

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 27 SEPTEMBER 2016

REPORT BY EXECUTIVE MEMBER FOR HEALTH AND WELLBEING

ANNUAL PERFORMANCE REPORT FOR NETWORK HOMES AND
CIRCLE HOUSING SOUTH ANGLIA HOUSING ASSOCIATIONS
2015/16

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The report advises the committee on the progress made by the two housing associations which received the Council's housing stock following large scale voluntary transfer in 2002 on the three undertakings that remain following the end of the Delivery of Promises Programme in 2007.
- The report also reports on the performance of both associations' repairs services.

RECOMMENDATIONS FOR COMMUNITY SCRUTINY COMMITTEE

That:

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| (A) | the Committee review performance in 2015/16 by both Network Homes and Circle Housing South Anglia housing associations on the three remaining stock transfer undertakings and pass any recommendations onto the Executive Member for Health and Wellbeing for consideration. |
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1.0 Background

- 1.1 In March 2002 the Council sold its stock of some 6,500 dwellings to Riversmead (now Network Homes) and Stort Valley (now Circle Housing South Anglia) housing associations in return for a capital receipt and a programme of improvements to the stock. This improvement programme was termed the 'Delivery of Promises'.
- 1.2 The first five year Delivery of Promises programme came to an end in March 2007 and a report was presented to the Performance Scrutiny Committee in July 2007. Importantly, there were other

conditions attached to the sale of the stock which had a much longer timeframe: nomination rights to their empty properties, spend on aids and adaptations and a clawback of receipts arising from right to buy sales.

1.3 At the Community Scrutiny Committee meeting in July 2008 it was agreed that officers should report annually to Community Scrutiny on the remaining stock transfer undertakings.

2.0 Report

2.1 The majority of the promises following stock transfer ended after five years but three of the promises have a much longer life span. These remaining promises are monitored by the Housing Service.

2.2 **Nomination percentages.** The Stock Transfer Nomination Agreement states that the two housing associations should allow the Council to nominate tenants to three out of every four of the homes that were transferred whenever they become vacant. This agreement has no end date and it is envisaged that it will run in perpetuity.

2.3 **Aids and Adaptations.** The agreement states the amount that each of the stock transfer housing associations is expected to spend on aids and adaptations, to allow disabled tenants to remain living in their own homes, before turning to the Council for financial assistance. The figure set for the first year was £185,000. It was agreed that this amount should increase annually by inflation, as measured by the Retail Price Index. This agreement lasts for 30 years from the sale of the stock. Based on this agreed calculation the target spend figure for 2015/16 was £270,187.

2.4 **Right to Buy Clawback agreement.** The agreement entitles the Council to a financial settlement or clawback, from the housing associations, from the sale of each home where the tenant had a 'preserved right to buy' entitlement at the time the stock was sold. The value of the claw back amount reduces over time to zero after 30 years from the date of the sale of the stock.

2.5 The performance of the two housing associations against these three promises in 2015/16 is shown in the table below.

2015/16	Target	Network Homes	Circle Housing South Anglia

Percentage nominations to vacant homes	75%	100%	100%
Spend on aids and adaptations	£270,187	£220,980	£246,614
Homes sold under the preserved Right to Buy	40 per annum for each RP	6	6

- 2.6 There are three points to note regarding performance.
- 2.7 **Point 1:** Network Homes and Circle Housing South Anglia housing associations have both agreed to use the Council's Common Housing Register and so they do not maintain their own transfer lists. As a result, all nominations to Network Homes and Circle Housing South Anglia properties in East Herts are made through the Council. Therefore the actual percentage of nominations to vacant homes in practice is 100%.
- 2.8 **Point 2:** Aids and adaptation works range from small scale hand and grab rails, for which tenants can self-refer through the repairs service for both housing associations, to major works recommended by Herts County Council, following an Occupation Health assessment.
- 2.9 Neither Network Homes nor Circle Housing South Anglia met the target spend for Aids and Adaptations in 2015/16. Each has provided the following information.
- 2.10 Paul Huckstep, Regional Director at Network Homes has advised that there is no current backlog of work, that they have not turned down any aids and adaptations work on the basis of funding and that all the Occupational Health recommendations received have been actioned. In addition some minor aids and adaptations work, that tenants can self-refer will have been costed to the general repairs budget, but they are unable to quantify the actual amount spent.
- 2.11 Anne Brighton, Head of Housing, Circle Housing South Anglia provided the following statement regarding spend on aids and adaptation works:

We have a significant budget for this service area. Minor adaptations are completed within 20 days of a request and

major adaptations are assessed and prioritised. As at 31.3 all requests received (via self-referrals or Occupational Health colleagues) had been approved or were in the process of being assessed & approved. During last year we also had a number of applications withdrawn at the request of the OT and customer or their advocate.

2.12 It would thus appear that inflationary increases in the target spend for capital aids and adaptations works coupled with the revenue spend on smaller adaptations carried out through the repairs programmes means that both associations are meeting the needs of their tenants. The Council will, however, keep the situation under close review with the two associations.

2.13 **Point 3:** The preserved Right to Buy (RTB) claw back agreement was based on a target of the housing associations selling 40 properties each per year, based on the previous ten years' performance as at 2002. However, there has been a significant down turn in sales since the stock transfer agreement with a total of 282 properties having been sold, under this agreement, in the thirteen years since stock transfer; an average of 21 per annum. This is significantly less than the original target of 40 per annum. The council still receives a clawback amount for each property sold but the overall amount received is therefore significantly less than that predicted in 2002. This reduction in sales is in the main due to the combined effect of significant capping of the eligible discount and high property values in East Herts. Of note, is that the number of tenants eligible for the 'preserved right to buy' (that is, they were secure tenants of the Council at the time of transfer) is reducing each year and will continue to reduce.

2.14 The low level of sales through the RTB has been a concern for national government and they sought to increase purchase rates by doubling the discount level in 2012 and building in annual inflationary uplifts. The discount for 2014/15 in East Herts was set by the government at £77,000. This was increased from April 2015 to £77,900. However, it unlikely that right to buy rates will increase to a significant degree in the coming years.

2.15 **Repairs**

At the Community Scrutiny Committee of 17th November 2015 the Executive Member for Health and Wellbeing submitted a report commenting on the repairs services of the four significant stocking holding housing associations in East Herts. The Committee agreed that the repairs services of the major local housing

associations be monitored annually with the findings integrated into the Housing Stock Transfer Performance Report.

2.16 Network Homes and Circle Housing South Anglia, which together own and manage approximately 90% of the affordable homes in East Herts, monitor their own repair services in detail, albeit in slightly different ways. They have both been asked to provide statistics for 2015/16 that are broadly comparable on three main aspects:

- percentage of repairs completed within target time,
- percentage of repairs completed at first visit,
- percentage of customers satisfied with their last repair.

Network Homes

Figures are for the whole of Network Homes as the organisation does not report by local authority area.

- Percentage of repairs completed within target:
 - Emergency 94.5% (target 85%)
 - Urgent 90.9% (target 85%)
 - Routine 88.5% (target 85%)
- Percentage of repairs completed first time – 91.8% (target 85%)
- Percentage of customers satisfied with last repair – 86.2% (current target 82% rising to 90% over next 5 years).

Circle Housing South Anglia

Performance figures are for East Herts homes.

- Percentage of repairs completed within target:
 - Urgent 86.0% (target 98%)
 - Emergency 90.5% (target 98%)
 - Routine 94.6% (target 95%)
- Percentage of repairs completed first time:
 - Emergency 85.3% (target 80%)
 - Non-Emergency 84.8% (target 80%)
- Percentage of customers satisfied with last repair:
 - Emergency 91.7% (target 80%)
 - Non-emergency 89.7%. (target 80%)

- 2.17 Network Homes met their published target response times but Circle Housing South Anglia significantly missed the targets for urgent and emergency repairs completed within target time.
- 2.18 Anne Brighton, Head of Housing Services at Circle Housing South Anglia has provided the following comment regarding performance for repairs completed within target time.

‘At the end of end of March 2015, we had a significant volume of ‘overdue’ repair orders (approaching 3,000) – this has reduced significantly over the year, with a current rate of circa 200. We have seen a positive direction of travel over the year, with annualised performance levels moving towards our targets levels of 98% for Emergency and Urgent repairs and 95% for Routine and Voids. The significant levels of overdue orders at the start of 15/16 mean that achieving an annualised target would not have been possible. April 2016 shows current performance levels continuing to improve and this again helps to demonstrate the improvements made through collaborative working and progress with our transformation plan.’

- 2.19 Circle Housing South Anglia has provided the following performance figures for April 2016:

- Percentage of repairs completed within target:
 - Urgent 99.7% (target 98%)
 - Emergency 96.2% (target 98%)
 - Routine 97.7% (target 95%)

2.20 ***Quarterly housing association meetings***

It worth noting that a partnership meeting with both the stock transfer housing associations and local ward councillors is held quarterly at the housing association offices. Both performance and strategic issues are covered. Recent topics have included repairs, tenancy management and development issues. These meetings are chaired by Councillor Buckmaster, Portfolio Holder for Health and Wellbeing. All members are invited to attend.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper ‘A’**.

Background Papers
Stock Transfer Agreements 2002

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