



REPORT OF:	HOUSING & WELFARE MANAGER
AUTHOR:	Simon Rosser
TELEPHONE:	01737 276478
E-MAIL:	Simon.rosser@reigate-banstead.go.uk
TO:	OVERVIEW & SCRUTINY COMMITTEE
DATE:	22 January 2015

WARD (S) AFFECTED:	ALL
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SUBJECT:	HOUSING ASSOCIATION ACTIVITY & PERFORMANCE 2013/14
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RECOMMENDATIONS:

That the housing situation, affordable housing activity and performance within the borough is noted.

SUMMARY:

The Council relies on registered providers (formerly “housing associations”) to meet the need for social and affordable housing in the borough.

This report includes information about the performance of Raven Housing Trust, the largest housing provider in the borough, and provides an overview of housing development activity in the borough during the last full financial year.

Jonathan Higgs, Chief Executive of Raven Housing Trust, will be giving a presentation to the Committee.

STATUTORY POWERS

1. The purpose of this report is to enable the Overview and Scrutiny Committee to review housing performance of registered providers of social and affordable housing as part of its statutory role. The Council also reviews its local housing issues through the statutory Housing Strategy which provides priorities for action and the resources needed to deliver our objectives. The Housing Strategy provides an overall housing strategic framework for the Council.

INTRODUCTION

2. The Council has not directly owned or managed affordable housing since 2002 when the Council’s stock was transferred to Raven Housing Trust. The Council retains a strategic role in meeting local need, making decisions about the planning and development of new affordable housing and creating sustainable communities within the borough, all of which involves working in partnership with registered providers. It is noted that the Council relies on registered providers to house families on the Housing Register and to meet the Council’s statutory homelessness duties.

3. This report covers the following areas:
 - Summary of registered providers operating in the borough
 - Provision of new or replacement affordable housing
 - Current issues facing registered providers
 - Raven Housing Trust performance (Annex 1)
 - A time table for Universal Credit (Annex 2)
4. Jonathan Higgs, Chief Executive of Raven Housing Trust has been invited to give a presentation to the Committee.

REGISTERED PROVIDERS WITH HOMES IN THE BOROUGH

5. Registered providers own and manage over 8,000 homes in the borough, which equates to about 15% of all homes here. Approximately 80% of these are rented homes, with the remainder mostly consisting of shared-ownership properties.
6. There are about 25 registered providers and charities providing affordable housing in the borough. Excluding Raven Housing Trust, the largest registered providers only have a few hundred properties and the majority have less than 50 properties.

RAVEN HOUSING TRUST PERFORMANCE & INITIATIVES

7. Raven Housing Trust own and manage around 73% of all rented affordable housing in the borough. Taking account of leaseholders and shared ownership properties Raven own and/or manage about 10% of all properties in the borough, and their tenants make up a significant proportion the borough's population. The Council is therefore keen to ensure that Raven manages its homes well and makes best use of its affordable housing in the borough.
8. Information on a range of performance indicators is given in Annex 1 including responses to repairs, complaints, and rent arrears. In June 2013 Raven were given the highest economic Governance and Viability ratings by the Homes and Community Agency. These mean that the Trust meets the requirements set out in the HCA Governance and Financial Viability standard and has the capacity to mitigate its exposures effectively.
9. As well as providing homes, Raven invests in neighbourhoods and communities. It has invested in a range of initiatives and projects which offer a number of economic, social and educational benefits to local people. Examples are -
 - In 2013/14 Raven spent £385,000 on community investment, which using the HACT Wellbeing Valuation methodology created a financial valuation on the impact as £3,875,956;
 - Financial inclusion –Raven set up its Moneywise service in preparation for the welfare reform changes in 2013, affecting many of their tenants. The service includes budgeting advice, benefits, getting bank accounts and employment assistance. In the first 12 months the team engaged with 511 residents, have

reduced rent arrears by around £176,000 and increased unclaimed benefit income by around £1.4m;

- Employment – by helping residents, 24 local people have found paid employment, 18 of whom were Raven tenants;
 - By helping communities, Raven engaged with 800 young people, resulting in a 60% reduction in anti-social behaviour. 100 young people regularly attend one of Raven's youth clubs;
 - Focusing on repairing and improving homes, improvements have been seen through improving kitchens, building new bathrooms and replacing front doors;
10. The Trust also works closely with the Council on a range of issues including Housing Benefit issues, fraud, anti-social behaviour, crime and disorder as well as housing issues.

NOMINATIONS

11. Registered providers have both a legal duty to assist the Council with its homeless duty and local agreements that enable the Council to manage the Housing Register for waiting list applicants and transfer applicants.
12. Registered providers do not have to provide the Council with 100% of their vacant and available housing. The current arrangement with Raven Housing Trust is that the Council will receive 70% of all vacancies. Applicants who successfully bid or are directly matched to properties will be subject to the nomination process as detailed in the Council's policy. The Council will conduct all the relevant checks and then nominate the successful applicant to the registered provider.

DEVELOPMENT OF AFFORDABLE HOUSING

13. The Council relies on registered providers and other providers to develop new or replacement affordable housing in the borough. Development activity is governed by a number of issues including -
- general house building activity by private developers
 - funding from the Homes & Communities Agency
 - funding from other sources
 - capacity of registered providers for development (borrowing, risk etc)
 - availability of suitable sites

14. The table below shows the breakdown of all new dwellings completed in the Borough in the past four years

Year	Private	Social/Affordable Rent	Shared Ownership	Total
2010/11	285	94	60	439
2011/12	403	37	15	455
2012/13	395	33	41	469
2013/14	360	44	58	462

CURRENT ISSUES FOR REGISTERED PROVIDERS

15. Changes under Welfare Reform have directly impacted registered providers, in particular from 2013 with the introduction of under occupation in the social sector (also known as 'bedroom tax' or 'spare room subsidy') and the Benefits Cap. These changes affected a relatively low volume of tenants, but have had significant effects on some tenants.
16. Restricted 1% increases to Benefits rates, such as Jobseekers Allowance, and the requirement to pay Council Tax, have resulted in more tenants struggling to pay rent or fall into arrears. This has resulted in a greater dependency on claiming Discretionary Housing Payments.
17. Universal Credit is to be rolled out nationally from February 2015, with Surrey not affected until at least May 2015. Initial roll out will only be for single claimants without children, and other claimants becoming affected between May 2016 and December 2019. Payment of Universal Credit will be to the tenant, whereas presently in most cases Housing Benefit payments are paid directly to the registered providers. There will be an increased risk of rent arrears and late payments, and additional resources will be needed to manage and support this group of tenants. Annex 2 contains the latest timetable for the roll out of Universal Credit.

EQUALITIES IMPLICATIONS

18. There are no equalities implications for the Council. However, registered providers are required to assess the impact of their services on different types of service users in order to eliminate discrimination.

POLICY FRAMEWORK

19. Promoting the development of affordable housing has been a key priority in the Corporate Plan 2011-15, and remains a priority in the Council's 5 Year Plan 2015-2020. The Core Strategy, and other related documents also outline the need for additional affordable housing and making best use of the existing stock.

CONCLUSIONS

20. Registered Providers are key partners in managing, making best use of and developing new affordable housing. In some parts of the borough registered providers manage a significant proportion of homes in the local community. A close and positive relationship between the Council and registered providers, particularly Raven, will assist in the achievement of our objectives and can only be advantageous to borough residents.

Background Papers: Reigate & Banstead Tenancy Strategy

http://www.reigate-banstead.gov.uk/Images/R%26BBC%20Tenancy%20Strategy%20Dec2012%20Final%20Version_tcm9-50670.pdf

Raven Housing Trust – Value for Money Review 2013/14

<http://ravenvfm13-14.org.uk/>

Annex 1 – Raven Housing Trust performance information

Key Performance Indicators – *source, Raven Housing Trust Value for Money Review 2013-14*

Performance Indicator	2013/14	Target
Tenants satisfied with repair work carried out	91.55%	90.00%
Customers satisfied with complaints service	57%	74%
Average re-let time for standard general needs homes	14.67 days	17.00 days
Rent arrears of current tenants	2.66%	2.90%
Dwellings failing to meet the decent homes standard	0.00	0.00
Tenant satisfaction with overall quality of home	83.19%	84.00%
New-let void period	4.78 days	9.00 days
Average re-let times for existing homes affordable and social	14.67 days	17.00 days
Rent collected as % of rent owed – all tenures	102.07%	97.00%

A full listing of KPIs can be found at

[http://www.ravenht.org.uk/data/files/Value for Money appendices/Board Report Q4 13 14 final.pdf](http://www.ravenht.org.uk/data/files/Value%20for%20Money%20appendices/Board%20Report%20Q4%2013%2014%20final.pdf)

Annex 2: Universal Credit time table

Note – the local authorities in Tranche 1 have been announced, but no Surrey districts or boroughs have been included.

Nov 2014	UC extends to families in Warrington and Wirral (new claims only).
End of 2014	UC live in all jobcentres in the north west and Hammersmith, Bath, Rugby, Harrogate, Inverness and Shotton.
Jan 2015	UC extends to families in all existing live sites.
Feb 2015 – March 2016	National roll out to all jobcentres – new claims from single people without children. Tranche 1 (Feb – Apr 2015) 150 jobcentres Tranche 2 (May – Jul 2015) 160 jobcentres Tranche 3 (Sept – Nov 2015) 180 jobcentres Tranche 4 (Dec 2015 – Mar 2016) 110 jobcentres
May 2016 – Dec 2017	National roll out to all new claims and claimants with change of circumstances
Jan 2018 – Dec 2019	Managed transfer of legacy benefit claims including housing benefit, JSA and income support.

Further information about Universal Credit is provided by the Department for Work and Pensions –

<https://www.gov.uk/government/news/welfare-revolution-rolls-out-to-families-universal-credit-to-be-in-a-third-of-jobcentres-by-spring>