality issues identified for this report.

#### 1.0 Introduction

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2018/19 financial year.
- 1.2 Appendix 2 shows the section of the Corporate Risk Register which relates to the Homes Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for Homes for this quarter.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

#### 2.0 Performance

- 2.1 Regarding the Corporate Plan Aim: **Build more council houses:** Birchen Lane (4 units) is completed and the first tenants have moved in. Burlescombe (6 units) is due March 2019 and for Palmerston Park; practical completion is due in March for 12 units with handover of all 26 units due August 2019.

- 2.2 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing**: Last year was very successful with both measures well above target. This year the **Affordable homes** delivered figure is currently well below target. But bringing **Empty homes** into use has now well exceeded the annual target.
- 2.3 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment: Performance Planning Guarantee determined within 26 weeks** was just below target for Q2 but all 4 speed and quality measures were well above the required target. These are all reported quarterly.
- 2.4 Regarding the Corporate Plan Aim: **Other: % Properties with a valid Gas Safety Certificate**; two properties' Gas Safety Certificates have expired; both at legal stages (due to access issues) but with appointments. One which had taken a long time to access was finally serviced in November but was immediately replaced by another unfortunately.
- 2.5 Rent Arrears: Performance deteriorated a little, ending outside target for **current tenant arrears**; however, traditionally the position improves in December with the 2 rent-free weeks.
- 2.6 The **Average days to re-let** remains below target. This is reflected in the **Dwelling rent lost due to voids** which has decreased steadily throughout the year and is now at the same level as this time last year i.e. 0.5%.

### **3.0 Risk**

- 3.1 The Corporate risk register has been reviewed by Group Managers' Team (GMT) and updated. Risk reports to committees include risks with a total score of total score of 10 or more. (See Appendix 2)
- 3.2 Appendix 3 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.

### **4.0 Conclusion and Recommendation**

- 4.1 That the PDG reviews the performance indicators and risks for 2018/19 that are outlined in this report and feeds back any areas of concern to the Cabinet.

**Contact for more Information:** Catherine Yandle, Group Manager for Performance, Governance and Data Security ext 4975

**Circulation of the Report:** Management Team and Cabinet Member

## Corporate Plan PI Report Homes

Monthly report for 2018-2019  
 Arranged by Aims  
 Filtered by Aim: Priorities Homes  
 For MDDC - Services

## Key to Performance Status:

Performance Indicators:

No Data

Well below  
target

Below target

On target

Above target

Well above  
target

\* indicates that an entity is linked to the Aim by its parent Service

## Corporate Plan PI Report Homes

## Priorities: Homes

## Aims: Build more council houses

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Manager Date	Group to Manager	Officer Notes
<b>Build Council Houses</b>	0 (8/12)		26	0	0	0	0	0	0	0	4						Angela Haigh	(September) Birchen Lane revised due completion October (CY)

## Aims: Facilitate the housing growth that Mid Devon needs, including affordable housing

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Manager Date	Group to Manager	Officer Notes
<b>Number of affordable homes delivered (gross)</b>	59 (2/4)		80	n/a	n/a	8	n/a	n/a	12	n/a	n/a		n/a	n/a			Angela Haigh	
<b>Deliver 15 homes per year by bringing Empty Houses into use</b>	84 (8/12)		72	13	19	26	29	56	70	92	107						Simon Newcombe	

## Aims: Other

## Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Manager Date	Group to Manager	Off Not
<b>% Decent Council Homes</b>	100.0% (8/12)		100.0%	99.8%	99.9%	99.7%	99.9%	99.9%	99.9%	99.9%	99.9%						Angela Haigh	
<b>% Properties With a Valid Gas Safety Certificate</b>	99.87% (8/12)		100.00%	99.69%	99.78%	99.73%	99.91%	99.91%	99.91%	99.87%	99.91%						Angela Haigh	
<b>Rent Collected as a Proportion of Rent Owed</b>	98.85% (8/12)		100.00%	95.34%	96.76%	97.09%	97.68%	99.26%	99.59%	99.40%	98.61%						Angela Haigh	
<b>Current Tenant Arrears as a Proportion of Annual Rent Debit</b>	1.33% (8/12)		1.00%	1.13%	1.17%	1.29%	1.34%	1.32%	1.31%	1.33%	1.51%						Angela Haigh	
<b>Dwelling rent lost due to voids</b>	0.5% (8/12)			0.71%	0.67%	0.70%	0.65%	0.57%	0.55%	0.52%	0.50%						Angela Haigh	
<b>Average Days to Re-Let Local Authority Housing</b>	16.6days (8/12)		14.0days	16.6days	15.9days	16.1days	15.6days	14.9days	14.2days	13.8days	13.9days						Angela Haigh	

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## Homes PDG Risk Management Report - Appendix 2

Report for 2018-2019

For Homes - Cllr Ray Stanley Portfolio

Filtered by Flag: Include: \* CRR 5+ / 15+

For MDDC - Services

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: No Data (0+) High (15+) Medium (6+) Low (1+)

## Homes PDG Risk Management Report - Appendix 2

**Risk: Evictions** Tenants being evicted could become violent.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Housing Services

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

Service Manager: Claire Fry

**Review Note:** The assessment of the risk remains the same, as the Housing Service is required to house vulnerable people with complex needs who may exhibit challenging behaviour if they feel threatened. An eviction can be a very traumatic event for such people.

**Risk: Five year housing land Supply** Risk: Housing land supply. Inability to demonstrate the required 5 year housing land supply (+20% ) until Local Plan Review approved

**Effects (Impact/Severity):** Effects (Impact /severity):

- Receipt of speculative housing applications in unplanned locations with less community benefit and less infrastructure / coordination compared with allocated sites.
- Objections
- Pressure on major application appeal performance (Government indicator of quality of decision making). Risk of intervention: loss of fee and less local control over major application decision making.

**Causes (Likelihood):** - Lack of sufficient housing completions, housing market conditions.

Service: Planning

**Current Status: Medium (6)**

**Current Risk Severity: 3 - Medium**

**Current Risk Likelihood: 2 - Low**

Service Manager: Jenny Clifford

**Review Note:** Current expectation of meeting the Housing Delivery Test (announcement expected) and re-establishment of housing land supply

**Risk: Hoarding** Some tenants are known hoarders but we have policies in place and we do regular inspections.

## Homes PDG Risk Management Report - Appendix 2

### Effects (Impact/Severity):

### Causes (Likelihood):

Service: Housing Services

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

Service Manager: Claire Fry

**Review Note:** The assessment of the risk remains the same but it should be noted that the Housing Service works closely with partners including the Devon and Somerset Fire and Rescue Service to help those who hoard to understand the possible consequences of their behaviour and to help them to commence addressing the issues.

**Risk: Homelessness** Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless.

**Effects (Impact/Severity):** - Dissatisfied customers and increase in complaints.

- This will involve an increase in officer time in dealing with Homelessness prevention and early intervention.

- Possible increase in temporary accommodation usage.

**Causes (Likelihood):** New legislation implemented in April 2018 introduced new statutory duties and as a result the numbers of people presenting as homeless are increased, having an impact upon workloads.

Service: Housing Services

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

Service Manager: Claire Fry

**Review Note:** The new referral procedure implemented in accordance with the provisions of the Homelessness Reduction Act is now resulting in more cases, therefore we monitor this risk as a matter of routine. Mitigating factors are still effective and the team is managing the work load.

**Risk: Impact of Welfare Reform and other emerging National Housing Policy** Changes to benefits available to tenants could impact upon their ability to pay. Other initiatives could impact upon our ability to deliver our 30 year Business Plan.

### Effects (Impact/Severity):

### Causes (Likelihood):

Service: Housing Services

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

Service Manager: Claire Fry

**Review Note:** Universal Credit full service has now started in Mid Devon and the number of tenants in receipt of this is increasing. This is having an impact upon our revenue stream. For this reason, the risk assessment remains the same although we now have a team in place which is dedicated to income recovery and we are also reviewing our procedures in order to streamline them.

## Homes PDG Risk Management Report - Appendix 2

**Risk: Palmerston Park** Development of 26 houses - liquidator exploring a claim against us regarding losses and damages re previous contractor.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Property Services

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

Service Manager: Andrew Busby

**Review Note:** Development of 26 houses - liquidator exploring a claim against us regarding losses and damages re previous contractor. A response to this claim has been submitted to those representing the liquidator and the Council despite chasing have not received a reply in accordance with the construction protocol.

**Risk: Reputational re Council Housing Stock** Failure in handling a disaster/mistake properly

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Housing Services

**Current Status: Medium (10)**

**Current Risk Severity: 5 - Very High**

**Current Risk Likelihood: 2 - Low**

Service Manager: Claire Fry

**Review Note:** the assessment of the risk remains the same but there are adopted policies and procedures which should mitigate the risk of a disaster happening. Furthermore, we have trained and experienced staff.

**Risk: Stress** The physical and mental well-being of Officers could be affected by work environment and pressures caused by work demands and work relationships.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

Service: Housing Services

**Current Status: Medium (12)**

**Current Risk Severity: 4 - High**

**Current Risk Likelihood: 3 - Medium**

Service Manager: Claire Fry

**Review Note:** The risk assessment remains the same due to the nature of the work. Whilst we have a strong supervision framework in place, provide appropriate training and access to support as necessary, Officers are often required to work with challenging people, make key decisions which can have a profound impact upon individuals and juggle conflicting priorities.

**Risk: Tenants with Complex Needs** As our housing stock shrinks, the proportion of such tenants will increase.

**Effects (Impact/Severity):**

**Causes (Likelihood):**

## Homes PDG Risk Management Report - Appendix 2

**Service: Housing Services**

**Current Status: Medium  
(12)**

**Current Risk Severity: 4 -  
High**

**Current Risk Likelihood: 3 -  
Medium**

**Service Manager: Claire Fry**

**Review Note:** The risk assessment remains the same because vulnerable people may need support and may also exhibit challenging behaviour which could impact staff wellbeing. We provide appropriate training for staff and have good links with other agencies including the Police, social services, Wiser£money, CHAT, the CA etc

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# Risk Matrix Homes Appendix 3

## Report For Homes - Cllr Ray Stanley Portfolio Current settings

<b>Risk Likelihood</b>	<b>5 - Very High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>4 - High</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>
	<b>3 - Medium</b>	<b>No Risks</b>	<b>No Risks</b>	<b>1 Risk</b>	<b>4 Risks</b>	<b>No Risks</b>
	<b>2 - Low</b>	<b>No Risks</b>	<b>No Risks</b>	<b>4 Risks</b>	<b>1 Risk</b>	<b>4 Risks</b>
	<b>1 - Very Low</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>No Risks</b>	<b>7 Risks</b>
		<b>1 - Very Low</b>	<b>2 - Low</b>	<b>3 - Medium</b>	<b>4 - High</b>	<b>5 - Very High</b>
		<b>Risk Severity</b>				

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## Homes Policy Development Group 15 January 2019

### Budget 2019/20 - Update

**Cabinet Member** Cllr Peter Hare-Scott  
**Responsible Officer** Deputy Chief Executive (S151), Andrew Jarrett

**Reason for the report:** To review the revised draft budget changes identified and discuss any further changes required in order for the Council to move towards a balanced budget for 2019/20.

**RECOMMENDATION:** To consider and agree the updated General Fund budget proposals for 2019/20 included in Appendix 1 and the Capital Programme included in Appendix 2.

**Relationship to the Corporate Plan:** To deliver our Corporate Plan's priorities within existing financial resources.

**Financial Implications:** Now the Council has received notification of the Provisional Settlement it is imperative that it matches current and ongoing expenditure plans to estimated sources of income/funding.

**Legal Implications:** None directly arising from this report, although there is a legal obligation to balance the budget. There are legal implications arising from any future consequential decisions to change service provision, but these would be assessed at the time.

**Risk Assessment:** Service Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. This position has been revised based on an additional two months of financial monitoring information and the changes announced in the Provisional Settlement released on the 13/12/18. In addition prudent levels of reserves will also continue to be maintained.

**Equality Impact Assessment:** There are none identified.

#### 1.0 Introduction

- 1.1 On the 13 December 2018 the Council received the Provisional Settlement from Central Government. The Provisional Settlement confirmed some of our previous assumptions namely; that we would not be successful in our bid for 75% Business Rates Retention; that the Government would not impose negative Revenue Support Grant and that, New Homes Bonus calculations would not change significantly.
- 1.2 From our reading of the Settlement we have been fortunate to receive some recognition of our rurality through an increase to Rural Services Delivery Grant (RSDG) of £92,185. The Settlement also brought an unexpected bonus of £33,408 which relates to a redistribution of excess Business Rates levy which the Government announced as part of the Settlement. Our overall Business

Rates forecast was robust and we saw a small increase of £11,720 when the tariff figures were confirmed. There will be a further movement on Business Rates when we confirm our figures in our NNDR return which we will submit at the end of January. Any movement in our Business Rates figures at this time will be mitigated by a transfer to or from the Business Rates Smoothing Reserve. We anticipate that this NNDR1 will highlight further growth in our Business Rates.

- 1.3 The New Homes Bonus grant calculations have been a “moving feast” with additional affordable homes (72) increasing our allocation and the top-slice of growth not being quite as high as we had anticipated. Now the figures have been confirmed, our allocation for 2019/20 is confirmed at £1,243,503 which reflects a positive increase in 2018/19 to the housing stock across the district.
- 1.4 As part of the Settlement the Council has also been given the freedom to raise its Council Tax by up to 3% (before a referendum is triggered). This would raise an additional £27k from the £5 increase which was provisionally indicated at Cabinet in October.

## 2.0 2019/20 General Fund Budget - Revised Position

- 2.1 Since the first round Cabinet and PDG meetings the Finance team and service managers have been revisiting a range of budgets to deliver more savings or increase income levels. Please see summary table below:

**Table 1 – Reconciliation of Major 2019/20 Budget Variances**

<b>Variances</b>	<b>Amount £k</b>
<b>19/20 Budget Shortfall (Cabinet Report 25/10/18)</b>	<b>662</b>
Further Cost Pressures identified	358
Additional Savings identified	(437)
Additional (net) recharge to HRA	(63)
Minimum Revenue Provision (MRP) reduction	(66)
Additional Rural Services Delivery Grant	(92)
3% increase in C/Tax (£5 previously built in)	(27)
Business Rates Levy Re-distribution	(33)
Business Rates Tariff adjustment	(12)
Council Tax growth	(37)
<b>Draft budget gap for 2019/20 (See Appendix 1)</b>	<b>253</b>

## 3.0 Conclusion

- 3.1 It is encouraging that the Council has managed to significantly close the budget gap of £662k discussed at earlier meetings, considering the factors that have been outside of our control such as the new pay scales and the reduction of spinal points which has created significant pressure in areas such as Waste; Street Scene and; Leisure which employ significant numbers of lower-earners.

- 3.2 Moving forward Members and officers need to look to the pressures over the next few years reflected in our recently updated MTFP and our need to address ongoing pressures which cannot be satisfactorily addressed by the one-off use of reserves.
- 3.3 In order to conclude the statutory budget setting process, this updated draft budget position will go through Cabinet, another round of PDG's, Scrutiny, and a final meeting of the Cabinet before being agreed at Full Council on the 27<sup>th</sup> February 2019. During this period officers will continue to identify and examine further savings possibilities that can reduce the current budget gap.

**Contact for more information:** Andrew Jarrett – Deputy Chief Executive (S151) / [ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk) / 01884 234242

**Background Papers:** Draft 2019/20 Budget Papers  
Provisional Settlement Email

**Circulation of the Report:** Leadership Team, Cabinet Member for Finance, and relevant Service Managers

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## Appendix 1 – Budget Movements since Cabinet Meeting 25 October 2018

	£k
<b>Budget Gap as reported to Cabinet 25 Oct 2018</b>	662
MRP realignment – based on a revised Capital Programme	-66
Waste - DCC shared savings - reduction in estimates	50
Legal Services – reduction in staff costs (since round 1)	-26
Phoenix House hearing loop	5
Reduction in vehicle sinking fund	-150
Planning income pressure	150
Duty Manager – Planning advice	-20
Increase interest income	-56
Additional interest payable	14
Net increase in recharge to HRA	-63
Growth in Council Tax figures	-37
Assumption of 2.99% increase in Council Tax	-27
Parking patrols	9
Reduction in standby budget	-5
Reduction in preceptors contribution to Revenue recovery	7
Business Rates Tariff figures adjustment from Settlement	-12
Additional Rural Services Delivery Grant	-92
Levy Account Surplus Draft Allocation	-33
Additional transfer to Earmarked reserves	59
Waste – reduction in allowance for vacancies and other salary savings	-80
Minor budget alignments	-36
<b>Draft budget gap for 2019/20</b>	<b>253</b>

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## Provisional Capital Programme 2019/20

## Appendix 2

	1st Draft Budgeted Capital Programme (per 25/10/18 Cabinet)	2nd Draft Budgeted Capital Programme (for 03/01/19 Cabinet)
	2019/20 £k	2019/20 £k
<b><u>Estates Management</u></b>		
<b><u>Leisure - Site Specific</u></b>		
<b><u>Exe Valley Leisure Centre</u></b>		
Spinning Room - New window - improve light	20	20
Leisure Spinning Bike Replacement - <b>all sites</b>	60	60
<b><u>Culm Valley sports centre</u></b>		
Fitness Gym Kit Replacement	185	185
<b>Total</b>	<b>265</b>	<b>265</b>
<b><u>Other MDDC Buildings</u></b>		
<b><u>MSCP Improvements</u></b>		
MSCP-Top Deck surfacing	70	70
<b><u>MDDC Depot sites</u></b>		
Carlu Close - Potential Air Conditioning units	25	25
Carlu Close - Interceptor upgrade (correct class)	30	30
Carlu Close - Solar PV options	20	20
<b><u>Cemeteries</u></b>		
Tiverton Cemetery - Infrastructure extension	80	80
<b><u>Other Projects</u></b>		
Land drainage flood defence schemes	25	25
Homeless Emergency Shelter Options Project		75
<b>* <u>General Fund Development Schemes</u></b>		
Tiverton redevelopment project	1,500	0
<b>Total</b>	<b>1,750</b>	<b>325</b>
<b>* All developments schemes are subject to acceptable Business Case</b>		
<b><u>Economic Development Schemes</u></b>		
* Hydro Mills Electricity Project	680	680
<b>Total</b>	<b>680</b>	<b>680</b>
<b>* All Economic Development schemes are subject to acceptable Business Case</b>		
<b><u>ICT Projects</u></b>		
UPS Power supplies refresh	25	25
Continuous replacement/Upgrade of WAN/LAN (networking hardware switches)	100	100
Lalpac Licensing System replacement (SN)	80	80
Replacement Access Database - Property Services		100
<b>Total</b>	<b>205</b>	<b>305</b>

	Budgeted Capital Programme (per 25/10/18 Cabinet)	Budgeted Capital Programme (for 03/01/19 Cabinet)
	2019/20	2019/20
<u>Affordable Housing Projects</u>		
Grants to housing associations to provide houses (covered by Commuted Sums)	117	117
<b>Total</b>	<b>117</b>	<b>117</b>
<u>Private Sector Housing Grants</u>		
Empty homes and enforcement	108	108
Disabled Facilities Grants–P/Sector	562	562
<b>Total</b>	<b>670</b>	<b>670</b>
<b>TOTAL GF PROJECTS</b>	<b>3,687</b>	<b>2,362</b>
	<b>0</b>	<b>0</b>
<u>Other General Fund Development Projects</u>		
<u>Housing Schemes</u>		
Waddeton Park - 75 Affordable Homes	2,000	2,000
<u>Other</u>		
Land acquisition for operational needs		600
<b>TOTAL GF OTHER DEVELOPMENT PROJECTS</b>	<b>2,000</b>	<b>2,600</b>
<b>GRAND TOTAL GF PROJECTS</b>	<b>5,687</b>	<b>4,962</b>
<u>HRA Projects</u>		
<u>Existing Housing Stock</u>		
Major repairs to Housing Stock	2,325	2,285
Renewable Energy Fund	300	250
Home Adaptations - Disabled Facilities	300	300
<u>* Housing Development Schemes</u>		
Replace end of life HRA Assets	2,000	2,000
Council Housing building schemes to be identified	2,000	2,000
<b>* Proposed Council House Building / industrial units schemes subject to full appraisal</b>		
<b>Total</b>	<b>6,925</b>	<b>6,835</b>
<b>* Proposed Council House Building / industrial units schemes subject to full appraisal</b>		
<b>TOTAL HRA PROJECTS</b>	<b>6,925</b>	<b>6,835</b>
	<b>0</b>	<b>0</b>
<u>OTHER HRA DEVELOPMENT PROJECTS</u>		
<u>Housing Schemes</u>		
Round Hill Tiverton- Site	1,500	1,500
<b>TOTAL OTHER HRA DEVELOPMENT PROJECTS</b>	<b>1,500</b>	<b>1,500</b>
<b>GRAND TOTAL HRA PROJECTS</b>	<b>8,425</b>	<b>8,335</b>
<b>GRAND TOTAL GF + HRA PROJECTS</b>	<b>14,112</b>	<b>13,297</b>

**MDDC Funding Summary**

**General Fund**

	2019/20 £k	2019/20 £k
<b>EXISTING FUNDS</b>		
Capital Grants Unapplied Reserve	951	951
Capital Receipts Reserve	31	31
NHB Funding	417	592
Other Earmarked Reserves	188	188
Other Funding	600	600
<b>Subtotal</b>	<b>2,187</b>	<b>2,362</b>

<b>NEW FUNDS</b>		
PWLB Borrowing	3,500	2,600
<b>Subtotal</b>	<b>3,500</b>	<b>2,600</b>

<b>Total General Fund Funding</b>	<b>5,687</b>	<b>4,962</b>
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**Housing Revenue Account**

	0 £k	0 £k
<b>EXISTING FUNDS</b>		
Capital Receipts Reserve	1,065	1,065
NHB Funding	21	21
HRA Housing Maintenance Fund	2,000	2,000
Other Housing Earmarked Reserves	2,697	2,607
<b>Subtotal</b>	<b>5,783</b>	<b>5,693</b>

<b>NEW FUNDS</b>		
PWLB Borrowing	2,642	2,642
<b>Subtotal</b>	<b>2,642</b>	<b>2,642</b>

<b>Total Housing Revenue Account Funding</b>	<b>8,425</b>	<b>8,335</b>
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<b>TOTAL FUNDING</b>	<b>14,112</b>	<b>13,297</b>
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**HOMES PDG**  
**15 JANUARY 2019**

## **DRAFT 2019/20 HOUSING REVENUE ACCOUNT (HRA) BUDGET**

**Cabinet Members** Cllr Peter Hare-Scott, Cllr Ray Stanley  
**Responsible Officers** Andrew Jarrett, Deputy Chief Executive (S151)  
Andrew Pritchard, Director of Operations

**Reason for Report:** To consider options available in order for the Council to set a balanced budget for 2019/20 and agree a future strategy for further budgetary planning for 2020/21 onwards.

**RECOMMENDATION:** To consider the draft budget proposals for 2019/20 and note the proposed balanced position at this time.

**Relationship to Corporate Plan:** To deliver our Corporate Plan priorities within the existing resources.

**Financial Implications:** The Housing Revenue Account currently has a balanced budget for 2019/20.

**Legal Implications:** None directly arising from this report, although there is a legal obligation to balance the budget.

**Risk Assessment:** Service Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. In addition, prudent levels of reserves will also continue to be maintained.

**Equality Impact Assessment:** There are none identified.

### **1.0 Introduction**

- 1.1 The HRA is a ring-fenced account within Mid Devon's financial accounting system. This means that a balanced budget must be set each year including all income and expenditure pertinent to the Council's landlord function and excluding all other income and expenditure (since this would be captured as part of the General Fund budget).
- 1.2 This report will set out management's proposals for a draft HRA budget for 2019/20 and Members will see from Appendix 1 that, as it stands, the budget has been balanced and so nets to nil. The report will outline the key issues affecting the HRA today, along with how they impact on the setting of a budget for 2019/20.

## **2.0 Key issues**

### Right to Buy Property Sales

- 2.1 Central Government has imposed a Right to Buy (RTB) policy on local authority landlords which provides an incentive to tenants to exercise their right to buy.
- 2.2 What a tenant pays when they exercise their Right to Buy varies, but the discount from the market rate can be significant <sup>1</sup>. The Council only retains a portion of any sale value, with the balance returned to Central Government. If we fail to spend sufficient funds on building new homes during the three years following the sale of that property, a further part of the original sales proceeds retained by the HRA are returned to Central Government.

### Rent decrease

- 2.3 In 2015 Central Government announced that social and affordable rents would decrease by 1% each year for the four years from 2016/17 to 2019/20. The budget being set for 2019/20 is the fourth and final year of this policy. We will increase rents in 2020/21 by CPI plus 1%, which conforms to the previous rent policy.

### Other income

- 2.4 It is proposed to increase garage rents from their current rate of £11.10 per week by CPI plus 1% in line with the future rent increase policy, although as this is currently a proposal, this increase is not reflected in the HRA MTFP.
- 2.5 It is proposed to increase ground rents by £25 per annum to bring them to £250 per annum. This will help mitigate increasing costs in maintaining our Housing Stock.

### Direct Labour Operations (DLO) carrying out non HRA-works

- 2.6 Following the draft budget circulated in November, the following changes are proposed:
  - 2.6.1 HRA Shop Units – reduced rental income forecast slightly to factor in potential under-occupancy
  - 2.6.2 Revenue contribution to capital – nothing budgeted therefore removed.
  - 2.6.3 Increased investment returns by £24k.
  - 2.6.4 Other income budget has been reduced by £12k to reflect current performance – Wayleaves (Deeds of easement).

- 2.6.5 The vehicle budget has increased by £19k in advance of a potential move from capital purchase to lease arrangement.
- 2.6.6 Slight adjustment to the establishment: inclusion of 0.7 FTE Recharge Officer.
- 2.6.7 A feasibility study to assess mid to long term housing maintenance liability will start in 2019/20; a budget of £250k has been included to cover this amount.
- 2.6.8 Amount transferred to the Housing Maintenance Fund has reduced by £654k to £796k.
- 2.6.9 Recharges made to the HRA by the General Fund will increase by £62k (see 2.7 below).
- 2.7 In addition to these changes, a review of the way in which the costs of Grounds Maintenance works are charged to the HRA has been undertaken. This has involved a review of the Bill of Quantities, operating procedures and billing methodology. This has resulted in a proposed increase of £99k to the Grounds Maintenance recharge to the HRA. This increase will be mitigated in part by a reduction in the recharge from the General Fund support service of £37k.

1. Right to Buy discounts range from 35%-70% on a house and 50%-70% on a flat  
2. OBR, Economic and Fiscal Outlook, CM 9088, July 2015, para 3.84

### **3.0 Recommendation**

- 3.1 It is recommended that Members consider the proposals for this draft HRA budget along with the details laid out in this report.

### **4.0 Conclusion**

- 4.1 This report has set out a proposed balanced budget for the HRA for 2019/20, with appendices attached showing the following.
- 4.1.1 The overall makeup of the budget at summary level
- 4.1.2 The proposed rent for 2019/20
- 4.1.3 The proposed fees and charges for 2019/20
- 4.1.4 An extract from the Planned and Cyclical Maintenance budget

**Contact for more information:** Andrew Jarrett, Deputy Chief Executive (S151), 01884 234242 / [ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk) / JP Mclachlan, Principal Accountant, 01884 234944 / [jpmclachlan@middevon.gov.uk](mailto:jpmclachlan@middevon.gov.uk)

**Circulation of the report:** Cabinet members, Leadership Team and relevant service managers

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## Appendix 1

Code	Service Unit	Previous Year Outturn	Current Year Budget	Movement	Proposed Budget 2019/20
	<b>Income</b>				
SHO01	Dwelling Rents Inc	(12,387,165)	(12,118,490)	141,320	(11,977,170)
SHO04	Non Dwelling Rents Inc	(589,800)	(584,130)	19,260	(564,870)
SHO07	Leaseholders' Ch For Serv	(27,025)	(21,640)	0	(21,640)
SHO08	Contributions Towards Exp	(81,416)	(41,470)	13,750	(27,720)
SHO10	H.R.A. Investment Income	(38,319)	(59,000)	(24,000)	(83,000)
SHO11	Misc. Income	(226,533)	(19,350)	12,000	(7,350)
	<b>Services</b>				
SHO13A	Repairs & Maintenance	3,127,933	3,120,450	64,710	3,185,160
SHO17A	Housing & Tenancy Services	1,294,124	1,415,540	316,820	1,732,360
	<b>Accounting entries below the line</b>				
SHO29	Bad Debt Provision	52,696	25,000	28,000	53,000
SHO30	Share Of Corp And Dem	262,484	194,590	4,510	199,100
SHO32	H.R.A. Interest Payable	1,213,267	1,165,610	(21,570)	1,144,040
SHO34	H.R.A. Trf To/From Emr	2,773,727	2,448,470	(748,740)	1,699,730
SHO36	H.R.A. R.C.C.O.	505,056	130,000	(130,000)	0
SHO37	Capital Receipts Res Adj	(33,800)	(26,000)	0	(26,000)
SHO38	Major Repairs Allowance	2,273,075	2,101,000	184,000	2,285,000
SHO45	Renewable Energy Transactions	(169,905)	(169,000)	30,000	(139,000)
	<b>NET DIRECT TOTAL</b>	<b>(2,051,601)</b>	<b>(2,438,420)</b>	<b>(109,940)</b>	<b>(2,548,360)</b>

### Subjective analysis

Code	Service Unit		Current Year Budget	Movement	Proposed Budget 2019/20
1000	Employees		2,409,300	223,410	2,632,710
2000	Premises		187,970	6,800	194,770
3000	Transport		224,840	41,670	266,510
4000	Cost Of Goods And Services		7,891,170	(544,150)	7,347,020
7000	Income		(13,151,700)	162,330	(12,989,370)
	<b>NET DIRECT TOTAL</b>		<b>(2,438,420)</b>	<b>(109,940)</b>	<b>(2,548,360)</b>
5000	Recharges		1,447,160	123,950	1,571,110
6000	Capital Charges		991,260	(14,010)	977,250
	<b>TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>

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## Assumptions

## Appendix 1 (continued)

- All rents to decrease by 1%, this changes the average rent to £77.41 per week (over 52 weeks)
- Twenty properties sold during 19/20
- Average of 12 void properties
- Affordable rents to decrease by 1%, moving the average rent to £109.67 per week (over 52 weeks)
- Garage rents to remain to remain at £11.10
- Garage ground rents proposal to increase from £225 to £250 per annum
- Income generated from HRA retail units expected to reduce slightly due to forecast under-occupancy
- Base pay increase of 2% , however with the revised pay structure, pay at lower SCPs can increase from anything from 2% to 7%, this is in addition to an increase in FTEs in Tenancy from a recent restructure
- Cost of Goods and Services has reduced due to the following: a lower contribution being made to the Housing Maintenance Fund; this is in addition to a rationalisation of the works budgets for 19/20 has reduced the requirements on some larger areas within the works programme; budgeted £250k for feasibility study
- HRA cash balances forecast to generate greater return based upon 2018/19 performance
- PWLB debt repayments, based on the nature of the borrowing, is £2.645m, however the make-up for 19/20 shows interest payments of £1.069m a reduction of £46k on 18/19. We will pay to the General Fund £48k of interest on internal borrowing
- £796k contribution to the Housing Maintenance Fund to be made.
- Recharges to increase by £124k

### Assumptions

#### 6000 CAPITAL CHARGES

	£000
MRP for capital financing (Well Park)	60
Depreciation	2,000
Depreciation Reversal	(2,000)
PWLB loan MRP	916
	976

#### SHO34 HRA Transfer to/from EMR

Surplus amount	796
Renewable energy surplus	139
Affordable Rent surplus	72
Loan Premium Deficit	693
	1,700

#### PWLB LOAN

Principal repaid	1,609
Principal accounted for	(916)
Loan Premium deficit	693

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## HRA Rent Budget 2019/20

Description	Average rent (52 week basis) £	Average properties 2019/20	Annual rent total £	Void level	Annual rent total (less voids)	Budget (rounded)
Social rent (in use)	77.41	2,931	11,798,213	0.41%	11,749,909	11,749,910
Affordable rent properties	109.67	46	262,331	0.41%	261,257	261,260
Rent written off					(35,000)	(35,000)
Write-offs recovered					1,000	1,000
HO700 budget					11,977,166	11,977,170
Affordable rent surplus					72,962	72,960
TOTAL		2,977				

Formula Rent	77.46
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HRA: Proposed Fees and Charges 2019/20

	<u>2018/19</u>	<u>Increase</u>	<u>Increase %</u>	<u>2019/20</u>
Garage rents per week (48 week basis) <i>It should be noted that council tenants receive a discount of £2.00 per week on any garage rent</i>	£11.10	£0.00	0.00%	£11.10
Garage ground rents (Annual charge)	£225	£25	11.11%	£250
<u>N.B</u>				
MDDC Formula Rent on average (52 weeks)	£78.31			£77.46

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## Appendix 4

### HO130 Planned & Cyclical Maintenance (extract)

Cost Centre	Account	Account Description	Proposed Budget 2019/20
HO130	4205	Insulation	10,000
	4213	Asbestos Work	200,000
	4215	Legionella Testing	60,330
	4216	Electrical Remedials	50,000
	4225	Smoke Detectors	130,000
	4230	Gas Servicing	300,000
	4231	Lift Maintenance	1,000
	4232	Painting & Repairs	300,000
	4233	Legionella Works	30,000
	4236	Air Source Heat Pump Servicing	40,000
	4239	Carbon Monoxide Detectors	39,000
	4243	Door Entry Systems	5,000
	4245	Sanctuary Works - H.R.A Stock	5,000
	4247	Solid Fuel Cyclical Testing	10,000
	4248	Electrical Cyclical Testing	66,000
	4522	Solid Fuel Repairs	9,500
		<b>Total</b>	<b>1,255,830</b>

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**HOMES PDG**  
**15 JANUARY 2019**

## **HRA MEDIUM TERM FINANCIAL PLAN**

**Cabinet Member** Cllr Peter Hare-Scott, Cllr Ray Stanley  
**Responsible Officer** Andrew Jarrett, Deputy Chief Executive (S151)

**Reason for Report:** This report provides an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2019/20-2022/23.

**RECOMMENDATION:** That the PDG note the content of this report.

**Relationship to Corporate Plan:** The Medium Term Financial Plan (MTFP) sets out the financial resources available to deliver the Council's ongoing Corporate Plan pledges/objectives with regard to the landlord function.

**Financial Implications:** By undertaking an annual review of the MTFP the Council can ensure that its Corporate Plan pledges/objectives are affordable.

**Legal Implications:** None.

**Risk Assessment:** The MTFP makes a number of financial assumptions based on a sensible/prudent approach, taking account of the most up to date professional advice that is available.

**Equality Impact Assessment:** It is considered that the impact of this report on equality related issues will be nil.

### **1.0 Introduction**

- 1.1 The Finance and Housing officers have now collated a draft budget for 2019/20 which proposes a balanced budget position, shown as part of a separate report at this meeting.
- 1.2 Further to this the Group Manager for Housing Services and the HRA Accountant have agreed assumptions for the forthcoming years, in order to determine a reasonable forecast of the financial position of the Housing Revenue Account (HRA) in the coming years.

### **2.0 Medium Term Assumptions**

- 2.1 The largest number in the HRA is the dwelling rent figure. Central Government has dictated how this will change, stating that Mid Devon's Formula Rent (FR) will decrease by 1% each year until 2019/2020. We are anticipating reverting to the previous policy after this time which would allow us to increase rents by CPI + 1% from 2020/21. Please note that FR is the amount of rent that properties on social rent are to be charged, according to Central Government.

- 2.2 Other areas of income such as garage rents, shop rents and service charges, tend to see price rises that are small incremental changes or not at all. For this reason, the plan assumes that these budgets will move at the same rate as the dwelling rent.
- 2.3 The operational costs of the supplies and services and transport are expected to rise by 2.5% per year.
- 2.4 Since the annual debt repayments are now a known quantity, we are able to predict these in the medium term and beyond with some certainty. The only expected increases here are where further debt is taken on to fund large scale projects. To date, no new additional funding requirements have been factored in other than a potential borrowing requirement in 19/20 of £1.142m. This also suggests there are no new rental streams included in future years, this however remains a watching brief.
- 2.5 Recharges between the General Fund and HRA have been finalised and the forecast inflation of 3% remains consistent with the General Fund future projections.

### **HRA Reserve**

- 2.6 It is anticipated that the HRA reserve balance will stand at £2m at the beginning of 2019/20. There is no plan to utilise the reserve to fund revenue expenditure and so the balance should remain at this level throughout the period up to the end of 2022/23.
- 2.7 In an effort to address the needs identified in the Housing thirty year asset management plan, an amount is to be invested in an earmarked reserve for the long term maintenance of the properties (the Housing Maintenance Fund or HMF). This fund will be used to cover the shortfall in future years, when the demand is greater than tenant rents can meet.

### **3.0 Future Issues**

- 3.1 The HRA Budget report 2019/20, also presented at this meeting, outlines various items of note including:
  - 3.1.1 Universal Credit
  - 3.1.2 Rent Policy – decreases until 2020 and then a return to incremental increases.
- 3.2 Clearly, these are significant challenges facing the HRA. Once more detailed information becomes available, individual reports will be produced for Members and the subsequent Medium Term Financial Plan will take account of them.

## **4.0 Conclusion**

- 4.1 This meeting is the final opportunity for Members to consider the MTFP and our assumptions prior to approval of the HRA Budget by Full Council on 27 February 2019.

**Contact for more information:** Andrew Jarrett, Deputy Chief Executive (S151), 01884 234242 / [ajarrett@middevon.gov.uk](mailto:ajarrett@middevon.gov.uk) / JP Mclachlan, Principal Accountant, 01884 234944 / [jpmclachlan@middevon.gov.uk](mailto:jpmclachlan@middevon.gov.uk)

**Circulation of the report:** Cabinet Member, Leadership Team and relevant service managers

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**Appendix 1**  
**HRA MEDIUM TERM FINANCIAL PLAN 2019-20 TO 2022-23**

	Current Base								
	2018-19 £	Infl %	2019-20 £	Infl %	2020-21 £	Infl %	2021-22 £	Infl %	2022-23 £
<b>Employee costs</b>									
Cost pressures			0		0		0		0
Savings			0		0		0		0
Base budget	2,409,300		2,632,710		2,685,364		2,739,071		2,793,853
<i>Inflation base</i>	2,409,300		2,632,710	2.0%	2,685,364	2.0%	2,739,071	2.0%	2,793,853
One off initiatives	0		0		0		0		0
<b>Total in year cost</b>	<b>2,409,300</b>		<b>2,632,710</b>		<b>2,685,364</b>		<b>2,739,071</b>		<b>2,793,853</b>
<b>Premises costs</b>									
Cost pressures			0		0		0		0
Savings			0		0		0		0
Base budget	187,970		194,770		198,665		202,639		206,691
<i>Inflation base</i>	187,970		194,770	2.0%	198,665	2.0%	202,639	2.0%	206,691
One off initiatives									
<b>Total in year cost</b>	<b>187,970</b>		<b>194,770</b>		<b>198,665</b>		<b>202,639</b>		<b>206,691</b>
<b>Transport related costs</b>									
Cost pressures			0		6,000		6,000		7,000
Savings					0		0		0
Base budget	224,840		266,510		273,173		286,152		299,456
<i>Inflation base</i>	224,840		266,510	2.5%	279,173	2.5%	292,152	2.5%	306,456
One off initiatives									
<b>Total in year cost</b>	<b>224,840</b>		<b>266,510</b>		<b>279,173</b>		<b>292,152</b>		<b>306,456</b>
<b>Supplies and services</b>									
Cost pressures			0						0
Savings			0		0		0		0
Base budget	1,768,027		1,134,050		1,162,401		1,191,461		1,221,248
<i>Inflation base</i>	1,768,027		1,134,050	2.5%	1,162,401	2.5%	1,191,461	2.5%	1,221,248
One off initiatives									
<b>Total in year cost</b>	<b>1,768,027</b>		<b>1,134,050</b>		<b>1,162,401</b>		<b>1,191,461</b>		<b>1,221,248</b>
<b>Support services</b>	1,447,160		1,571,110	3.0%	1,618,243	3.0%	1,666,791	3.0%	1,716,794
<b>Total gross expenditure</b>	<b>6,037,297</b>		<b>5,799,150</b>		<b>5,943,847</b>		<b>6,092,114</b>		<b>6,245,042</b>
<b>Rents , fees, charges and grants</b>									
Cost pressures			0		60,380		60,380		60,380
Savings			0		0		0		0
Base budget	(13,151,700)		(12,989,370)		(13,443,998)		(13,852,045)		(14,274,373)
<i>Inflation base</i>	(13,151,700)		(12,989,370)	3.5%	(13,383,618)	3.5%	(13,791,665)	3.5%	(14,213,993)
One off initiatives	0		0		0		0		0
<b>Total in year cost</b>	<b>(13,151,700)</b>		<b>(12,989,370)</b>		<b>(13,383,618)</b>		<b>(13,791,665)</b>		<b>(14,213,993)</b>
<b>NET COST OF SERVICES</b>	<b>(7,114,403)</b>		<b>(7,190,220)</b>		<b>(7,439,771)</b>		<b>(7,699,551)</b>		<b>(7,968,951)</b>
Interest Payable	1,115,070		1,095,560		1,048,102		999,244		948,949
Interest Payable HRA to GF	50,540		48,480		46,360		44,190		42,000
Capital Financing	991,260		977,250		1,000,093		1,000,093		1,000,093
Contribution to Capital - MRA	2,101,000		2,285,000		2,260,000		2,260,000		2,260,000
Affordable Rent surplus	72,330		72,000		71,280		73,775		76,357
Transfer to Housing Maintenance Fund (HMF)	2,181,570		2,018,930		2,356,980		2,616,435		2,885,444
Principal adjustment	602,633		693,000		656,957		705,815		756,109
<b>Budget (Surplus) / Deficit</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
Opening balance 01 April	(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)		(2,000,000)
<b>Closing balance 31 March</b>	<b>(2,000,000)</b>		<b>(2,000,000)</b>		<b>(2,000,000)</b>		<b>(2,000,000)</b>		<b>(2,000,000)</b>

**Notes:**

1 Transport cost pressures are an estimate of additional costs under a fleet contract

2 Rents, Fees & Charges cost pressures reflect an estimate on rental income of future Right to Buys

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## HOMES POLICY DEVELOPMENT GROUP 15 JANUARY 2019

### THE HOUSING OPTIONS SERVICE – SUPPLY AND DEMAND POLICY

**Cabinet Member** Cllr Ray Stanley  
**Responsible Officer** Housing Options Manager, Mike Parker

**Reason for Report:** Homelessness legislation states under the Housing Act 1996, as amended under the Homelessness Act 2002 Part VII, that the Housing Options Service should have a Supply and Demand policy. This has also been stated in recent Supreme Court cases.

#### **RECOMMENDATION(S):**

- 1) **The Cabinet approves the revised Housing Options Supply and Demand Policy; and**
- 2) **The Cabinet notes that the Housing Options Service will continue to make best use of its temporary housing resources when accommodating homeless households.**

**Relationship to Corporate Plan:** The Council's duties are governed by the Housing Act 1996 as amended under the Homelessness Act 2002 Part VII, Homeless Reduction Act 2017. This legislation sets out what a Council must provide and what duties it might owe a homeless applicant.

**Financial Implications:** There is a provisional budget within the Council for the Housing Options Service.

**Legal Implications:** Failure to provide advice and assistance could result in the Council being taken to court. The Council is required, under the Housing Act 1996 as amended under the Homelessness Act 2002 Part VII and Homeless Reduction Act 2017, to publish the following documents:

- Housing Supply and Demand Policy (Homelessness)
- Housing Strategy
- Homelessness Strategy

**Risk Assessment:** The regulator holds Councils responsible for ensuring that the Housing Act 1996, as amended under the Homelessness Act 2002 Part VII and Homeless Reduction Act 2017, is adhered to. Failure to provide advice and assistance under the legislation could lead to financial implications.

**Equality Impact Assessment:** No equality issues identified for this report.

#### **1.0 Introduction**

- 1.1 The Council's statutory duties are governed by legislation by the [Housing Act 1996](#), as amended under the [Homelessness Act 2002 Part VII](#) and [Homeless Reduction Act 2017](#). These are as follows:

- 1.1.1 The primary homelessness legislation – that is, [Part 7 of the Housing Act 1996](#) – provides the statutory under-pinning for action to prevent homelessness and provide assistance to people threatened with or actually homeless.
- 1.1.2 In 2002 the government amended the homelessness legislation through the [Homelessness Act 2002](#) and the [Homelessness \(Priority Need for Accommodation\) \(England\) Order 2002](#) to:
  - a) ensure a more strategic approach to tackling and preventing homelessness, in particular by requiring a homelessness strategy for every housing authority district; and
  - b) strengthen the assistance available to people who are homeless or threatened with homelessness by extending the priority need categories. More information can be found at <http://www.legislation.gov.uk/ukxi/2002/2051/contents/made>
- 1.2 The [Homelessness Reduction Act 2017](#) significantly reformed England's homelessness legislation by placing duties on local authorities to intervene at earlier stages to prevent homelessness in their areas. It also requires housing authorities to provide homelessness services to all those affected, not just those who have 'priority need'. These include:
  - 1.2.1 an enhanced prevention duty extending the period for assisting a household threatened with homelessness from 28 days to 56 days, meaning that housing authorities are required to work with people to prevent homelessness at an earlier stage; and
  - 1.2.2 a new duty for those who are already homeless so that housing authorities will support households for 56 days to relieve their homelessness by helping them to secure accommodation.

## **2.0 Homelessness review and strategy**

- 2.1 The [Homelessness Act 2002](#), states that all housing authorities must have in place a homelessness strategy based on a review of all forms of homelessness in their district. The strategy must be renewed at least every 5 years.
- 2.2 The strategy must set out the authority's plans for the prevention of homelessness and for ensuring that sufficient accommodation and support are or will be available for people who become homeless or who are at risk of becoming so.

## **3.0 Duty to refer**

- 3.1 The [Homelessness Reduction Act 2017](#) introduced a duty on certain public authorities to refer service users who they think may be homeless or threatened with homelessness to a housing authority. The service user must give consent, and can choose which authority to be referred to. The housing

authority should incorporate the duty to refer in their homelessness strategy and establish effective partnerships and working arrangements with agencies to facilitate appropriate referrals.

#### **4.0 Duty to provide advisory services**

- 4.1 The housing authority has a duty to provide advice and information about homelessness and the prevention of homelessness and the rights of homeless people or those at risk of homelessness, as well as about the help that is available from the housing authority or others and how to access that help. The service should be designed with certain listed vulnerable groups in mind and authorities can either provide it themselves or arrange for other agencies to do it on their behalf.

#### **5.0 Applications and inquiries**

- 5.1 Housing authorities must give proper consideration to all applications for housing assistance, and if they have reason to believe that an applicant may be homeless or threatened with homelessness, they must make inquiries to see whether they owe them any duty under Part 7 of the 1996 Act. This assessment process is important in enabling housing authorities to identify the assistance which an applicant may need, either to prevent them from becoming homeless, or to help them to find another home. In each case, the authority will need to first decide whether the applicant is eligible for assistance and threatened with or actually homeless. [Part 7 of the 1996 Act](#) includes provisions that make certain people from abroad ineligible for housing assistance. Housing authorities need to satisfy themselves that applicants are eligible before providing housing assistance. The provisions on eligibility are complex and housing authorities will investigate individual cases to ensure eligibility.
- 5.2 Broadly speaking, a person is threatened with homelessness if they are likely to become homeless within 56 days. An applicant who has been served with valid notice under [section 21 of the Housing Act 1988](#) to end their assured shorthold tenancy is also threatened with homelessness, if the notice has expired or will expire within 56 days and is served in respect of the only accommodation that is available for them to occupy.
- 5.3 An applicant is to be considered homeless if they do not have accommodation that they have a legal right to occupy, which is accessible and physically available to them (and their household) and which it would be reasonable for them to continue to live in.

#### **6.0 Assessments and personalised housing plans**

- 6.1 Housing authorities have a duty to carry out an assessment in all cases where an eligible applicant is homeless or threatened with homelessness. This will identify what has caused the homelessness or threat of homelessness, the housing needs of the applicant and any support they need in order to be able to secure and retain accommodation. Following this assessment, the housing authority must work with the person to develop a personalised housing plan

which will include actions (or 'reasonable steps') to be taken by the authority and the applicant to try to prevent or relieve homelessness.

## **7.0 Prevention duty**

- 7.1 Housing authorities have a duty to take reasonable steps to help prevent any eligible person (regardless of priority need status, intentionality and whether they have a local connection) who is threatened with homelessness from becoming homeless. This means either helping them to stay in their current accommodation or helping them to find a new place to live before they become actually homeless. The prevention duty continues for 56 days unless it is brought to an end by an event such as accommodation being secured for the person, or by their becoming homeless.

## **8.0 Relief duty**

- 8.1 If the applicant is already homeless, or becomes homeless despite activity during the prevention stage, the reasonable steps will be focused on helping the applicant to secure accommodation. This relief duty lasts for 56 days unless ended in another way. If the housing authority has reason to believe a homeless applicant may be eligible for assistance and have a priority need they must be provided with interim accommodation.

## **9.0 Main housing duty**

- 9.1 If an applicant's homelessness is not successfully prevented or relieved, a housing authority will owe a main housing duty to applicants who are: eligible, have a priority need for accommodation and are not intentionally homeless. Certain categories of households, such as pregnant women, families with children and households that are homeless due to an emergency, such as a fire or flood, have priority need if homeless. Other groups may be assessed as having priority need because they are vulnerable as a result of old age, mental ill health, physical disability, having been in prison or care or as a result of becoming homeless due to domestic abuse.
- 9.2 The main housing duty states that housing authorities must ensure that suitable accommodation is made available for the applicant and their household, until the duty is brought to an end. Guidance on how to end the prevention and relief duty can be found in [Chapter 14: Ending the prevention and relief duties](#).

## **10.0 Suitable accommodation**

- 10.1 Housing authorities have various powers and duties to secure accommodation for homeless applicants, whether on an interim basis, to prevent or relieve homelessness, to meet the main housing duty or as a settled home. Accommodation must always be 'suitable' and there are particular standards set when private rented accommodation is secured for households which have priority need.

- 10.2 Under the [Homelessness \(Suitability of Accommodation\) \(England\) Order 2003](#), bed and breakfast accommodation is not considered suitable for families with children and households that include a pregnant woman, except where there is no other accommodation available, and then only for a maximum of 6 weeks. The Secretary of State considers that bed and breakfast accommodation is unsuitable for 16 and 17 year olds.

## **11.0 Intentional homelessness**

- 11.1 A person would be homeless intentionally where homelessness was the consequence of a deliberate action or omission by that person. A deliberate act might be a decision to leave their previous accommodation even though it would have been reasonable for the person (and everyone in the person's household) to continue to live there. A deliberate omission might be non-payment of rent that led to rent arrears and eviction despite the rent being affordable.
- 11.2 Where applicants have a priority need but found to be intentionally homeless the housing authority must provide advice and assistance to help them find accommodation for themselves and help secure suitable accommodation for them for a period that will give them a reasonable chance of doing so.
- 11.3 If, despite this assistance, homelessness persists any children in the household could be in need under the [Children Act 1989](#), and the family should be referred (with consent) to the children's social services authority.

## **12.0 Local connection and referrals to another authority**

- 12.1 Broadly speaking, for the purpose of the homelessness legislation, people may have a local connection with a district because of residence, employment or family associations in the district, or because of other special circumstances. (There are exceptions, for example, residence in a district while serving a prison sentence there does not establish a local connection.)
- 12.2 When applicant's meet the criteria for the [relief duty](#) or for the [main housing duty](#), and the authority considers that the applicant does not have a [local connection](#) with the district but does have one somewhere else, the housing authority dealing with the application can ask the housing authority in that other district to take responsibility for the case. However, applicants cannot be referred to another housing authority if they, or any member of their household, would be at risk of violence in the district of the other authority.
- 12.3 The definition of a 'local connection' for young people leaving care was amended by the [Homelessness Reduction Act 2017](#), so that a young, homeless, care leaver has a local connection to the area of the local authority that looked after them. Additional provision is made for [care leavers](#) who have been placed in accommodation, under [section 22A](#) of the [Children Act 1989](#)

## **13.0 Reviews and appeals**

- 13.1 Housing authorities must provide written notifications to applicants when they reach certain decisions about their case, and the reasons behind any

decisions that are against the applicant's interests. Applicants can ask the housing authority to review most aspects of their decisions, and, if still dissatisfied, can appeal to the county court on a point of law.

- 13.2 Housing authorities have the power to accommodate applicants pending a review or appeal to the county court. When an applicant who is being provided with interim accommodation, requests a review of the suitability of accommodation offered to end the relief duty, the authority has a duty to continue to accommodate them pending a review.

#### **14.0 The Revised Policy**

- 14.1 The revised policy refers to the regulatory framework and also to the Council's statutory obligations that it would owe a homeless applicant. The policy has been written to take account of government guidance and recent case law, the [Homelessness \(Suitability of Accommodation\) \(England \) Order 2012](#) and specifically all the statutory requirements in part 1 which cover the suitability of the location of accommodation.
- 14.2 When the Council accommodates a household in temporary accommodation or offers permanent accommodation, it must have due regard to an equality impact assessment under the [Equality Act 2010](#) and the [Public Sector Equality Duty](#), when applying the test of suitability.
- 14.3 The consideration includes:
- 14.3.1 The suitability of the accommodation in relation to its location, proximity and accessibility of the accommodation to local services, amenities and transport
  - 14.3.2 The significance of any disruption which would be caused by the location of the accommodation to children's education.
  - 14.3.3 The proximity and accessibility of the accommodation to medical facilities and other support which are (i) currently used by or provided to members of the household; and (ii) are essential to the well-being of members of the household
  - 14.3.4 Any other subjective matters and issues that relate to the household's circumstances
  - 14.3.5 Satisfaction that the accommodation is affordable having fully considered the cost of the rent and any other expenditure relating to the property
  - 14.3.6 Must consider existing legislation, statutory guidance and case law relating to making suitable offers of accommodation and specifically [chapter 17 of the Governments "Homelessness Code of Guidance"](#)
  - 14.3.7 The provisions of the Housing Act 1985 relating to [slum clearance](#) and overcrowding

14.3.8 Regard to the availability of properties within the District to suit the applicant's household's requirements

14.3.9 The Equality Act 2010.

**Contact for more Information:** Mike Parker, Housing Options Manager, Tel: 01884 234906 [mparker@middevon.gov.uk](mailto:mparker@middevon.gov.uk)

**Circulation of the Report:** Councillor Ray Stanley, Cabinet Member for Housing, Leadership Team

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**Mid Devon District Council**

## **Supply and Demand Policy – Housing Options**

**Addressing Needs and Aspirations of Homeless Households and Housing Applicants (Review 2018)**

Policy Number:

**15 January 2019**

## Version Control Sheet

*Title:* Supply and Demand Policy – Housing Options  
Addressing Needs and Aspirations of Homeless Households and Housing Applicants  
(Review 2018)

*Purpose:* To review the Meeting the Housing Needs Policy in accordance with the Homelessness Strategy and the Allocations Policy.

*Owner:* **Housing Options Manager**  
[mparker@middevon.gov.uk](mailto:mparker@middevon.gov.uk)

Telephone number 01884 234906

*Date:* **November 2018**

*Version Number:* v1.4

*Status:* Policy

*Review Frequency:* **Every 3 Years or sooner if required and in accordance with changes in legislation and case law.**

*Next review date:* **January 2022**

*Consultation* **This document was sent out for consultation to the following:**  
Leadership Team  
Cabinet Member for Housing  
Homes PDG

## Document History

This document obtained the following approvals.

Title	Date	Version Approved
Group Manager - Housing		
Leadership Team		
Homes PDG		
Cabinet		

## **1.0 Background**

- 1.1 In 2015 Mid Devon District Council adopted the Meeting the Housing Needs Policy - Supply and Demand. The policy outlined the state of the current demand for housing. The policy sets out some of the legal background around homelessness and the legal considerations which local authorities must have towards homeless households. These requirements still remain the same as the new legislation reinforces these requirements.
- 1.2 Summary of points noted in the 2015 Supply and Demand Policy – Housing Options Addressing Needs and Aspirations of Homeless Households and Housing Applicants Policy.
- 1.3 From the court judgment in *Nzolomeso v Westminster City Council*, each local authority must develop a policy which:
  - 1.3.1 Outlines the Council's approach to procuring accommodation 'in district', 'close to home' and 'further away'. This must indicate both the anticipated supply and the expected demand over the next year; and
  - 1.3.2 Explains how the Council will decide who will receive priority in the allocation of these properties.
- 1.4 When offering accommodation the main requirements are as follows:
  - 1.4.1 The accommodation must be within the Council's area of operation so far as reasonably practicable: s.208(1);
  - 1.4.2 Where possible, it should be as close as possible to where an applicant was previously living;
  - 1.4.3 The accommodation must be suitable for the applicant and his or her household: s.206(1); and
  - 1.4.4 When assessing suitability, the Council must have regard to the need to safeguard and promote the welfare of any children; and this means that the decision-maker should identify the principal needs of the children, both individually and collectively: s.11(2), Children Act 2004; *Nzolameso* at para 27.
- 1.5 In addition, a lawful decision on location must give adequate reasons to explain why the Council has decided the above issues in the way that it has.

## **2.0 Location of temporary accommodation**

- 2.1 The judgment identifies three geographical areas that the Council should consider when assessing locational priority. These are defined for the purposes of this policy as follows:
  - 2.1.1 'area of district operation': within the local authority district.

- 2.1.2 'close to home': within 60 minutes travelling distance of the district, with particular reference to the school, place of employment or other physical place which gives rise to the need to be accommodated close to home. Travelling distance will be defined as travelling by public transport on the quickest available route.
- 2.1.3 'further away': will be defined as anywhere beyond 60 minutes travelling distance of district. In deciding accommodation offers for individuals and families further away, the Council will always have regard as to the suitability of the property and the area that that property is in. In particular, the Council will consider the availability of services such as schools and health services to ensure that the welfare of children is fully considered in line with the Council's duties under the Children Act 2004.

Qty	Number of Bedrooms	Type	Location	Usage
1	4	House	Cullompton	Emergency
1	3	House	Tiverton	Emergency
6	1	Flat	Cullompton	Emergency
9	1	Flat	Tiverton	Emergency
1	3	Shared House	Tiverton	Emergency
1	2	Flat	Tiverton	Place of Safety
1	3	House	Cullompton	Refugee Accommodation
1	3	Bungalow	Bradninch	Refugee Accommodation
-	-	Bed and Breakfast	South West	Emergency

Emergency accommodation located within Mid Devon

### **3.0 New Legislation – Homelessness Reduction Act 2017**

- 3.1 The Homelessness Reduction Act 2017 placed new legal duties on English councils so that everyone who is homeless, or at risk of homelessness, will have access to meaningful help, irrespective of their priority need status, as long as they are eligible for assistance. The Act amended part VII of the Housing Act 1996.

### **4.0 Definition of homelessness/ threatened homelessness**

- 4.1 Part VII of the Housing Act 1996, as amended by the Homelessness Act 2002, sets out the duties owed by English local housing authorities to someone who is homeless or threatened with homelessness. Section (175) of the 1996 Act states that a person is threatened with homelessness if it is likely that they will become homeless within 28 days.
- 4.2 The Homelessness Reduction Act 2017 extended the number of days from 28 to 56. In addition, people who have received a valid notice under section 21 of

the Housing Act 1988 and the expiry date is within 56 days, will be treated as being threatened with homelessness.

## **5.0 Duty to provide advisory services**

5.1 Under the 2017 Act, local authorities are required to provide or secure the provision of free services to give people in their area information and advice on:

5.1.1 preventing homelessness;

5.1.2 securing accommodation if homeless;

5.1.3 the rights of people who are homeless or threatened with homelessness; and

5.1.4 any help that is available for people who are homeless or likely to become homeless as well as how to access that help

5.2 Local authorities are required to ensure services are designed to meet the needs of particular groups that are at increased risk of becoming homeless including (but not limited to); care leavers, people leaving prison, people who have left the regular armed forces, victims of domestic abuse, people leaving hospital and people suffering from a mental illness or impairment.

5.3 The 2017 Act legally obliges local authorities to assess and provide more meaningful assistance to all people who are eligible and homeless or threatened with homelessness, irrespective of their priority need status.

5.4 Local authorities have a duty to assess all eligible applicants' cases and agree a plan. The first step in the amended framework is for local authorities, once they are satisfied someone is homeless or threatened with homelessness and also eligible for assistance, to carry out an assessment of the applicant's case. These assessments should include the circumstances that have caused homelessness and the housing and support needs of the applicant and their household.

5.5 Local authorities must aim to reach an agreement with applicants on a personalised plan which must be recorded and the plan should set out the steps the applicant and the authority are required to take to ensure accommodation is secured and/or retained. Applicants' assessments and agreements must be kept under constant review until the local authority has determined that no other duty is owed to the applicant under part VII of the 1996 Act.

## **6.0 The prevention duty: In cases of threatened homelessness**

6.1 If a local authority is satisfied that an applicant is threatened with homelessness and is eligible for assistance, they must take 'reasonable steps' – with reference to the applicant's assessment - to help them avoid becoming homeless. Once triggered, the prevention duty would continue for 56 days - or longer if a valid section 21 notice has expired and no alternative

accommodation has been secured - unless it is brought to an end via one of the prescribed conditions. Applicants will have a right to request a review of a decision to end this duty.

## **7.0 The relief duty: In cases where the applicant is homeless**

- 7.1 Under this clause, local authorities must take 'reasonable steps' – with reference to the applicant's assessment – to help all homeless eligible applicants to secure accommodation for at least six months unless the applicant is referred to another local authority due to having no local connection to the authority they have applied to. Once triggered, the relief duty would continue for 56 days unless it is brought to an end via one of the prescribed conditions. Applicants will have a right to request a review of a decision to end this duty.

## **8.0 Public authority duty to refer**

- 8.1 Where a "specified public authority" considers that someone they are working with is or may be homeless or threatened with homelessness, they must refer that person's details to a local housing authority but only if the person agrees to the notification being made.

## **9.0 Update on Mid Devon Background Information**

- 9.1 As of 8 October 2018, Mid Devon District Council had a housing stock of 2,996 units. This represents a drop of 69 units since 2015. In addition, there are a number of registered social landlords operating within the district who have increased their stock, with over 1,400 units.
- 9.2 Social housing still remains a valuable resource and Mid Devon District Council must ensure that it makes the best use of its stock. Devon Home Choice is the model of Choice Based Lettings adopted by Mid Devon District Council and the majority of registered social landlords operating within Devon.
- 9.3 The significant gap between the demand for housing that is affordable and the available supply of both social housing and affordable private rented accommodation continues to increase in Mid Devon.

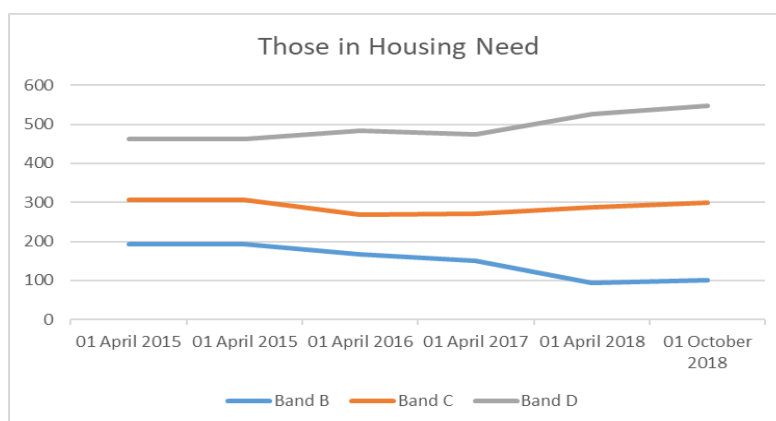
## **10.0 Devon Home Choice**

- 10.1 Mid Devon and the other registered social landlords in the district, still continue to use Devon Home Choice for managing the housing waiting list and letting void properties.
- 10.2 As of September 2018, Mid Devon had 2,068 applicants registered on the housing waiting list (1.7% increase compared to 2015), with 948 applicants in housing need (13.9% increase compared to 2015). The table below indicates the current housing waiting lists for Mid Devon.

Bedroom Need	Band B	Band C	Band D	Band E	Grand Total
1	43	64	403	522	1032
2	37	80	101	408	626
3	6	113	34	161	314
4	10	35	9	27	81
5	5	7	1	1	14
6				1	1
Grand Total	101	299	548	1120	2068

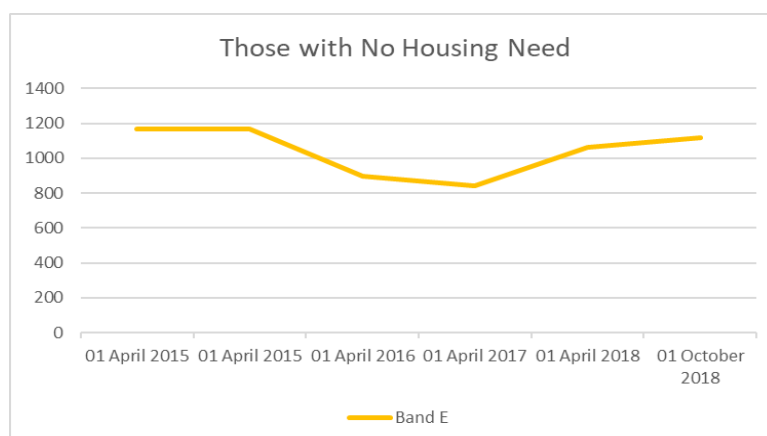
Extracted from DHC September 2018 (Housing Waiting List)

- 10.3 Since 2015 there has been a decrease in applicants with a high housing need (Band B). However; there has been an increase of 18% for those in Band D since 2017.

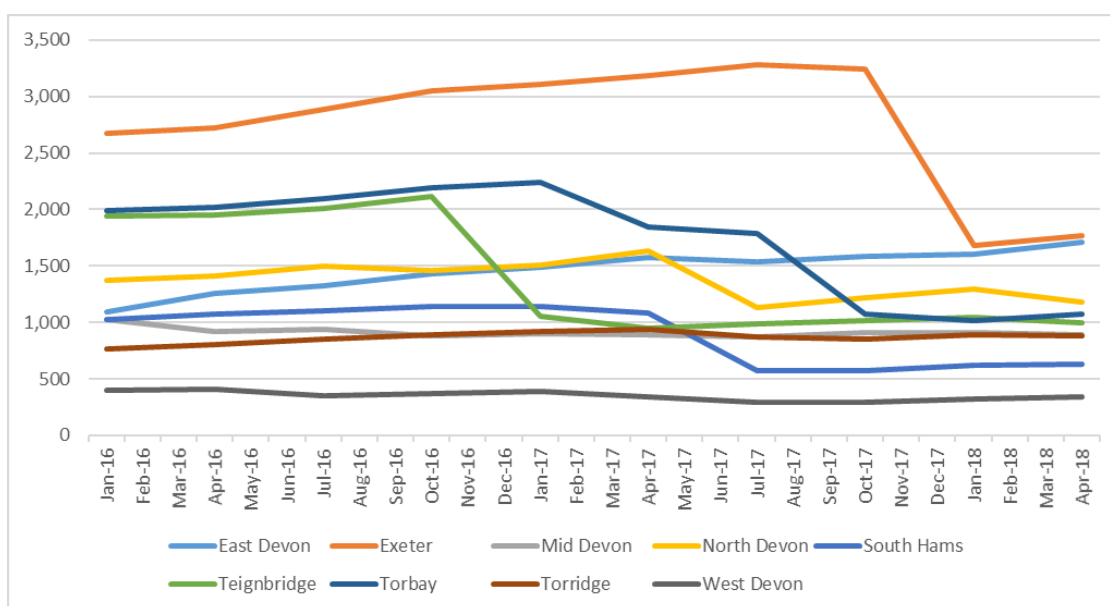


Extracted from DHC September 2018 (Housing Waiting List)

- 10.4 The number of households in Band E seeking social housing has risen over the last 12 months. This could be due to the introduction of Universal Credit to the region and landlords not always accepting housing benefit tenants.



- 10.5 These housing waiting list trends are roughly the same as for the other Devon local authorities.



Extracted from DHC September 2018

## 11.0 New Developments

- 11.1 In 2016/17, 5 registered social landlords delivered 31 new affordable properties in Cullompton, Lapford, Tiverton and Willand. This included a mixture of bedrooms sizes from 1 bedroom flats to 3 bedroom houses.
- 11.2 The delivery of new affordable housing in the district increased in 2017/18, compared to 2016/17. 115 new properties were built in Mid Devon, including 10 Rentplus properties managed by Cornerstone Housing Association. Rentplus allows households to purchase their property after 5, 10 or 15 years. The increase arose via three large development sites; in Tiverton (Farleigh Meadows) and Cullompton (Knowle Lane and Cummings Nursery), seeing the completion of some properties that should have completed the previous year.
- 11.3 During the first half of 2018/19, 18 properties have come forward in Tiverton with more programmed for handover later in the year. Based upon the current demand for housing within Mid Devon the current supply does not meet the current demand for accommodation.
- 11.4 The table below shows the position relating to current housing need using the Devon Home Choice figures on 1 April 2018. It shows the ratio of waiting list demand and the number of years it would take to meet the demand for different property sizes through the turnover in 2017/2018 of existing stock. This is based on the assumption that there is no future need other than the current backlog, which is clearly not the case. We know that further developments are needed to meet our demand.



**Waiting List Need, Social Stock Turnover and Demand vs. Supply from MDDC DHC 2017/18 (Including new completed developments 2017/18)**

Bedroom Need	Waiting List (DHC) Those in Housing Need	948	Social Stock Turnover		Demand/supply
	Number	%	Number	%	Ratio
1	510	53.8%	99	36.4%	5.15
2	218	23.0%	124	45.6%	1.76
3	153	16.1%	45	16.5%	3.40
4+	67	7.1%	4	1.5%	16.75
Total	948	100.0%	272	100%	3.49

Based upon current properties being allocated via Devon Home Choice.  
Extracted from DHC April 2018

## 12.0 General needs homes let (1 April 2017 to 31 March 2018)

- 12.1 The table below details the number of general needs properties that were let via Devon Home Choice during 2017/2018, this includes the new developments.

Band	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
A	-	-	1	-
B	52	43	23	5
C	21	69	59	-
D	34	18	1	-
E	2	11	1	-

Extracted from DHC April 2018

## 13.0 Housing Demand within Mid Devon

- 13.1 The following appendices indicate the housing need demand for the top 10 areas in Mid Devon, extracted from Devon Home Choice September 2018. The second table shows the number of lets in each town for 2017/18. The final table shows the property demand against turnover of social housing.

## 14.0 Conclusion

- 14.1 It is noted that Mid Devon District Council has limited resources available to use for emergency/temporary accommodation. The Housing Options Team will endeavour to source accommodation within the district using either its own temporary accommodation units or commercial units in the district.

Qty	Number of Bedrooms	Type	Location	Usage
1	4	House	Cullompton	Emergency
1	3	House	Tiverton	Emergency
6	1	Flat	Cullompton	Emergency
9	1	Flat	Tiverton	Emergency
1	3	Shared House	Tiverton	Emergency
1	2	Flat	Tiverton	Place of Safety
1	3	House	Cullompton	Refugee Accommodation
1	3	Bungalow	Bradninch	Refugee Accommodation
-	-	Bed and Breakfast	South West	Emergency

Emergency accommodation located within Mid Devon

14.2 There may be times that Mid Devon uses accommodation outside of the district depending on individual circumstances. When the Council accommodates a household in temporary accommodation or offers of permanent accommodation, it will undertake an equality impact assessment under the Equality Act 2010 and have due regard to the Public Sector Equality Duty, when applying the test of suitability when making offers of permanent accommodation.

14.3 The Housing Options Team will try to relocate the household back into the district when vacancies rise. It will also consider other factors such as:

- Risk of violence
- Employment
- Education
- Health
- Other support needs

Appendices 1  
**Tiverton**

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
<b>1 Bed</b>	General Needs	7	9	135	172	323
	Maximum of 3 Steps	6	11	11	13	41
	Part Wheelchair	1		2	1	4
	Step Free	3	1	2	12	18
	Wheelchair Accessible	2	1			3
<b>2 Bed</b>	General Needs	8	29	29	147	213
	Maximum of 3 Steps	2	3	1	4	10
	Part Wheelchair				2	2
	Step Free	1			1	2
	Wheelchair Accessible			1	1	2
<b>3 Bed</b>	General Needs	2	49	14	60	125
	Maximum of 3 Steps		1		1	2
	Part Wheelchair				1	1
	Step Free				1	1
<b>4 Bed</b>	General Needs	6	14	3	12	35
	Maximum of 3 Steps				1	1
<b>5 Bed</b>	General Needs	2	3			5
	Maximum of 3 Steps				1	1
<b>6 Bed</b>	General Needs				1	1
	<b>Grand Total</b>	<b>40</b>	<b>121</b>	<b>198</b>	<b>431</b>	<b>790</b>

Properties let in Tiverton during 2017/18 on Devon Home Choice:

Bedroom	Bedsit	Bungalow	Flat	House	Maisonette	Grand Total
1 bed	1	8	29		1	39
2 beds		6	16	22	6	50
3 beds				42		42
4 beds				3		3
<b>Grand Total</b>	<b>1</b>	<b>14</b>	<b>45</b>	<b>67</b>	<b>7</b>	<b>134</b>

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need Band A-D (Tiverton)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio Years
1	191	53.10%	39	29.10%	4.9
2	74	20.60%	50	37.30%	1.48
3	66	18.40%	42	31.30%	1.5
4+	28	7.90%	3	2.30%	9.3
Total	359		134		

## Appendices 2

### Cullompton

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs	6	2	70	68	146
	Maximum of 3 Steps	5	11	3	4	23
	Part Wheelchair				4	4
	Step Free		2	2	6	10
2 Bed	General Needs	4	18	25	85	132
	Maximum of 3 Steps	2	2	1	4	9
	Step Free	1				1
	Part Wheelchair				1	1
	Wheelchair Accessible				1	1
3 Bed	General Needs		25	5	29	59
	Maximum of 3 Steps		1	1		2
4 Bed	General Needs		7		2	9
5 Bed	General Needs	2				2
	Grand Total	18	68	107	204	399

Properties let in Cullompton during 2017/18 on Devon Home Choice:

Bedroom	Bungalow	Flat	House	Other	Grand Total
1 bed	8	17			25
2 beds	6	13	21	2	42
3 beds			22		22
4 beds			2		2
Grand Total	14	30	45	2	91

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need Band A-D (Cullompton)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	164	63.6%	25	27.4%	6.56
2	53	20.5%	42	46.2%	1.2
3	32	12.4%	22	24.2%	1.4
4+	9	3.5%	2	2.2%	4.5
Total	258		91		

## Appendices 3

### Crediton

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs	6	1	46	50	103
	Maximum of 3 Steps	1	4		8	13
	Part Wheelchair				1	1
	Step Free	1	1	2	5	9
	Wheelchair Accessible		2			2
2 Bed	General Needs	2	13	11	67	93
	Maximum of 3 Steps		1	1	2	4
	Step Free		1			1
3 Bed	General Needs	3	16	2	33	54
	Maximum of 3 Steps			1		1
	Part Wheelchair		1		1	2
	Step Free	1				1
4 Bed	General Needs	2	6		1	9
5 Bed	General Needs	1	1			2
	Grand Total	16	46	63	168	295

Properties let in Crediton during 2017/18 on Devon Home Choice:

Row Labels	Flat	House	Grand Total
1 bed	11		11
2 beds	3	5	8
3 beds		6	6
Grand Total	14	11	25

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need in Band A- D (Crediton)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	64	50.4%	11	44.0%	5.82
2	29	22.8%	8	32.0%	3.63
3	24	18.9%	6	24.0%	4.00
4+	10	7.9%	0	0.0%	-
Total	127		25		

## Appendices 4

### Uffculme

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs	1		13	12	26
	Maximum of 3 Steps			2	1	3
2 Bed	General Needs		3	3	15	21
	Maximum of 3 Steps	3	1	2		6
	Part Wheelchair	2				2
	Step Free	1				1
	Wheelchair Accessible	1				1
3 Bed	General Needs		6		5	11
4 Bed	General Needs		3			3
	Grand Total	8	13	20	33	74

Properties let in Uffculme during 2017/18 on Devon Home Choice

Row Labels	Bungalow	Flat	House	Grand Total
1 bed	3	2		5
2 beds	1		4	5
Grand Total	4	2	4	10

Property demand against turnover of social housing

Waiting List (DHC) Those in Housing Need Band A - D			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	16	39.0%	5	50.0%	3.20
2	16	39.0%	5	50.0%	3.20
3	6	14.6%	-	0.0%	-
4+	3	7.3%	-	0.0%	-
Total	41		10		

Appendices 5  
**Willand**

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs	1		15	8	24
	Maximum of 3 Steps		5	1	3	9
	Step Free				1	1
2 Bed	General Needs		2	3	12	17
	Maximum of 3 Steps				1	1
3 Bed	General Needs		4	1	5	10
	Maximum of 3 Steps				1	1
4 Bed	General Needs		1			1
5 Bed	General Needs	1				1
	Grand Total	2	12	20	31	65

Properties let in Willand during 2017/18 on Devon Home Choice:

Bedroom	Bungalow	House	Grand Total
1 bed	1		1
2 beds	1		1
3 beds		2	2
Grand Total	2	2	4

Property demand against turnover of social housing

Waiting List (DHC) Those in Housing Need Band A – D (Willand)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	22	64.7%	1	25.0%	22.00
2	5	14.7%	1	25.0%	5.00
3	5	14.7%	2	50.0%	2.50
4+	2	5.9%	-	0.0%	-
Total	34		4		



## Appendices 6 Bampton

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs	1		3	19	23
	Maximum of 3 Steps		1	1	3	5
	Step Free				3	3

2 Bed	General Needs	1	1	2	16	20
	Maximum of 3 Steps	1				1
	Wheelchair Accessible		1			1

3 Bed	General Needs		3		4	7
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4 Bed	General Needs		3			3
	Grand Total	3	9	6	45	63

Properties let in Bampton during 2017/18 on Devon Home Choice:

Bedroom	Bungalow	House	Grand Total
1 bed	1		1
2 beds		2	2
Grand Total	1	2	3

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need Band A – D (Bampton)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	6	33.3%	1	33.3%	6.00
2	6	33.3%	2	66.7%	3.00
3	3	16.7%	0	0.0%	-
4+	3	16.7%	0	0.0%	-
Total	18		3		

## Appendices 7

### Hemyock

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs			7	11	18
	Maximum of 3 Steps				2	2
	Step Free			1		1
2 Bed	General Needs			6	11	17
	Maximum of 3 Steps				1	1
	Part Wheelchair				1	1
3 Bed	General Needs		3	3	4	10
	Maximum of 3 Steps		1			1
4 Bed	General Needs	1	1			2
	Grand Total	1	5	17	30	53

Properties let in Hemyock during 2017/18 on Devon Home Choice:

Row Labels	Bungalow	Flat	House	Grand Total
1 bed	1			1
2 beds	1	4	2	7
3 beds			1	1
Grand Total	2	4	3	9

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need Band A – D (Hemyock)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	8	34.8%	1	11.1%	8.00
2	6	26.1%	7	77.8%	0.86
3	7	30.4%	1	11.1%	7.00
4+	2	8.7%		0.0%	-
Total	23		9		

## Appendices 8

### Bradninch

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs		1	13	4	18
	Maximum of 3 Steps		1	2	1	4
	Step Free			1		1
2 Bed	General Needs			1	8	9
	Maximum of 3 Steps					0
	Step Free	1		1		2
3 Bed	General Needs		5	1	5	11
4 Bed	General Needs		2		1	3
	Grand Total	1	9	19	19	48

Properties let in Bradninch during 2017/18 on Devon Home Choice:

Bedroom	Bungalow	Flat	House	Grand Total
1 bed	1	1		2
2 beds	4	1	2	7
3 beds			4	4
Grand Total	5	2	6	13

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need Band A – D (Bradninch)			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	18	62.1%	2	15.4%	9.00
2	3	10.3%	7	53.8%	0.43
3	6	20.7%	4	30.8%	1.50
4+	2	6.9%	0	0.0%	-
Total	29		13		

Appendices 9  
**Halberton**

Housing demand:

Property Size	Property Type	Band B	Band C	Band D	Band E	Grand Total
1 Bed	General Needs			5	4	9
	Maximum of 3 Steps	1			1	2
	Part Wheelchair			1		1
2 Bed	General Needs		1	2	3	6
3 Bed	General Needs		1		1	2
4 Bed	General Needs					0
Grand Total		1	2	8	9	20

Properties let in Halberton during 2017/18 on Devon Home Choice:

Bedroom	House	Grand Total
2 beds	1	1
Grand Total	1	1

Property demand against turnover of social housing:

Waiting List (DHC) Those in Housing Need Band A - D			Social Stock Turnover		Demand
Bedroom Need	Number	%	Number	%	Ratio
1	7	63.6%	0	0.0%	-
2	3	27.3%	1	100.0%	3.00
3	1	9.1%	0	0.0%	-
4+		0.0%		0.0%	-
Total	11		1		

## HOMES POLICY DEVELOPMENT GROUP 15 JANUARY 2019

### REVIEW OF VOID MANAGEMENT POLICY

**Cabinet Member:** Cllr Ray Stanley

**Responsible Officer:** Mark Baglow, Group Manager for Building Services

**Reason for Report:** To advise members of the revised Void Management Policy.

**RECOMMENDATION(S):** That Cabinet adopts the revised Void Management Policy.

**Relationship to Corporate Plan:** The Void Management Policy will be key to maintaining the councils stock within the parameters of the Decent Homes Standard, and the Homes (Fitness for Human Habitation) Act 2018.

**Financial Implications:** The financial implications will be contained within the Housing Revenue Account (HRA). It is important to prioritise financial management of this account to ensure the all available funds are used to the best possible effect.

**Legal Implications:** It will be necessary to ensure that the Void Management Policy addresses all the legal obligations the Council has as a Landlord for the housing estate.

**Risk Assessment:** The management of circa 3000 homes for some of our most vulnerable tenants contains many risks. These risks are managed at a service level.

#### 1.0 Introduction

- 1.1 On the 20 December 2018 a new act was passed called the Homes (Fitness for Human Habitation) Act. The purpose of this act was to amend the Landlord and Tenant Act 1985 to require that residential rented accommodation is provided and maintained in a state of fitness for human habitation; to amend the Building Act 1984 to make provision about the liability for works on residential accommodation that do not comply with Building Regulations; and for connected purposes.
- 1.2 Between the 1 April and the 30 November 2018 Mid Devon District Council let 142 void properties. This was made up of 104 'standard' voids and 38 'major' voids.
- 1.3 The targets set for 2018/19 are <14 days for 'standard' voids and <40 days for 'major voids'.
- 1.4 Between the 1 April and the 30 November 2018 Mid Devon District Council spent £324,304 repairing 'major' voids. Of this figure £143,590 was deferred maintenance and used to bring homes back up to the decent homes standard.

1.5 Up to the 21 November across both void categories £26,690 was recharged back to the vacating tenant.

1.6 The average repair cost for a 'major' void as of the 30 November 2018 was £8,534.

## **2.0 Proposed Changes to the Policy**

2.1 If accepted, the proposal is for some minor changes to the previous policy to be published for officer use and tenant reference.

2.2 This policy has been aligned with the latest Tenancy Agreements and also the recent Recharges policy.

2.3 We have taken into consideration tenant feedback, comments, and complaints received since this policy was last reviewed, and provided greater clarity to tenants vacating a property.

2.4 The term of the policy has been extended to 10 years.

## **3.0 Tenant Consultation**

3.1 The Housing 'Tenants Together' group have been consulted on this policy and their comments taken into consideration.

## **4.0 Implementation of the Void Management Policy**

4.1 There is little change to the policy content, only a clarification of existing policy details. The points of clarification are intended to benefit tenants as much as it is the council.

4.2 Implementation of this policy will be supported by action from both the Building Services and Housing teams.

## **5.0 Financial Context**

5.1 Maintaining the Councils housing stock is the largest ongoing element of the Councils capital programme.

5.2 Clarification of this policy and strict adherence to it should contribute to high levels of rechargeable works which will in turn offset the cost of maintaining our void stock.

5.3 There are no additional resource implications as a direct result of this policy.

### **Contact for more Information:**

Mark Baglow, Group Manager Building Services  
mbaglow@middevon.gov.uk  
Tel 01884 233011

**Circulation of the Report:**

Director of Operations  
Cabinet Member for Housing  
Tenants Together Group  
Group Managers  
Leadership Team  
Homes Policy Development Group

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**DRAFT**

**Mid Devon District Council**

**Void Management Policy**

**Policy Number: OBS 004**

**January 2019**

## Version Control Sheet

**Title:** Void Management Policy

**Purpose:** To review the Void Management Policy in accordance with good practice and relevant legislative requirements.

**Owner:** Group Manager for Building Services  
[mbaglow@middevon.gov.uk](mailto:mbaglow@middevon.gov.uk)  
01884 233011

**Date:** January 2019

**Version Number:** Version 3.2

**Status:** Policy Review

**Review Frequency:** Every 10 years or sooner if required, and in accordance with changes in good practice and legislation.

**Next review date:** January 2029

**Consultation:** This document was sent out for consultation to the following:

Director of Operations  
Cabinet Member for Housing  
Tenants Together Group  
Group Managers  
Leadership Team

**Document History:** This document obtained the following approvals.

Title	Date	Version Approved
Director of Operations	11/12/2018	V3.1
Cabinet Member for Housing	11/12/2018	V3.1
Tenants Together Group	11/12/2018	V3.0
Group Managers	11/12/2018	V3.0
Leadership Team		
Homes Policy Development Group		
Cabinet		

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## **1.0 Introduction**

- 1.1 This policy is designed to ensure that Mid Devon District Council has effective procedures in place to manage its empty stock quickly and efficiently.
- 1.2 As the Housing Revenue Account is funded from the income generated by the rental of its stock, the Void Management Policy focuses on the requirement to reduce the length of time a property is empty.

## **2.0 Scope**

- 2.1 The policy will ensure a forward looking and strategic approach to void management that will help to:
  - 2.1.1 Minimise rent loss through reducing the length of the void period;
  - 2.1.2 Minimise repair costs by making tenants aware of their responsibilities;
  - 2.1.3 Set out Mid Devon District Council's standards of repair for empty properties ensuring that all staff, contractors and tenants are aware of exactly what condition the Council expects of its empty properties;
  - 2.1.4 Set in place systems for monitoring the standards of void properties and customer satisfaction with their new home;
- 2.2 The policy, together with the Tenancy Agreement and Mid Devon Districts Council's Recharges Policy will guide staff in ensuring that tenants are aware of their repair responsibilities and end of tenancy obligations.

## **3.0 Ending tenancies**

- 3.1 You must give us at least four weeks' written notice to quit when you wish to end your Tenancy. All keys to your Property must be returned to our offices by 10.00am at the latest, on the following day after the Tenancy ends, or we reserve the right to charge you a further week's Use and Occupation charge. We will charge you full rent throughout the Notice period.
- 3.2 Before ending your Tenancy you must ensure that the Property (including outbuildings, sheds and lofts) is left clean and free from furniture and possessions. You must leave all of our fixtures and fittings intact and in the same condition as they were as at the start of your Tenancy, with the exception of fair wear and tear. If you fail to do this, you will be recharged the cost of any work deemed necessary by the Council in order to re-let the property.
- 3.3 We have a responsibility to carry out safety checks and routine repairs before re-letting a Property. Therefore if you are moving from your Property you must let us have access to carry out a 'pre-vacation' inspection before you vacate to carry out minor repairs and to show prospective tenants around your Property.

3.4 The Council actively encourages tenants to leave the property and external areas in a clean and tidy condition as laid out in the tenancy agreement. When a valid notice of termination is received, outgoing tenants will be reminded of their rights and responsibilities in relation to ending the tenancy. The Council will then arrange an inspection of the property before the tenant moves out. This will enable the Council to:

3.4.1 Agree any improvements which are eligible for compensation;

3.4.2 Identify any rechargeable repairs;

3.4.3 Identify and notify maintenance contractors of expected volumes of work to assist with forecasting and capacity planning;

3.4.4 Identify any factors which will be considered as part of offering the property for re-let, such as special adaptations;

3.5 For the full terms and conditions relating to ending tenancies please refer to the tenancy agreement.

#### **4.0 Tenants Responsibilities**

4.1 Tenancy Agreements relating to Council houses set out which repairs Tenants are responsible for. It advises Tenants that they must keep their home in a reasonable condition, and leave it clean and tidy when they end their tenancy. It states that we will recharge the Tenant for the cost of making good any damage they have caused and clearing any damage they may have caused and cleaning any items left behind.

4.2 All other types of Tenancy Agreements set out the Tenant's responsibilities for repair and maintenance of land/property they are occupying.

4.3 Any rechargeable repairs will be identified where possible during the pre-void inspection and the tenant made aware of their responsibilities regarding these.

4.4 The outgoing tenant will be asked to sign the list of rechargeable repairs and this will be used as a checklist to ensure that their responsibilities have been met.

4.5 The Council reserve the right to recharge the outgoing tenant for any rechargeable works that were not visible during the pre-void inspection.

4.6 The outgoing tenant will be required to provide a forwarding address, as specified in their tenancy agreement.

4.7 On becoming available for letting, the property will be offered to a potential new tenant with minimal delay in accordance with policies relating to the Devon Home Choice scheme and/or our own allocations policies dependent upon the business need.

- 4.8 For the full terms and conditions relating to tenants responsibilities please refer to the tenancy agreement.

## **5.0 Pre-Void Inspection**

- 5.1 Any adaptations to the property, such as a flush-floor shower, wheelchair height kitchen cupboards and handrails etc. will be noted at this time. This information will be shared with the Neighbourhood team and the Adaptations Officer, so that they are able to offer the property to an appropriate prospective tenant.
- 5.2 The outgoing tenant should put any queries regarding rechargeable repairs raised at the time of the pre-void inspection to the Group Manager for Building Services via the complaints procedure.

## **6.0 Void Inspection**

- 6.1 Once the property becomes void, it will be re-inspected to confirm if the former tenant has complied with their end of tenancy obligations.
- 6.2 It will also enable the inspecting officer to identify any repairs that were not visible during the pre-void inspection that need to be recharged.

## **7.0 Repairs to Void Properties**

- 7.1 The Council aims to identify and complete all necessary repairs to enable a property to be re-let as soon as possible.
- 7.2 All work undertaken in the property will be completed to the Void Standard (Annex A), which has been agreed with our tenants to ensure compliance with the Decent Homes Standard.
- 7.3 All properties will be issued with electrical and gas safety certificates in compliance with legal requirements where applicable.
- 7.4 To speed up re-let times, repairs will be classified into two categories:
- 7.4.1 Essential repairs that must be completed while the property is empty (including safety checks);
- 7.4.2 Non-essential or minor repairs that could be completed once the new tenant has moved into the property or prior to the outgoing tenant moving out. Any further damage to the property would be recharged back to the outgoing tenant;
- 7.5 The Council will ensure that properties are checked against the planned works programme to make the most cost effective use of resources. If a property falls into a geographical area where planned maintenance work is being undertaken, the property will be moved to the top of the planned maintenance list for these works to be completed as soon as possible.

- 7.6 Major repairs and any necessary Health and Safety works that would cause a high level of disruption to tenants or put their safety at risk, such as the removal of asbestos, and any damp or rot treatments will be completed prior to the start of the new tenancy.
- 7.7 Every attempt will be made to complete all repairs prior to the new tenant taking up their tenancy; however in some circumstances minor and/or non-essential repairs will be undertaken once the tenancy has commenced. These repairs and the timescales for their completion will be agreed with the new tenant. In all cases, these will be charged to the voids budget.
- 7.8 All void properties must have had a gas and electrical check, and have the necessary certificates in place before they can be deemed as ready to let. Copies of these plus an Energy Performance Certificate are given to the new tenant as part of the sign up process.

## **8.0 Internal Decoration**

- 8.1 The Council does not decorate properties before being let. It is the responsibility of the incoming tenant to decorate as they see fit.
- 8.2 Where the vacating tenant(s) has left the property with bold or hard to cover colours, or there is significant smoke staining, consideration will be given to the need to apply one coat of obliterating emulsion prior to re-letting. The previous tenant will be charged for the cost of all works of this nature.
- 8.3 The Council may provide a 'Paint Pack' (Annex B) to the new tenant in order to help them start to decorate their new home. The amount of paint provided will vary depending upon the size and condition of the property, and the quantities shown in Annex B are the maximum that may be provided.

## **9.0 Building Sustainable Neighbourhoods**

- 9.1 All prospective tenants are provided with information about the property attributes, and local neighbourhood facilities prior to viewing.
- 9.2 When a prospective tenant has indicated their acceptance of a vacant property, the tenancy will commence as soon as possible after all essential repairs are completed. All tenancies start on a Monday.
- 9.3 All new tenants are given an opportunity to feed back their satisfaction with the void management process and standard of the property when let. New tenants will be visited within the first six weeks of their tenancy commencing. In summary the purpose of this visit will be:
  - 9.3.1 To welcome the tenant and give an opportunity for them to ask any questions, raise any concerns, follow up on any outstanding issues;
  - 9.3.2 To establish if they need any extra help setting up their home and identify any support needs the tenant may have;

9.3.3 To offer any advice about benefits that the tenant may be entitled to receive;

9.3.4 To discuss rent payment options or delays with outstanding Housing Benefit or the Housing Cost element for Universal Credit claimants;

9.3.5 To reinforce the terms of the tenancy agreement and the tenants' rights and responsibilities;

9.4 The sign up process and settling in visit has a significant impact on the sustainability of tenancies. The Council will ensure a range of supportive procedures and services are in place to ensure effective delivery.

## **10.0 Related Documents**

10.1 Tenancy Agreement

10.2 Recharges Policy

10.3 Decent Homes Standard

10.4 Homes (Fitness for Human Habitation) Act 2018

## **11.0 Diversity Issues**

11.1 The Council is committed to providing a fair and equitable service to its tenants and leaseholders. Through the management of our empty properties the Council aims to treat all customers fairly, and with respect and professionalism regardless of their gender, race, age, disability, religion, sexual orientation and marital status.

## **12.0 Monitoring and Customer Involvement**

12.1 Satisfaction with the service provided will be monitored through "settling in" visits and repairs satisfaction forms. Feedback received from these surveys will be used to inform amendments to the policy and thus improve the service provided.

## **13.0 Review**

13.1 This policy has been written in line with current relevant legislation. The policy will be reviewed and revised to reflect any legislation requirements and/or other guidance or good practice. The next review of this policy is due January 2029 and every 10 years thereafter.



## **Annex A**

### **1.0 Our Standard of Repair for Empty Properties**

- 1.1 We aim to provide a high quality void service to all our tenants and we rely on your comments and suggestions to help us improve this further.
- 1.2 We want our new tenants to move into properties that are safe, secure, clean, and in good condition.
- 1.3 All our empty properties will meet our statutory and contractual obligations, and the Government's Decent Homes Standard.

### **2.0 General – Our properties will have:**

- 2.1 Clean, hygienic facilities for preparing food.
- 2.2 Sanitary ware that is clean, functioning and hygienic.
- 2.3 An efficient heating system that is safe and easy to use.
- 2.4 Good thermal insulation.
- 2.5 Modern UPVC double glazed windows and external doors.
- 2.6 Mains-powered smoke alarm(s).
- 2.7 Mains-powered carbon monoxide alarm(s) - if the property has gas or solid fuel heating.

### **3.0 Decoration**

- 3.1 Tenants are responsible for all internal decorations.

### **4.0 Safety**

- 4.1 When tenants sign their tenancy agreement they will receive the following documents relating to their new home:
  - 4.1.1 Electrical test certificate;
  - 4.1.2 Gas appliance safety certificate (if the property has a gas supply);
  - 4.1.3 Solid fuel appliance safety certificate (if fitted);

### **5.0 Gardens**

- 5.1 If the property has a garden, all debris will be removed and grass will be 'rough cut'.

5.2 Fencing (if provided) will mark the boundaries of the property.

## **6.0 External Doors**

6.1 External doors to the property will be secure with at least 2 sets of keys.

6.2 Security chains will be fitted to the front and rear doors.

6.3 All doors in the property will open and close easily.

## **7.0 Internal Woodwork**

7.1 All internal woodwork will be free from serious damage or decay.

7.2 All new woodwork will be primed ready for painting.

## **8.0 Windows and Glazing**

8.1 Windows that are designed to open and close will do so.

8.2 All glazing will be intact.

## **9.0 Floors and Stairs**

9.1 All solid floors and floor tiling will be free of cracks or other faults that may cause injury.

9.2 All floorboards will be sound and secured. (We cannot guarantee that floorboards will not have some slight movement or creaking).

9.3 All parts of staircases will be secure and free from defects.

## **10.0 Kitchen**

10.1 If there is space in the kitchen, we will provide water and waste connections so that you can plumb in a washing machine. We will also provide a convenient power point below the worktop.

10.2 All kitchen units will be clean and in good condition.

10.3 Worktops will be clean and hygienic.

10.4 The kitchen sink top will be clean and in good condition.

10.5 All kitchens will have an electric cooker connection point (If the property has a gas supply, the kitchen may have a gas cooker connection as well).

### **11.0 Bathroom and Toilet**

- 11.1 The property will have a clean, functioning bath (or shower) and a wash hand basin.
- 11.2 Each toilet in the property will flush properly and have a new seat fitted for each tenancy.

### **12.0 Mains Service**

- 12.1 The property will have an electricity supply that has been tested prior to letting and is safe.
- 12.2 If the property has a gas supply, all fitted appliances will have been tested for safety prior to letting.
- 12.3 The property will have a water stopcock that is easy to operate and in working order (we will tell you where it is when you sign your tenancy agreement).

### **13.0 Heating and Hot Water**

- 13.1 The property will have space and water heating that is safe and ready to use.
- 13.2 We will give you a manual on how to use the heating system when you sign your tenancy agreement.
- 13.3 All gas appliances (where fitted) will be safe and serviced within the last 12 months.
- 13.4 Any solid fuel appliances (where fitted) will be safe and serviced in the last 12 months.
- 13.5 All electric storage heaters (where fitted) will be tested and be safe.

### **14.0 Energy Efficiency**

- 14.1 Loft spaces will be insulated to a minimum of 250mm where possible.
- 14.2 An Energy Performance Certificate will be provided by the Council when you sign up to your new tenancy.

### **15.0 Open fires and solid fuel appliances**

- 15.1 Where possible all fireplaces and hearths will be removed. The openings will be blocked up and vented, and chimneys taken down or capped as appropriate, to prevent further use.
- 15.2 Where a functioning chimney is in place for intended use by an incoming tenant it will be swept prior to occupation.

## **16.0 Cleaning**

16.1 The property will be clean and any rubbish and unwanted items left by the previous tenant will be removed.

## **17.0 External Condition**

17.1 One and two storey properties will have the rainwater gutters cleared of any debris.

17.2 Chimneys where left, external brickwork, pointing, rendering and cladding will be checked for defects that could result in water penetration.

17.3 Front and rear paths will be safe without trip hazards.

17.4 Entrance gates and front fencing (where provided) will be sound and secure.

## **18.0 Quality Control**

18.1 If the property that you have been offered does not meet this standard please let us know as soon as possible.

## Annex B

### Decoration Packs

Decoration Pack - 1 Bedroom Property			
Colour	Type	Qty	Unit
Brilliant White	Vinyl Matt	1	5 ltr
Magnolia	Vinyl Matt	2	5 ltr
White	Gloss	1	2.5 ltr
White	Undercoat	1	2.5 lt
Brush Cleaner	-	1	1 ltr
Brush	25mm	1	item
Brush	50mm	1	item
Roller + Tray	Plastic	1	item
Sandpaper	Sheets	1	Pack 5
Filler	Pack	1	Pack
Filling knife	50mm	1	item

Decoration Pack - 2 Bedroom Property			
Colour	Type	Qty	Unit
Brilliant White	Vinyl Matt	1	5 ltr
Magnolia	Vinyl Matt	2	5 ltr
White	Gloss	1	2.5 ltr
White	Undercoat	1	2.5 lt
Brush Cleaner	-	1	1 ltr
Brush	25mm	1	item
Brush	50mm	1	item
Roller + Tray	Plastic	2	item
Sandpaper	Sheets	1	Pack 5
Filler	Pack	1	Pack
Filling knife	50mm	1	item

Decoration Pack - 3 Bedroom Property			
Colour	Type	Qty	Unit
Brilliant White	Vinyl Matt	1	5 ltr
Magnolia	Vinyl Matt	3	5 ltr
White	Gloss	1	2.5 ltr
White	Undercoat	1	2.5 lt
Brush Cleaner	-	1	1 ltr
Brush	25mm	1	item
Brush	50mm	1	item
Roller + Tray	Plastic	1	item
Sandpaper	Sheets	1	Pack 5
Filler	Pack	1	Pack
Filling knife	50mm	1	item

Decoration Pack - 4 Bedroom Property			
Colour	Type	Qty	Unit
Brilliant White	Vinyl Matt	1	5 ltr
Magnolia	Vinyl Matt	3	5 ltr
White	Gloss	1	2.5 ltr
White	Undercoat	2	2.5 lt
Brush Cleaner	-	1	1 ltr
Brush	25mm	1	item
Brush	50mm	1	item
Roller + Tray	Plastic	1	item
Sandpaper	Sheets	1	Pack 5
Filler	Pack	1	Pack
Filling knife	50mm	1	item

## HOMES POLICY DEVELOPMENT GROUP 15 JANUARY 2019

### HOUSING UPDATE

**Cabinet Member(s):** Councillor Ray Stanley  
**Responsible Officer:** Mrs Claire Fry, Group Manager for Housing

**Reason for Report:** To provide a written briefing on latest developments relating to social housing

### **RECOMMENDATION: Members to note the report**

**Financial Implications:** None arising from this briefing  
*Approved by Finance: Yes, JP McLachlan, Principal Accountant*

**Legal Implications:** None arising from this briefing  
*Approved by Legal: Yes, Kathryn Tebbey, Group Manager for Legal Services*

**Risk Assessment:** None arising from this briefing  
*Approved by Performance/Governance: Yes, Catherine Yandle, Group Manager for Performance, Governance and Data Security*

**Equality Impact Assessment:** None arising from this briefing

**Relationship to Corporate Plan:** Homes are a priority for the Council and this includes increasing supply in the District and also ensuring that those homes in our ownership are managed efficiently and effectively

#### **1.0 Introduction/Background**

- 1.1 Members agreed that it would be helpful to receive a regular briefing on matters relating to social housing.
- 1.2 Since the announcements relating to the social housing Green Paper: “A new deal for social housing” and the new “rough sleeping strategy” during Housing Week, which commenced on 13 August 2018, there have been further announcements relating to proposed changes in government policy.
- 1.3 This report will include reference to these and also other relevant matters which may be of interest to Members.
- 1.4 It should be noted that issues relating to cladding on tall buildings and other matters arising from the fire at Grenfell Tower continue to be reported in the press. However, this report to the Policy Development Group (PDG) does not contain any information about these due to the fact that the Council does not have qualifying buildings with external cladding.

## **2.0 The Housing Minister**

- 2.1 In an interview given on Housing Day, 10 October 2018 (Hilditch, 2018), Mr Kit Malthouse, the Housing Minister, suggested that the government may support proposals to require social landlords to give more fire safety information and fire risk assessments to tenants on an annual basis. These proposals had originally been contained within a private member's bill.
- 2.2 In response to a question relating to why the voice of social housing tenants is important to the government, Mr Malthouse said: "it became clear after Grenfell that a lot of people in social housing didn't feel that they were being listened to". He acknowledged that the government had stopped listening and being responsive to certain groups of people, one of which was social housing tenants.
- 2.3 He said that he was aware that tenants feel "excluded at the highest level".
- 2.4 With regard to welfare reform, Mr Malthouse reiterated his support for the continuing roll-out of Universal Credit.
- 2.5 He said that he felt that some social landlords had become "less responsive" to tenant needs because "there was no direct commercial relationship" with them. "Reconnecting people with that relationship I think is going to bring big changes to the social rented sector", he said. This was in response to the fact that a significant proportion of tenants are in receipt of Housing Benefit which, in many cases, is paid directly to the landlord. Those in receipt of Universal Credit are expected to pay their own rent using money claimed for housing costs. It would seem that Mr Malthouse is expecting people who pay their own rent to have increased expectations resulting in them engaging more with their landlords and challenging them, resulting in change which drives up standards and which results in the delivery of a service more responsive to the needs and desires of those who live in social housing.
- 2.6 Mr Malthouse attended the eighth Savills annual housing seminar in November (Simpson (1), 2018) and said that the current level of homes being built for social rent is not enough. Government figures released in November showed that of the 222,000-plus new homes built in the last financial year (2017/18), only 6,463 were new social rented homes, or just under 3%.
- 2.7 Mr Malthouse said: "We are now giving councils no restrictions to get back into the business of building homes. The initial number that people believe they can build over the next couple of years is 10,000, but I hope and believe that local councils will be really keen on this and can be more ambitious". Members will be aware that any additional borrowing will incur additional debt charges and eventually need to be remunerated; and that this needs to be factored into the long-term business plan of any Council which decides to take on any more debt to finance additional house-building.
- 2.8 Members may be aware that Mrs Theresa May, the Prime Minister, had announced plans to abolish the Housing Revenue Account borrowing cap at the Conservative Party Conference. The borrowing cap restricted Councils' ability to invest in housing. The cap was implemented as part of the self-



financing agreement in 2012.

- 2.9 Previously the Government had offered £1bn additional borrowing to councils and this had been exhausted by bids from just 12 councils. Of the 12 largest bids, all but two were made by London Councils. Exeter City Council is thought to have made the largest bid outside London, seeking £103m and Bristol City Council sought £40m. (Barker, 26 October 2018)

### **3 Welfare Reform**

- 3.1 Amber Rudd was appointed Work and Pensions Secretary in November, replacing Esther McVey who resigned. Ms Rudd will be required to take the secondary legislation through the House of Commons to allow the “managed migration” of people still receiving some of the six benefits that universal credit (UC) replaces onto the new system. (Steward and Walker, 2018)
- 3.2 The Work and Pensions Select Committee published a report which stated that the Social Security Advisory Committee, Members of Parliament (MPs), and peers need more time to assess changes to the regulations for the managed migration of UC (Barker, November 2018). The Committee acknowledged that the new rules were improved but made reference to “major areas of concern” in the Government’s plans for transferring 4 million claimants onto UC by 2023. The Department of Work and Pensions was asked to set and meet tests on its readiness for the next phase of managed migration before the migration begins.
- 3.3 A report, Safe as Houses 2 (Smith Institute), found that tenants of Southwark Council, one of the first local authorities where Universal Credit was piloted, who were in receipt of the benefit for long periods, struggled to pay their rent. In addition, those tenants sometimes built up more arrears. The report found that rent was being consistently underpaid by an average of 7%, even 15 months after the claim.

### **4 League Tables**

- 4.1 Jonathan Walters, Deputy Director of Strategy and Performance at the Regulator for Social Housing, indicated that sector league tables could be in use within 18 months to 2 years (Barker, 12 October 2018). Members will recall that the Government consulted on the introduction of league tables as part of the feedback requested in relation to the Green Paper. The same information would be requested from Councils and housing associations with the aim of giving tenants the ability to compare the performance of other registered providers of social housing in their local areas. Mr Walters said: “With regard to league tables, I think that the question is what government is trying to achieve with that and I think there are two things really. The first is that league tables are trying to achieve transparency, so tenants can see more about what their landlords are actually like. The other thing is that no one wants to be bottom of the league table, so this would persuade people who aren’t doing well to do better”.

### **5 Housing Supply**

- 5.1 In the budget on 29 October 2018, the Chancellor announced proposals to boost house building (Barrett and Simpson, 2018). This included £653m of grant to be used to support seven partnerships with housing providers to build 13,475 new homes by 2022. The removal of the borrowing cap on HRAs also took effect and there was an announcement that stamp duty will be lifted for first time buyers of shared ownership properties.
- 5.2 Sir Oliver Letwin also published his report alongside the Budget. His review was established to investigate whether or not large builders were land banking (Apps and Barrett, 2018). It said that builders should be required to accept suggested levels of affordable housing for large sites in order to receive government support, including Help to Buy. The report said that the government should make: “Any future government for funding house builders or potential purchasers on such sites conditional upon the builder accepting a section 106 agreement which conforms with the new planning policy for such sites”. Members will recall that section 106 agreements are planning documents which set out the level of affordable housing to be provided on specific sites as part of the planning permission. The final allocation on any one site is open to negotiation and developers will often seek amendments with a view to having the number of affordable homes reduced, and this can be retrospective.
- 5.3 Housing consultancy, Savills, has considered what might happen if there was a market downturn. (Inside Housing (1), November 2018). In a report, Affordable Housing: Building Through the Cycles, they predicted what would happen if there was another recession similar to that in 2008. Chris Buckle, Director of Residential Research, said: “From the end of the last property cycle in 2007/08 we saw a roughly 50% fall in section 106 affordable housing completions”. He said that at the time of the last housing market downturn homes developed as a result of section 106 agreements made up only 19% of affordable housing starts in 2007/08.
- 5.4 The number of homes converted from social rent to affordable rent by housing associations dropped by 6% last year. (Inside Housing (1), December 2018)
- 5.5 Inside Housing (2) (December 2018) has also reported that the number of new affordable homes started funded by Homes England increased by more than 42% for the first half of the financial year. 9,909 homes were started in the six months up to 30 September 2018, up from 6,989 during the same period last year. 5,714 of the new homes started were for affordable rented properties and 3,702 were for intermediate schemes including shared ownership and Rent to Buy. Social rent accounted for 493 homes started during the period. These figures do not include homes built through section 106 agreements; they are the homes built using funding from Homes England.
- 5.6 A number of large housing associations have been making plans which will be implemented if the United Kingdom leaves the European Union without an agreed settlement. There are some key risks which could impact these organisations. For example, a fall in house prices could result in housing providers having to reduce the number of new homes being developed. In addition, Homes England is working on contingency plans to mitigate the impact of any shortages in labour supply and materials which could also affect

the number of new homes in the pipeline. (Simpson (2), 2018)

## **6 Housing Associations**

- 6.1 There have been mergers involving new organisations: Thames Valley and Metropolitan have merged to become Metropolitan Thames Valley and will manage around 57,000 homes across London, the South East, East Midlands and the East of England. Waterloo Housing Group and Fortis Living have combined to create Platform Housing Group, an organisation with 45,000 homes and 1,200 staff. This group has plans to build over 18,000 new homes over the next 10 years. In the South West, Knightstone Housing has now merged with DCH and the new organisation is known as LiveWest. Their website states that they will be building 15,000 homes over the next 10 years.
- 6.2 A former Labour Minister, Nick Raynsford, warned against housing associations becoming “monopoly” providers in some areas. (Inside Housing (2), November 2018). He said: “In too many areas local authorities had during the 1960s and ‘70s – the years of plenty when they were building a lot – they’d created near-monopoly situations which were not always very well run and where people – members of the public – had little redress against a very dominant single landlord in the area”. He said that he strongly supported the partial transfer of some estates in Greenwich, which is in his own constituency to housing associations, while the Council still retains a significant housing stock.

**Contact for more Information:** Mrs Claire Fry, Telephone: 01884 234920, email: [cfry@middevon.gov.uk](mailto:cfry@middevon.gov.uk)

**Circulation of the Report:** Cabinet Member seen and approved: Yes, Councillor Ray Stanley, Cabinet Member for Housing

Leadership Team seen and approved Yes, Andrew Pritchard, Director of Operations

### **List of Background Papers:**

Peter Apps and Luke Barratt, Letwin: Large Sites Need Mix of Tenure, Inside Housing, 2 November 2018

Inside Housing (1), Downturn Could Cuts 106 Delivery, 30 November 2018

Inside Housing (2), Former Minister Warns Against “Monopoly” Providers, 30 November 2018

Inside Housing (1), Huge Drop in Conversions, 7 December 2018

Inside Housing (2), Homes England Affordable Home Starts up 42% in 2018, 30 November 2018

LiveWest website: <https://dch.livewest.co.uk/about-liverty/>

Luke Barrett and Jack Simpson, HA s Target Social Rent and “Difficult Sites”, Inside Housing, 2 November 2018

Nathaniel Barker, Regulator: Sector League Tables Within Two Years, Inside Housing, 12 October 2018

Nathaniel Barker, Councils Primed to Return to Building, Inside Housing, 26 October 2018

Nathaniel Barker, MPs Call for Government to Delay Parliament Vote on Universal Credit Roll Out, 22 November 2018

Martin Hilditch, The Big Interview, Inside Housing, 19 October 2018

Office for Budget Responsibility, Economic and Fiscal Outlook, October 2018, [www.obr.uk](http://www.obr.uk)  
29 October 2018

Jack Simpson (1), Malthouse: Not Enough Social Homes Being Built, Inside Housing, 30 November 2018

Jack Simpson (2), Sector Braced for No-Deal Brexit, Inside Housing, 30 November 2018

Smith Institute, Safe as Houses 2, 29 November 2018

Heather Steward and Peter Walker, The Guardian, 16 November 2018