

**HOMES POLICY DEVELOPMENT GROUP
12 MARCH 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

Legal Implications: None arising from this briefing

Risk Assessment: None arising from this briefing

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.

2.0 Health & Safety Issues

2.1 A Housing Association in the South East was criticised by the Housing Ombudsman Service (HOS) which found “maladministration” in relation to maintenance at one housing block in its management.

2.2 In November 2017, the association had been ordered to provide more information to the resident who had complained, to pay compensation and to carry out necessary repairs and maintenance, by 1 April 2017. The housing association, which has 57,000 homes in management, complied with the first two requirements but failed to finish the necessary works before the deadline.

2.3 The HOS issued a special report, which is unusual. This said that the association had notified them that the delay had been caused by procurement and personnel difficulties (HOS, 2019).

2.4 To put this matter into context, the Government discussed proposals for giving the Regulator for Social Housing (RSH) more powers to respond to maintenance issues; and discussions about the relationship between the HOS and the RSH have been ongoing for many months.

- 2.5 In another case, a housing association based in the greater South West, was ordered to pay £1 million plus £40,000 in legal costs at Bournemouth Crown Court. This related to a tragic incident where a 5 year old girl died in one of its homes in 2015. It had pleaded guilty to breaching health and safety laws in the run up to the little girl's death. A panel had been damaged in early 2013 and was not fixed or replaced, despite a lift engineer, employed by a lift company, noting that work was required three months before she died. The lift company also pleaded guilty to breaching health and safety laws.
- 2.6 The Health and Safety Executive, which had taken the case to court, said after the sentencing that the negligence of the housing association and the lift company had caused "a wholly avoidable tragedy, under horrific circumstances". (Barker, 2019).
- 2.7 Elaine Bailey, the chief executive of Hyde Housing, will be part of the Industry Safety Steering Group (ISSG) which has been set up following the publication of the report by Dame Judith Hackett into building safety. Dame Judith will chair the ISSG. The Government has stated its intention to implement all of the recommendations in her review and some of the reforms to be made include tougher sanctions on building owners and companies that show a disregard for building safety. (Simpson, January 2019)

3.0 **Development**

- 3.1 The Cabinet at Barking and Dagenham Council has agreed "in principle" to set up a housing association division for its housing company. This is to enable it to use grant totalling £25.3 million which was made available through a programme operated by the Mayor of London (the Building Council Homes for Londoners fund). The funding will be used to build up to 253 homes for let through the Council's Reside housing company. (Barking & Dagenham, 2019)
- 3.2 Homes England has announced more strategic partners. A number of Housing Associations will receive a share of the budget of £500 million funding for provision of affordable homes. These partners will be expected to build approximately 11,000 new homes across the UK. They must also include some social rent. Under this initiative, 23 strategic partners, in total, are now expected to work in partnership to start 40,000 affordable homes by March 2022, using funding of up to £1.7 billion. (Simpson, 1 February 2019)
- 3.3 The only housing association included in this group of registered providers which will be receiving funding from this latest initiative, which is based in the South West, is Curo (based in Bath). This association has formed a partnership with Swan Housing Association (based in Essex) to deliver an additional 1067 homes on top of existing plans, using £51.12 million in grant. (Curo, 2019)
- 3.4 Inside Housing has reported that a number of private house builders have registered their own housing associations in order to keep the affordable homes built in their developments (Simpson, 8 February 2019). If other house builders move forward in this way, it could reduce the opportunities for other registered providers of social housing, including those Councils with retained stock, to acquire new homes which may be available under section 106

planning arrangements. Members will recall that these section 106 agreements set out planning obligations under the Town and Country Planning Act 1990 (as amended) and are made between local authorities and developers. They can be attached to planning permissions.

- 3.5 The research showed that a number of companies have found it difficult to agree arrangements relating to the affordable homes with existing associations. Hopkins Homes, which has a turnover of £166 million has registered Peal Community Housing as a housing association; the new Chairman of this association, Martin Aust, has stated that housing associations lack capacity to buy up section 106 properties, particularly in rural locations. Larkfleet Homes established Swift Homes as an association last year and a developer working in Suffolk, Park Properties, registered a housing association in September. Chris Wakefield, a Director, said that costs were also an issue, with associations often offering “less than build cost” on developments.

4.0 **The Right to Buy**

- 4.1 The Chartered Institute of Housing (CIH) has stated that more than 165,000 social rent homes have been lost in England over the past 6 years. Based on reports provided by central government (the Ministry of Housing, Communities and Local Government), the CIH found that over that number were lost between 2012 and 2018. Nearly 118,000 of these were owned by Councils; and nearly 48,000 owned by housing associations. The CIH projected further losses due to Right to Buy sales, demolitions and conversions to the affordable rent tenure. They predicted further losses totalling more than 33,000 homes by 2020, bringing the total number of homes lost between 2012 and 2020 to approximately 199,000. (CIH, 2019)

5.0 **Universal Credit**

- 5.1 Universal Credit was introduced to consolidate many other benefits and is paid in 12 monthly instalments based on a 52 week year, in arrears. The aim is to help people to cope better with the transition into work. Housing costs are included in the payments of Universal Credit if tenants claim them and tenants are expected to pay their rent themselves.
- 5.2 The Council works in partnership with the Department of Work and Pensions (DWP). The Housing Service uses their online portal to provide information on rents due in respect of the homes of those tenants claiming Universal Credit. The rents of all new claimants are verified by our Officers provided that the tenant has notified the DWP that they are a Council tenant and that the Council is their landlord.
- 5.3 If a tenant is vulnerable and meets the criteria specified by the DWP, the Housing Service can request direct payments of rent using the Alternative Payments Scheme; in addition, Officers can request direct payments in respect of arrears in some cases, but the amount which can be paid will depend upon what other debts the claimant may have which are also being collected using this method.

- 5.4 Universal Credit is now being rolled out in the District. All new claimants are now put onto this benefit although the managed migration of existing claimants of other benefits is on hold for the time-being. As at 24 February 2019, 226 current tenants were in receipt of Universal Credit.
- 5.5 The National Housing Federation (NHF), which represents housing associations, is raising concern with the Department of Work and Pensions (DWP) regarding issues relating to Universal Credit payments during 2019/20. Many landlords charge rent every Monday. This means that periodically there is a year with 53 weeks where rent is payable. 2019/20 will be one of these years. It should be noted that the last Monday in March 2020 will be on March 30, meaning that that week will include 5 days of April 2020. The start of the new financial year (2020/21) will be on 6 April 2020.
- 5.6 The Council charges rent, based on the annual charge; and then divides the total by 48 because rent is currently charged over 48 weeks. Next year, there will be 5 rent free weeks and the rent free weeks have been re-scheduled so that no rent will be charged during the weeks commencing:
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|---------|------------------|
| Week 9 | 27 May 2019 |
| Week 22 | 26 August 2019 |
| Week 39 | 23 December 2018 |
| Week 40 | 30 December 2019 |
| Week 53 | 30 March 2020 |
- 5.7 Council tenants are required to pay the rent weekly in advance. They are responsible for paying their rent and other charges on time. The tenancy agreement states that tenants are responsible for making claims for any benefits to which they may be entitled. Therefore, the onus of responsibility for paying the rent will always lie with the tenant regardless of whether or not they are in receipt of any benefits. Our Officers will provide support and advice; and relevant policies include some discretion to ensure that vulnerable tenants receive all appropriate help and assistance.
- 5.8 Our Neighbourhood team will be working closely with tenants to mitigate the impact of the additional week. Our Income team maintains close contact with those affected tenants and will provide tenants with all relevant information regarding what they need to pay. We have Community Housing Support Officers and these Officers will be mobilised to work to minimise the impact of the additional week during the year.
- 5.9 However, other registered providers are very concerned regarding the impact of the arrangements being operated by the DWP, on those tenants in receipt of Universal Credit. This is due to the fact that the system will continue to calculate payments based on 52 weeks. This will mean that many tenants in receipt of the benefit who pay their rent weekly may be unable to pay their rent for one week next year. The National Housing Federation (NHF) has raised the issue with the DWP. (Barker, January 2019)
- 5.10 The DWP has stated that no one on Universal Credit will be left with a week's rent shortfall due to there being more Mondays in the year (2019/20) than would normally be expected. They said that most of the final payment for

2019/20 would cover the rent due during the first week of 2020/21. (Barker, 8 February 2019).

6.0 **Housing Allocations**

- 6.1 The High Court found that a north London housing association had not discriminated against two non-Jewish families in a recent case regarding the allocation of housing to the orthodox Jewish community.
- 6.2 The case was the subject of a judicial review on the grounds that the housing association had been discriminatory. The case had been brought against Hackney Council on the basis that it should not have a nominations agreement with the housing association as a result of this.
- 6.3 According to the Equality Act, service providers may take action to respond to issues arising from the disadvantages experienced by people who share a protected characteristic under the Equality Act. (Barratt, 2019)
- 6.4 The Council works in partnership to allocate homes through the Devon Home Choice (DHC) scheme and this case demonstrates the importance of having robust and transparent allocation policies which can be justified under all relevant legislation.
- 6.5 The Council's planning policy relating to the allocation of affordable housing on rural exception housing sites is based on the need of housing applicants and their local connection. There is a cascade approach which categorises different levels of need. The definition of need is set out in the Devon Home Choice assessment framework and ranges from Band A (emergency housing need) to Band E (no housing need).

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Circulation of the Report: Councillor Ray Stanley, Cabinet Member for Housing, Mr Andrew Pritchard, Director of Operations

List of Background Papers:

Nathaniel Barker, Landlord fined £1m over death of five-year-old girl, Inside Housing, 18 January 2019

Nathaniel Barker, UC claimants facing underpayment threat, Inside Housing, 25 January 2019

Nathaniel Barker, DWP claims 53-week year will not affect UC tenants, Inside Housing, 8 February 2019

Barking & Dagenham website, Cabinet agenda & draft minutes, 22 January 2019
<https://modgov.lbbd.gov.uk/Internet/ieListDocuments.aspx?CId=180&Mid=10022&Ver=4>

Luke Barratt, Court dismisses claim against Jewish HA, Inside Housing, 8 February 2019

Chartered Institute of Housing website (CIH), 6 February 2019

http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/More_than_165000_homes_for_social_rent_lost_in_just_six_years_new_analysis_reveals

Curo website, 30 January 2019

<https://www.curo-group.co.uk/news/news-stories/curo-swan-and-homes-england-establish-strategic-partnership-to-deliver-1-000-affordable-homes/>

Housing Ombudsman Service website, 16 January 2019

<https://www.housing-ombudsman.org.uk/2019/01/16/housing-ombudsman-issues-special-report-on-metropolitan/>

Jack Simpson, Hyde boss gets role on official safety panel, Inside Housing, 18 January 2019

Jack Simpson, Next strategic partners names in £500m deals, Inside Housing, 1 February 2019

Jack Simpson, Flurry of private builders set up HAs, Inside Housing, 8 February 2019