

EAST HERTS COUNCIL

COMMUNITY SCRUTINY COMMITTEE – 23 SEPTEMBER 2014

REPORT BY EXECUTIVE MEMBER FOR HEALTH, HOUSING AND
COMMUNITY SUPPORT

ANNUAL PERFORMANCE REPORT FOR RIVERSMEAD AND CIRCLE
HOUSING SOUTH ANGLIA HOUSING ASSOCIATIONS 2013/14

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The report advises the committee on the progress made by the two large scale voluntary transfer housing associations on the three undertakings that remain following the end of the Delivery of Promises Programme in 2007.

RECOMMENDATION FOR COMMUNITY SCRUTINY COMMITTEE:

That:

(A)	The Committee review performance by both Riversmead and Circle Housing South Anglia Housing Associations on the three remaining stock transfer undertakings for the year 2013/14 and pass any recommendations onto the Executive Member for health, housing and community support 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 and Stort Valley (now Circle Housing South Anglia) housing associations in return for a capital receipt, 75% nomination rights and a five year programme of improvements to the stock, which has been termed the 'Delivery of Promises'.

- 1.2 The undertakings were of two types. The majority concerned improvements to the housing stock transferred and had targets for either minimum spend or number of improvements. The 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. Additionally there were other conditions attached to the sale of the stock which had a much longer timeframe for example nomination rights to their empty properties.
- 1.3 At the Community Scrutiny Committee meeting in July 2008 it was agreed that officers should report annually 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 give the Council 3 out of every 4 of their vacant homes (of the homes that were transferred) for the Council to nominate to households on its Housing Register. This agreement is in perpetuity.
- 2.3 **Aids and Adaptations.** The agreement states the amount that each housing association is expected to spend on aids and adaptations for their own tenants before the Council can be requested to financially contribute to adaptations to their own stock. The figure set for the first year, £185,000 per annum, is subject to an agreed annual increase based on RPI (Retail Price Index). This agreement lasts for 30 years from the sale of the stock.
- 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. The percentage clawback reduces over time to zero percent after 20 years from date of the sale of the stock.
- 2.5 The performance of the two housing associations is shown in the table below.

2013/14	Target	Riversmead Housing Association	Circle Housing South Anglia
Percentage nominations to vacant homes	75%	100%	100%
Spend on aids and adaptations	£262,991	£277,055	£326,000
Homes sold under the preserved Right to Buy	40 per annum each	7	4

- 2.6 There are three points to note from the figures presented.
- 2.7 Riversmead and Circle Housing South Anglia Housing Associations both belong to the Council's Common Housing Register. Therefore the Council's Housing Register contains all of Riversmead and Circle Housing South Anglia Housing Association tenants, in East Herts, needing to transfer to an alternative home in East Herts. In return for this the Council has nomination rights to all of their vacant homes. Therefore the target percentage nomination to vacant homes under this agreement is 100%.
- 2.8 The type of aids and adaptations works varies from small scale hand rails 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 a full assessment).
- 2.9 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. However sales have experienced a significant down turn since the stock transfer agreement with a total of 258 properties having been sold in the twelve years since stock transfer; an average of 21.5 per annum. This is significantly less than the target of 40 per annum. This is in the main due to significant capping of the eligible discount and high valuations of the properties therefore making them generally unaffordable. In addition, the number of tenants eligible for the preserved Right to Buy is reducing each year.

2.10 The low level of sales through the RTB is a national trend and prompted the government to double the discount levels in 2012 to try to promote an increase in sales nationally. This brought the maximum discount cap to £75,000 in East Herts. This may have prompted the small increase in RTB sales since 2012.

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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