

**HOMES POLICY DEVELOPMENT GROUP  
13 AUGUST 2019**

**HOUSING UPDATE REPORT**

**Cabinet Member(s):** Councillor Simon Clist  
**Responsible Officer:** Mrs Claire Fry

**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 report

**Legal Implications:** None arising from this report

**Risk Assessment:** None arising from this report

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

**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

**Impact on Climate Change:** The housing service has actively invested in energy efficiency; extensive use of solar PV and air source heat pumps already exists. The ongoing circa £170M 30 year maintenance programme has a significant focus on ensuring energy efficiency. Where sustainable options are available they are utilised; however, it is acknowledged that where there is a significant cost differential that plays heavily in the choices made.

We recognise that the provision of sustainable communities is important. As part of our commitment to meeting the provisions of the Tenant Involvement and Empowerment Standard within the Regulatory Framework for Social Housing, the Council offers a menu of involvement which provides opportunities for tenants to get involved in service delivery. Tenants scrutinise the work of the Service and are also involved in the development of our newsletter which is published periodically. We use this and social media to promote sustainability and therefore publish information relating to a variety of topics including fuel efficiency, recycling and healthy living.

Officers sometimes have to respond to emergencies such as those associated with the prevention and management of homelessness and also those arising from serious incidents of anti-social behaviour. In such cases, safeguarding concerns will take priority in order to minimise risk and it is accepted that the ability to manage such issues effectively may have an environmental impact which would not occur if work can be planned in advance and managed in a more co-ordinated way.

**Introduction/Background**

Members previously agreed that it would be helpful to receive a regular briefing on matters relating to housing.

Matters relating to fire safety and cladding continued to dominate the housing press, especially in June, which marked the second anniversary of the fire at Grenfell Tower.

In addition, there was a fire in a block of flats in Barking on 9 June 2019 which was widely reported. Although the cause is still being investigated, there are suggestions that a barbeque was responsible. 20 flats were destroyed and a further 10 were affected by heat and smoke damage. The block had wooden balconies and there were some housing association properties affected. (BBC, 2019)

The Council does not have any high rise blocks in our stock and therefore discussions relating to this type of housing stock and associated issues are not relevant to the situation in Mid Devon. For this reason, this report will not contain any other references to these matters.

### **The Right to Buy**

6,000 tenants of housing associations in the Midlands successfully applied to participate in the voluntary Right to Buy pilot but more than half of these have failed to buy their home or have had their applications cancelled. Exactly 6,000 tenants were successful following the ballot which ran for a month between August and September last year. A Freedom of Information request to Homes England showed that 2,262 of the tenants had failed to submit an application; 912 tenants had had their applications cancelled either by their landlord or by their own accord. This means that 2,826 applications are open on the Homes England database. (Barker, 17 May 2019).

Only a very limited amount of the £200 million set aside to support the scheme has been spent since it was launched last year. £10.2 million, or 5%, has been paid out to associations taking part in the pilot. Only 181 sales have been completed by 10 June 2019. However, it is understood that there are several hundred more applications in the system and at the formal offer stage. Tenants making use of the scheme to buy their home must complete their purchase before next Spring. (Barker, 12 July 2019)

The Government had anticipated that around 3,000 homes would be sold and that the £200 million fund would pay for the discounts.

According to Government statistics (Gov.UK, 2019) Right to Buy sales (of Council houses) fell 23% in the last quarter of 2018/19, with 2,612 homes being sold through the policy from January 2019 to March 2019, down from 3,396 sold during the same period during 2017/18.

Local authorities received approximately £219.7 million from Right to Buy sales, 16% lower than the £262.4 million received during the same quarter the previous year. The average receipt for each dwelling sold during quarter four from January 2019 to March 2019, was £84,100. This compares to £82,800 in the same quarter during 2017/18.

There were 1,406 dwellings started on site or acquired (as part of the Right to Buy replacement policy) in quarter 4 of 2018/19, which was 13% lower than the number of dwellings started or acquired in the same quarter of the previous year.

It can be seen that each property sold is not necessarily being replaced with a new home.

## **Universal Credit**

Five lone parents and their children lost challenges against the Government's benefit cap at the Supreme Court in London on 15 May 2019. They were challenging the £20,000 annual limit on welfare payments on the basis of human rights but the judgment, which was delivered after the Panel had considered the case for 10 months, said that the evidence had persuaded all seven justices that the cap had a major impact on lone parents with children under school age because it was "difficult for them to go out to work". However, it did not breach the human rights of either the parents or the children although it was acknowledged that the limit had an "often harsh" effect on single parents. (Inside Housing, 17 May 2019)

The Department for Work and Pensions (DWP) will be asking benefit claimants in Harrogate to volunteer to switch directly from the old benefits system to Universal Credit. This authority is piloting the first phase of the managed migration to Universal Credit and claimants will be asked to opt in to the new programme at work focused interviews at job centres. Only a small number of people are expected to be volunteering in the pilot starting in July, possibly on 17 July. (Barker, June 2019)

It should be noted that MPs are still yet to vote on the Universal Credit regulations which would allow the government to start moving people over from the legacy welfare system. The Universal Credit (Managed Migration) Regulations 2018 bill was withdrawn from Parliament on 14 January. Managed migration will move people currently claiming up to six benefits, including Job Seekers Allowance and Housing Benefit, through the old system, to single, monthly payments with Universal Credit.

## **Regulation**

A supported housing association was found to have breached three consumer standards. The Regulator for Social Housing (RSH) found that Westmoreland Supported Housing Association, which houses adults with learning and physical disabilities, had some homes which were found to be in disrepair, cold and lacking in basic utilities. It is understood that large numbers of gas safety checks and fire risk assessments were overdue and that the housing association had provided inconsistent information on health and safety, resulting in the breach of the homes standard. The housing association was also criticised for its handling of a set of evictions, where tenants said that they had advised that they would be made homeless if forced to move out. (Inside Housing, May 2019)

The Star survey, which is the most widely used tenant satisfaction survey is being reviewed. Housemark, the benchmarking organisation, is consulting on the way in which this is operated following the publication of the Social Housing Green Paper: "A New Deal for Social Housing". (Inside Housing, 24 May 2019). Changes to the way in which social housing is regulated are expected as a result of indications given in the Green Paper and it is expected that benchmarking will be used to monitor

performance of landlords by the regulator in a way that it has not been previously. The Council is a member of Housemark.

The Regulator for Social Housing (RSH, 2019) has written to all stock owning Councils reminding them of their health and safety obligations. This was in response to two Councils having breached the Home Standard. This letter said that: "This letter is a reminder to local authorities that the consumer standards apply to them and that while we currently only consider information that is referred to us, this does not diminish the obligation on local authorities to comply with the standards." It was widely felt that this letter was sent in response to a number of health and safety issues which had been identified in Council housing stock.

One such case involves stock belonging to four Councils operating in East Kent. The Health and Safety Executive is investigating after East Kent Housing (EKH) which manages approximately 17,000 homes on behalf of these authorities was found to have failed to undertake gas safety checks in up to 924 homes, although the organisation said that 384 had expired gas certificates on the date in question. EKH is an arms' length management organisation (ALMO) which manages the homes on behalf of the Councils. It has issued an apology to residents.

Members can be reassured that the Council is delivering excellent performance in relation to gas safety and that this is being monitored closely by senior managers as a matter of routine. Information relating to performance is published monthly and available to view on the housing pages of the Council's website. We have an eleven month cyclical programme of regular gas safety inspections and are currently in the process of moving to the new MOT system in accordance with regulation 36a of the Gas Safety (Installation and Use) Regulations 1998 (as amended).

An ongoing investigation by the East Kent Internal Audit Partnership has also found some potential non-compliance relating to fire, lift, electrical and legionella safety there. Canterbury Council, which owns 5,107 homes managed by EKH is set to consult with its tenants "as soon as practicable on withdrawal from EKH" although it has recognised that if the other Councils do not wish to terminate their involvement with the ALMO, the costs associated with this could be high. (Barker, 12 July 2019).

The Council has implemented a regular schedule of inspections relating to fire risk, legionella and asbestos. There are also periodic checks of the electrical installations in our homes which are undertaken on a five yearly basis and the one lift in a communal area is inspected three to four times annually. These programmes of inspection mitigate the risks arising from health and safety issues.

### **Housing Associations**

LiveWest, a large South West housing association (created following a merger between Knightstone Housing and DCH, previously known as Devon and Cornwall Housing Association), boosted its surplus by 15% last year. It has 36,000 homes and it made an £81 million operating surplus in 2018/19, up from £69 million in the previous year. (Barker, 24 May 2019)

### **Homelessness**

The Homelessness Reduction Act 2017 was introduced in April 2018 and placed new responsibilities on Councils to help homeless people or those threatened with homelessness. Statistics released by the Government in May (MHCLG, May 2019) relating to England as a whole showed that the number of people in temporary accommodation on 31 December 2018 had increased from 79,720 on the same date in 2017 to 83,700. It is thought that the new legislation which places greater emphasis on helping people for a longer period to alleviate their homelessness has had an impact.

The statistics were informed by full or partial returns from 322 out of the 326 local authorities (including the Council) in England (a 98.8% response rate).

The data also showed that between October and December 2018, 61,410 households were individually assessed and owed a prevention or relief under the new statutory homeless duties.

## **Housing Supply**

The Housing, Communities and Local Government Committee has launched an enquiry into the effectiveness of the Government's current approach to boost social and affordable rented housing. This will include looking at funding for promoting new building projects, and how to "encourage local authorities and housing associations to increase provision". (Parliament UK, May 2019)

## **Council Housing**

The Housing Minister, Kit Malthouse, gave an interview to Inside Housing and said that more than 10 local authorities which had previously sold all of their stock were hoping to build more housing of their own. Since the borrowing cap for Councils was removed last year, it should be easier for those with no homes in their management to obtain the necessary funding needed to enable them to deliver new homes.

The Council has opted not to take on more debt in light of the fact that any additional borrowing achieved by taking on more loans would extend liabilities and would still have to be repaid.

Bristol City Council has agreed to work as a partner with Legal and General (L&G) to redevelop a city centre site and will build 500 homes, office space, and a hotel. 40% of the homes will be affordable. (Curry, 2019).

The 100<sup>th</sup> anniversary of the Housing, Town Planning &c. Act (known as the 'Addison Act') 1919 which received royal assent in the July of that year was widely reported in July. This was the first housing act and in recognition of this, our Tenant Involvement Officer has visited a tenant who recently celebrated her 100<sup>th</sup> birthday, to interview her about her life and her experience as a Council tenant. The interview will be published in the next edition of our tenant magazine, Housing News 4 U.

## **Recommendation**

That Members note the report.

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**Circulation of the Report:** Cabinet Member seen and approved [yes/no – Councillor Simon Clist name of Cabinet Member], Leadership Team seen and approved [yes/no]

**List of Background Papers:**

Barker (17 May 2019), Half of tenants drop out after VRTB ballot, Nathaniel Barker, Inside Housing, 17 May 2019

Barker (24 May 2019), South West HA boosts surplus, Nathaniel Barker, Inside Housing, 24 May 2019

Barker (June 2019) Government: volunteers for first UC switch needed, Nathaniel Barker, Inside Housing, 14 June 2019)

Barker (12 July 2019), Fresh safety issues emerge at Kent ALMO, Nathaniel Barker, Inside Housing, 12 July 2019

Barker (12 July 2019), Just £10m used in VRTB pilot, Nathaniel Barker, Inside Housing, 12 July 2019

BBC (2019), Barking fire, barbeque may have caused blaze at flats, 10 June 2019  
<https://www.bbc.co.uk/news/uk-england-london-48583829>

Curry (2019), Bristol and L&G to deliver 500 homes, Rhiannon Curry, Inside Housing, 5 July 2019,

Gov.UK (2019), Right to Buy Sales in England: January to March 2019  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/810184/Right\\_to\\_Buy\\_sales\\_in\\_England\\_2018\\_to\\_2019\\_Q4.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810184/Right_to_Buy_sales_in_England_2018_to_2019_Q4.pdf)

Inside Housing (17 May 2019), Single parents lose benefit cap challenges in court, Inside Housing, 17 May 2019

Inside Housing (24 May 2019), HA breaches standards, Inside Housing, 24 May 2019

Inside Housing (24 May 2019), Star survey method under review, Inside Housing, 24 May 2019

MHCLG (May 2019), Statutory Homeless, October to December 2018, Quarter 4, England, Ministry of Housing, Communities and Local Government, Housing Experimental Statistical Release, 24 May 2019  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/804329/Statutory\\_Homelessness\\_Statistical\\_Release\\_October\\_to\\_December\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/804329/Statutory_Homelessness_Statistical_Release_October_to_December_2018.pdf)

Parliament UK (May 2019), Committee launch inquiry into long-term delivery of social and affordable rented housing, Commons Select Committee, 31 May 2019

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/housing-communities-and-local-government-committee/news/long-term-social-housing-inquiry-launch-17-19/>

RSH (May 2017), Regulator of Social Housing

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/802481/Letter\\_to\\_LAs\\_-\\_RSH\\_consumer\\_standards\\_-\\_May\\_2019.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/802481/Letter_to_LAs_-_RSH_consumer_standards_-_May_2019.pdf) 17 May 2019