

<b>28 June 2017</b>	<b>ITEM: 11</b>
<b>Council</b>	
<b>Report of the Cabinet Member for Housing</b>	
<b>Report of:</b> Councillor Rob Gledhill, Portfolio Holder for Housing	
<b>This report is Public</b>	

- 1.1 This report provides an overview of the Housing service and sets out the main challenges and opportunities facing the Council in its diverse housing identities as:
- social landlord and asset-holder,
  - provider of statutory homelessness, housing advice and private sector housing services,
  - strategic housing provider/enabler, and
  - ‘place-shaper’ with regard to housing supply and regeneration.
- 1.2 The report summarises the performance of the service in the financial year just ending, describes the organisational and cultural change in progress within the service, and sets out the framework of the housing review which is now underway.
- 1.3 The review aims to capture Thurrock’s housing ambitions for the next five years, and to set clear strategic goals for delivery. It will also use both the Council’s seven established design principles and a special focus on identifying community-based solutions wherever possible to arrive at a revised service structure. This will enable the service to deliver the Council’s vision for housing while also achieving efficiencies and maximising value for money for both the Housing Revenue Account and the General Fund.
- 1.4 We will all have been shocked to see the devastation caused by the fire at Grenfell Tower on Wednesday 14<sup>th</sup> June.

We have taken a number of immediate actions in Thurrock – a letter with the most up to date advice from the Fire Service was delivered to all residents in all of our tower blocks on Friday 16<sup>th</sup> June and this was accompanied with a door knock to speak to and re-assure those residents we were able to contact; residents and tenants meetings have also been organised; a help number was circulated to all tenants; all Cllrs have received an update and briefing from the Head of Housing; within 24 hours we reviewed all of our Fire Safety requirements and I am pleased to say we were Green on all of these. I will report verbally to the Chamber on other actions we have taken on the night of full Council.

## 2. Service Overview

- 2.1 The Housing service provides a wide range of statutory and landlord services, and utilises the majority of Housing Revenue Account resources as well as some smaller General Fund budgets. The service has a key role in directly delivering nine of the Council's Key Performance Indicators, and accounts for a high proportion of the Council's interactions with residents, especially in relation to the very long-term and intensive relationship with customers bound up with the Council's role as a landlord.
- 2.2 The service also works very closely with colleagues in the Council's Environment and Place Directorate, which includes the Regeneration and Planning teams. In order to ensure clear strategic oversight and effective joint working a new Housing Investment and Regeneration Group has been established, comprising senior managers from both Directorates along with senior Finance staff. The next section of this report focuses on the teams within the Housing Service.
- 2.3 As a service Housing is responsible for the following key functions:
- Caretaking and Estate services (a range of caretaking services are currently in place, with differential charges reflecting the level of service provided – there are also a large number of blocks where no service is currently provided).
  - Tenancy services – housing management for our 9,000 tenants including tenancy audits, low-level Anti-Social Behaviour cases, succession, recharges, etc.
  - Void re-servicing – arranging viewings, inspecting works, ensuring properties are fit to re-let.
  - Rent collection / financial inclusion (assistance with debt and personal budgeting).
  - Repairs and planned maintenance across the Council's residential assets.
  - CCTV – monitoring and maintaining 350 cameras across the borough and dealing with 650 reported incidents p.a.
  - Domestic abuse and hate crime.
  - Anti-Social Behaviour – cases escalated to Level 2 where statutory enforcement is appropriate.
  - Private sector housing service – mediation and enforcement between private landlords and their tenants.
  - Capital programmes – including Transforming Homes (see below).
  - Responsive repairs – 34,000 repairs p.a. carried out through Mears Ltd.
  - Leaseholder services (shared service with LB Barking and Dagenham for 830 leaseholders in Right to Buy properties).
  - Resident engagement – consultation events, capacity-building for Tenants and Residents Associations, etc.
  - Housing register and allocations (currently 8,000 households on the housing register).

- Housing options and homelessness prevention.
- Homelessness assessment and reviews.
- Temporary accommodation for homeless households (also tenants displaced by emergencies/disrepair, and placements for other services including Adult Social Care).
- Quality Assurance and Resident Liaison for tenants.
- Management / rent collection / community liaison for official travellers' sites.

- 2.4 The service also includes a Business Improvement team contributing to special projects such as 'Housing First' – a scheme providing intensive support to a cohort of tenants with severe mental and/or physical health issues, and the new proposed Keyworker scheme to assist crucial professionals in Education, Social Services and the NHS to live and work in the borough
- 2.5 The current staffing structure is an interim configuration following a number of prior re-organisations at senior level in particular. The housing review will incorporate a thorough review of the current structure to achieve efficiencies wherever possible and to group staff in the most effective way to deliver the service's objectives, with the customer at the centre of the service model.

### **3. Housing New Build and Regeneration**

- 3.1 In addition to the housing management service the Council's housing development and new-build functions are carried out as part of the Property and Development function in the Environment and Place Directorate. This enables a close link to be made between housing development and the Council's wider work on regeneration, place shaping and strategic planning.

### **4. Performance in 2016/17**

- 4.1 The last financial year was one of significant change in the Housing Service. A senior management re-organisation was carried out to build on the incorporation of the Housing service into the Adults, Housing and Health Directorate, and the new permanent Head of Service took up his post in November 2016 after a period of interim leadership at that level. The number of changes in recent years has had predictable effects on the cohesion of the staff group and contributed to some cultural issues which are being addressed to create a more cohesive service.
- 4.2 Performance in some key areas remained strong as reflected in the end-of-year performance data. As shown in Appendix A targets have been or almost met for the key housing management measures of rent collection at 99%, maintained from 97% in 2015/16, and void turnaround times, which were slightly below target at an average of 34.7 days, an improvement on the 2015/16 figure of 36 days.

- 4.3 As at March 1<sup>st</sup> there were 105 void properties in the process of being re-let, a void rate of just over 1%, with 2 further properties classed as long-term voids due to the level of works needed to make them lettable, one of which is in use as a decant property. As a result of tight management in this area, overall estimated void loss for the year was £29,000, or approximately 0.008% of the gross rent debit figure, and this along with the high level of rent collection has helped to continue to balance the operational budget.
- 4.4 The Rents team also worked effectively with 650 tenants to help them sustain their tenancies through budgeting support, brokering repayment agreements to reduce arrears, etc. Where tenants do not bring their rent accounts in line despite our efforts, we reserve the right to evict – a total of 48 secure tenants were evicted during the year for rent arrears, with a further 12 evicted for other tenancy breaches (anti-social behavior, etc.) In 12 further cases introductory tenancies were converted into secure tenancies, and properties recovered, due to arrears and/or other tenancy breaches during the introductory period.
- 4.5 Contract management of the major repairs and refurbishment contracts was challenged and tightened throughout the year, and has had a strong focus in recent months. The projected overspend on the reactive repairs contract with Mears Ltd. has reduced considerably following a tight focus on those repairs classified as ‘exclusions’ (and therefore paid at an individuated rate rather than through the standard ‘price per property’ which is the basis of the contract. The final deficit for this budget line was £408k, reduced from a £900k forecast in the middle of the financial year (as shown below mitigation elsewhere in the HRA means that a surplus was achieved overall).
- 4.6 Of particular note is the increase in reported customer satisfaction with Mears Ltd., which showed a year-on-year improvement of 15%, from 78% in March 2016 to 93% in January 2017. Detailed analysis of the satisfaction data provided through an independent survey shows that in most specific areas there have been significant improvements in customers’ feedback, especially in relation to communications and keeping appointments.
- 4.7 The Transforming Homes programme progressed well throughout 2016/17, with one of the two partner companies working in the final months on properties formerly scheduled for 2017/18. A total of 1,115 homes were completed in the year under the Programme, bringing the overall total to 6,500 which is 65% of the total stock. Customer satisfaction ratings for the programme are also high with an anticipated final figure for the year of 85% against a target of 80%. There are some variations in this data between the two contractors for the programme, and work is in hand to improve the performance of the lower-performing company.

- 4.8 While the mainstream spend on kitchens and bathrooms for the programme is being managed within the annual budget of £10m, there have been a high number of voids arising outside the programme time frames which require significant extra capital investment to bring them to a lettable standard. There have also been a number of exceptional properties which required structural interventions over and above the Transforming Homes specification. For these reasons a forecast overspend position was reported earlier in the year, but this was addressed through efficiencies elsewhere, closer budget monitoring and some accounting adjustments to bring the budget into balance at year end.
- 4.9 In other areas of the service the end-of-year performance figures give some cause for concern. The number of households in temporary accommodation rose significantly, from 87 in March 2016 to 133 at year end. Homelessness prevention is also running well below target, with a clear impact on the number of cases accepted as homeless and the temporary accommodation numbers. The number of garages not in use is also above target.
- 4.10 Intensive work is underway to achieve a stronger focus on homelessness prevention and to procure private sector tenancies wherever possible for those with an agreed housing need. The increase in these indicators in Thurrock is consistent with regional and national trends, but our aspiration is to contain the financial and opportunity costs of homelessness as far as possible in this context.
- 4.11 Appendix A shows the full scorecard of performance indicators across the service for 2016-17, divided into
- a) Council Key Performance Indicators (KPIs) and
  - b) Local Performance Indicators (LPIs) monitored within the Adults, Housing and Health Directorate.
- 4.12 Of the 9 KPIs 7 were either achieved and show as green on the dashboard, or are 'tracker' indicators where no target is set (shown with no colour). Both overall tenant satisfaction and void turnaround times fell narrowly below target and are shown as red.
- 4.13 Of the 36 Local Performance Indicators, 11 (30%) were below target at the end of the year, in most cases by a small margin. The table below provides some contextual commentary for each of these. A number of indicators for repairs were well above target, such as the average time to complete a routine repair, where Mears achieved an outturn performance of 9 days against a target of 20. The company has agreed to the setting of new, more challenging targets for 2017/18 in order to continue to drive performance in an upwards direction.

*'Red' performance indicators as at March 2017*

<b>Local Performance Indicator</b>	<b>Target</b>	<b>March 2017 figure</b>	<b>Commentary</b>
Satisfaction with Anti-Social Behaviour casework	67%	64%	Case closure process and feedback to tenants to be reviewed
Properties recovered through investigations	60	10	Referral process under review – new protocol drafted for agreement with Fraud team
Complaints received	650	894	'Concerns' category no longer in use – estimated level without this change would be 600 for whole year
Customer slips received/closed (Homeless)	95%	93%	Methodology under review
Households in temporary accommodation	70	133	Increased demand due to private evictions (quarterly 'loss of assured shorthold tenancy' figure increased from 22 to 49 (123%) between Sept. 2015 and Sept. 2016)
Private rented properties sourced	70	45	Challenging local market, limited access – incentives to landlords to be reviewed
Downsize moves achieved	70	56	Reduced movement in stock – impact of removal of spare room subsidy minimal – incentives to tenants to be reviewed
Garages made void/available to let	750	498	Full review in progress, matching exercise underway to tackle backlog

Average turnaround for adaptations	75%	73%	Performance now on track with 93% achieved in quarter 4
Tenancy audits completed	33% of properties	25%	Revised targets agreed, to be included in PDRs for all housing officers
Customer slips addressed within target (QA team)	95%	92%	Performance now on track with 98% achieved in quarter 4

4.14 The suite of local indicators has been reviewed to ensure that in 2017/18 a robust set of trackers and 'stretch' targets is in place, and a new dashboard has been introduced to ensure that the most appropriate measure are the subject of high-level monitoring, and also that all teams in the service are represented by at least one indicator. The new dashboard with figures for April 2017 is also shown below (financial data and some other information was unavailable as this report was written)

4.15 During 2016/17 the service has also moved further towards full use of the Northgate housing database – the modules included in Phase One are fully operational (Rents, Repairs, Customer Services/Anti-Social Behaviour, Homelessness) and the Asset Management module (known sometimes as 'Codeman') is currently being installed. There has been some slippage in the delivery of the fully integrated system, and negotiations will take place with Northgate to ensure that project costs are contained. It is planned that the Phase Two modules, including Allocations and Temporary Accommodation, will be going live in the first half of 2017/18.

4.16 The system incorporates Business Objects, a management information tool which will be used to improve the quality and timeliness of performance data across the service, and drive improvements both in the quality of the data and in the responsiveness of the service to our customers.

## **5. Housing development – new-build and regeneration**

### **New build programme**

5.1 The Housing Revenue Account new build programme will deliver in total 118 new Council homes for rent. The properties will be a mix of houses, low rise flats and bungalows. The total budget for the programme including design and survey fees, project management costs and

construction costs is £30.7m. Rents are being set at 70% of local market rents under the Affordable Rent regime.

5.2 In order to reduce annual costs on the HRA for the new schemes it is proposed to utilise Right to Buy Receipts which would otherwise potentially need to be paid to the government along with interest at 4% above the base rate. Sufficient unallocated receipts of £9.8 million have been identified to make this adjustment and ensure the financial and reputational risks of returning unspent RTB proceeds are avoided. As a result of this the Council has also been able to return to the Homes and Communities Agency a grant of £0.5m for new development which would have made only a small contribution to the schemes.

5.3 Individual schemes are listed below. In every case the units will be let through the HRA. Each scheme has also been subject to a full review by the Commission for Architecture and the Built Environment, and re-designed as appropriate to fulfill the Commission's recommendations.

#### **5.4 Echoes, Seabrooke Rise, Grays**

This development of 53 flats adjacent to the Seabrooke Rise estate was completed and let in 2016-17 following a delay of 3 months – the total cost of the development was £13.6m, a gross average unit cost of £250k for each property.

#### **5.5 Tops Club, Argent Street, Grays**

The Tops Club scheme will provide 29 units of 1, 2, 3 bed flats and maisonettes together with an enhanced playground for residents. The scheme gained planning permission in January 2017 and preparations are well underway to commence procurement of a building contractor.

#### **5.6 Claudian Way, Chadwell**

This is a 53-unit scheme consisting of a mix of bungalows, houses and low rise flats. The scheme has been the subject of extensive local consultation. A planning application has now been submitted and is awaiting a committee date. Procurement of a building contractor will commence immediately post planning approval is obtained.

#### **5.7 Calcutta Road, Tilbury (HRA)**

Final design requirements are being addressed following a recent CAGE review for this development of 35 flats for people approaching retirement and beyond. The scheme accords with the 'HAPPI' principles ('Housing our Ageing Population – Panel for Innovation') which will ensure good design appropriate to the age group. A planning application will be submitted soon and the programme anticipates start on site in October 2017, subject to planning approval, with first

completions expected in March 2019.

## **5.8 Local Housing Company - overview**

The principle focus of the local housing company Gloriana Thurrock Ltd (GTL) is to support the achievement of the Council's wider regeneration goals through the delivery of specific housing schemes which support the economic development of the Borough. The company is continuing to look at development opportunities and options with a view to bringing forward a pipeline of developments for consideration. The Board meets bi-monthly, with general meetings for shareholders also being held twice a year. The next shareholder's meeting will be in June 2017.

## **5.9 St Chads, Tilbury**

This development will deliver 128 new homes a mix of 2, 3, and 4 bed houses. Construction has continued through 2016/17. The first 37 units were handed over on 31st March 2017. The remainder of the site will be completed through a phased approach until August 2017. The scheme will include at least 20% affordable housing (26 units). The St Chads' development supports the regeneration of Tilbury and has recently been recognised in the industry by winning a design award and a 'considerate contractor' award.

The Council will continue to appraise sites that it wishes to bring forward for development and consider the local housing company as one its potential delivery channels for each scheme.

## **5.10 Gloriana - Council Motion**

GTL welcomed the recent Council motion and the continued scrutiny of its activities, business planning and funding requirements by Council, including producing an annual report and quarterly reports to its shareholders forming part of the General Services Committee. GTL has worked closely with the Council to formalise how this will be implemented at the next Gloriana Board meeting and ahead of a report to the next general meeting of GTL Shareholders. GTL also welcomes the reassurance provided in the motion with regard to Members of the Council which also form part of the Planning Committee.

## **6. External strategic issues**

- 6.1 The service will be impacted by a number of ongoing trends in future years not least the changes to Thurrock's demographic profile and changes in the housing market which reflect the borough's growing attractiveness to current residents of London in particular. The recent South Essex Housing Market Trends survey showed house prices and private rents in Thurrock both rising above the average for the sub-region, and Thurrock with the second-highest gap (after Rochford) between average market rent levels and Local Housing Allowance

rates. This creates a challenging context in which to prevent homelessness and source affordable properties for residents in housing need.

- 6.2 In terms of national housing policy two major developments should also be noted. The recent Housing White Paper set out the government's analysis of the current 'broken' housing market, and includes extensive consultation on changes to the planning framework to unlock the potential for more homes, including 'family friendly tenancies' at lower rents and with longer minimum terms than the standard private lets into which increasing numbers of families are moving. The paper also re-states the principle that Green Belt development should be considered only as a 'last resort', and expresses support for a range of emerging initiatives from local housing companies (such as Gloriana Ltd. in Thurrock) and modular housing schemes.
- 6.3 The White Paper also confirmed the government's enthusiasm for the Homelessness Reduction Act, a private member's bill introduced by Mr. Bob Blackman, MP for Harrow, which has now received Royal Assent. Although extra funding for councils has also been announced for the first 2 years from enactment, likely to be in April 2018, this legislation will present real challenges in providing a better service to single homeless people in particular, and strengthening the statutory position of all households threatened with homelessness, in effect turning homelessness prevention from a good practice principle into a legal requirement.

## **7. Housing review – progress to date**

- 7.1 The housing review began during 2016, following a commitment by the administration to address some issues which were clearly a major concern of residents.
- 7.2 In the early months of the year special attention was paid to repairs performance, homelessness and housing options, and the operation of introductory tenancies. Concerns about the responsiveness of both the Council and its contractors to reactive repairs have clearly abated in recent months, although are still issues to be addressed around both the quality of repairs and - to a reducing degree as outlined – the customer experience of tenants reporting repairs.
- 7.3 A new interim management structure was introduced in Housing Solutions to address both concerns around under-performance and the perception of an overly strict 'gatekeeping' approach to homelessness. Progress has been made under both headings, but more progress is needed to instil a true prevention ethos and to improve the timeliness and quality of decisions. This will be an area of early focus in the housing review and proposals will be formulated by the end of July 2017 to implement the required actions.

- 7.4 In relation to introductory tenancies, changes were made in order to vest key decisions in the Rents team, This has led to a more consistent and sensitive practice in this area, and as with the other two 'burning issues' above there has been a clear improvement in the perception of the service on this issue.
- 7.5 Another area of urgent focus has been complaints about damp and mould, which are the biggest single cause of concern among tenants and their representatives. A new approach to tackling these concerns has already begun through the appointment of a specialist Damp and Mould Surveyor, working alongside a dedicated Resident Liaison Officer, to arrive at the right balance, property by property, between treatments, structural works, and recommendations to tenants on how certain housekeeping choices can mitigate the problem.
- 7.6 This balance will vary from case to case, but this focused project will provide us with some clear principles which can be used in conjunction with the survey data (and other data now being collated) to inform a consistent and effective approach to this remaining 'burning issue'. The project's findings will be mainstreamed into both the surveyors' team and the RLO function. Management recognises the urgency of this issue as there are damaging perceptions about the Council's approach to this issue which must be confronted and changed as soon as possible.

## **8. Stock Condition Survey**

- 8.1 In the context of reviewing both the financial position of the HRA and the intelligence available to inform future repairs and maintenance programmes, a decision was also taken to undertake a Stock Condition Survey. This exercise is now underway with surveys in progress across the stock.
- 8.2 The survey will run until the summer and involves 30% overall of the stock, broken down into categories (house, flat, garage, etc.) and by property type. The surveys involve a comprehensive inspection of every rooms inside each selected property, including all bedrooms and loft areas. Information will be collected on heating and electrical systems, elements related to damp and mould, adaptations, and other property attributes forming part of an overall assessment of the stock.
- 8.3 Externally, the surveys will cover such items as roofs (including communal roofs), brickwork, guttering and windows. The comprehensive paper survey will be complemented by measurements and photograph, all of which can now be uploaded onto the Asset Management module in the Northgate system (including through interfaces with the document management system Objective) to form a permanent record of the condition of the properties at the time of the survey.
- 8.4 Once completed this will provide a critical mass of accurate current data

(and valid extrapolations therefrom) which will be of great value in informing decisions about the priorities for future repairs and maintenance programmes.

## **9. Housing review – early priorities**

- 9.1 Further analysis of the service's current culture and performance has identified a number of other areas where a 'quick win' approach could be applied. The quality of response to members' enquiries and complaints has been an area of strong focus, and performance has improved in both respects, with positive feedback recently given by one tenant in particular who had raised major concerns on behalf of other residents. Budget monitoring has also improved, as shown in positive changes to financial forecasts, and the management team has started to collaborate more effectively and to drive an ethos of continuous improvement down to their individual teams.
- 9.2 Building on a comprehensive review of the housing service in the context of the Council's housing ambitions is appropriate, especially in light of the continuing challenge to financial resources through the rent reduction in particular, and the movements in national policy outlined in section above.
- 9.3 The overarching purpose of the review is to establish a fresh housing 'vision' for Thurrock, expressed through both a refreshed 'mission statement' and a series of discrete service offers for the range of customers relying on the service, and to move to a re-configured service that is designed to meet these objectives while realising maximum value from both the HRA and GF allocations to the service.
- 9.4 In the context of the above local and national changes, it is clear that Thurrock's housing services need to change to keep pace with developments and to make best use of all our housing resources.
- 9.5 Supply-and-demand modelling is essential to arrive at a robust and flexible data-set showing the likely needs of Thurrock's residents for the next five years against the expected pipeline of properties of all types. A small working group will be convened for this purpose at a very early stage of the formal review.
- 9.6 The contribution of Gloriana Ltd. to meeting housing need in the borough can be assessed in the round as part of this exercise. The White Paper's endorsement of local delivery models of this kind is clearly welcome in the Thurrock context, although the comments in the paper around the Right to Buy being included in such models will also need careful evaluation.
- 9.7 The relatively low level of Housing Association activity in Thurrock Council is of concern when considering the limited number of newly built Council homes which can realistically be delivered in the short to

medium term. Work is underway to strengthen the Council's dialogue with the Registered Provider community and to involve them in the solutions to Thurrock's housing challenges, whether as developers per se, through leasing/management arrangements for Gloriana , or even as temporary accommodation providers (as recommended in Professor Julie Rugg's report on the cost of temporary accommodation commissioned by the Department for Communities and Local Government in 2015)

- 9.8 The Council's regeneration ambitions are also clearly relevant to the vision for housing which will emerge from the review, and meetings are scheduled to revisit the assumptions and choices already made and to confirm the direction of travel for the coming years. The Housing and Investment group is well—placed to pull together the various strands needed to work in concert to deliver viable regeneration schemes on key estates in the borough.
- 9.9 The council needs to urgently consider the viability for the borough of some alternative housing products which have emerged in recent years. Modular housing in particular has a role to play in delivering more housing within shorter timescales and with a degree of flexibility not available through traditional on-site construction. Once again a clear endorsement in the White Paper provides a useful confirmation that such initiatives are seen nationally as part of the solution to some of the seemingly intractable issues around increasing the supply of housing. There is also scope to assess the potential of alternative models including Community Land Trust and Self-Build schemes in order to promote a more mixed economy of housing in the borough. Each of these options is strongly promoted in the White Paper as means of diversifying and increasing the supply of housing and in particular affordable housing.
- 9.10 Given the increased demand likely to be generated by the Homelessness Reduction Act when enacted in April 2018 or soon afterwards, it is also prudent as part of this strategic exercise to map actual and potential trends for homelessness and temporary accommodation, and carry out a 'first principles' review of the current approach to temporary accommodation. This is based mainly on using relatively high numbers of units in the Council's own stock as well as one large dedicated hostel, with the combined number of units available now proving insufficient to meet the newly increased demand for temporary accommodation.
- 9.11 A further objective of the review is to establish a constructive relationship with the private rented sector. It could be argued that the service currently is too focused on enforcement at the expense of working with as many landlords and agents as possible as partners in meeting housing need. A number of companies not currently working on a large scale in the region have expressed in interest in meeting Thurrock managers to explore options for the future, and the

ideas in the White Paper around 'family-friendly tenancies' may play directly into this dialogue.

- 9.12 The Housing service has played a key role thus far in developing the 'hub' model as a way of delivering services differently and, more ambitiously, moving towards a model of collaboration between the council and the community which reduces the delivery of statutory services as a perceived solution to a particular issue. Between July and October 2016 volunteers in 4 of the 6 current hubs dealt with a total of 847 housing/homelessness enquiries.
- 9.13 To the extent that this already diverts demand away from the 'front line' of the Civic Offices it is welcome, but the potential for tenants and other residents to be further empowered in relation to housing is something the review will explore as a central theme alongside the seven design principles already in scope. A Local Area Coordinator with a previous background in housing has been partly co-opted onto the review team to provide this perspective when current processes and policies are being reviewed.
- 9.14 As an early outcome of the review the service has adopted a new 'mission statement' for housing to capture our ambitions for the next five years. Based on the challenges and opportunities summarised above this overarching vision is as follows;

*Meeting Thurrock's housing challenges.*

*We will increase the range of housing options and products available to our residents. We will work with our communities to help them find their own housing solutions wherever possible. We will deliver excellent responsive services to all our tenants and leaseholders and to all residents with a housing need'*

## **10. Housing review – timeline**

- 10.1 The review is being carried out as part of the corporate service review programme, and is the most ambitious of the current set of reviews in terms of scope.
- 10.2 Appendix C - '*Meeting Thurrock's Housing Challenges*' – summarises the objectives of the review and indicates in broad terms the approach being taken. A review team has been established which includes a balance of managers and specialist staff from within the service itself and staff from the corporate reviews team, including a 'critical friend' from the Strategy, Communications and Customer Services team. The review process will create the organisational focus needed to address the various and complex issues summarised above.
- 10.3 All staff in Housing are contributing directly to the review. A series of all-staff meetings were held in April setting out the timeline and principles of

the review, with discussions beginning at that point about what staff see as the main challenges and opportunities presented by the process. Staff in these sessions were also asked to articulate what they believe are the 'burning issues' of their customers so that wherever possible these could be addressed as quick wins.

10.4 A staff awayday is taking place on June 21<sup>st</sup> which will focus on the contribution individuals and teams can make to achieve our objectives. We are refreshing the Housing Workforce Group so that it can contribute meaningfully to the review and the development of the service.

10.5 The breadth of the review and the complexity of some of the areas it will cover mean that the full timeline – including implementing all recommendations - runs until the end of 2017-18.

10.6 Within that overall period certain elements can be completed as early priorities, including;

- The supply and demand modelling which will inform many of the other strands of the review
- Refreshing the approach to homelessness prevention and statutory homelessness
- Reviewing the repairs policy to create a more consistent and comprehensive document which strikes the right balance between tenants' rights and expectations and the Council's interests as a landlord
- Reviewing the allocations policy to arrive at the right policy for the future, placing a greater emphasis on homelessness prevention, community contribution and an efficient approach to lettings (e.g. potentially moving to a 'rolling' bidding system rather than a limited bidding cycle, and using the findings of the Stock Condition Survey to set the right priorities for planned maintenance and refurbishment programmes).

10.7 The 'deep dive' phase of the review is now well underway, and members of the review team are invigilating a number of areas of the service to map current processes and challenge established practice. This phase will conclude in September and will be followed by some weeks of 'solutions modelling', looking at potential changes to the shape and activities of the service, before the final phase begins in January, moving towards formal change proposals and an action plan to deliver our future objectives. Throughout this period quick wins will be identified and implemented wherever possible, rather than deferred until the formal conclusion of the review.

## 11. Financial summary – General Fund

- 11.1 The Housing service currently has a General Fund allocation totaling £661k and divided into 3 components; Homelessness, Private Sector Housing and Travellers. The individual allocations and outturn positions for 2016/17 are shown below. As a result of rent receipts from travellers' sites slightly exceeding net expenditure on homelessness and private sector housing, a balanced outturn was achieved for the overall GF budget;

	Full Year Budget	Forecast Outturn (based on Month 11)	Variance from Budget	
	£000	£000	£000	%
Homelessness	484	608	124	26%
Private Sector Housing	297	128	(169)	(57%)
Travellers	(120)	(79)	40	(33%)
<b>Total</b>	<b>661</b>	<b>661</b>	<b>(4)</b>	<b>(1%)</b>

- 11.2 It should be noted that homelessness and temporary accommodation is potentially an area of financial volatility, as supplier rates for privately owned temporary accommodation can be difficult to control. This is increasingly true in Thurrock, where London boroughs have increased their 'out-of-borough' placements. We are now accessing data through London Councils which show these placements to be higher in number than 33 which were formally notified to us during the year. Work is underway to improve the compliance of London authorities with the statutory requirement to provide information to Thurrock as a 'receiving' borough.

Where placements are identified which have not been the subject of a formal notification as required, the portfolio holder will be writing to his counterparts as Leader and Housing portfolio holder in the boroughs concerned to remind them of their statutory obligations. As noted above changes to homelessness legislation are approaching and this is likely to increase the pressure on the Homelessness budget, at least in the short term.

## 12. Financial Summary – Housing Revenue Account

- 12.1 The HRA revenue budgets controlled by the service are summarised below. A potential overspend position forecast in the earlier months of 2016/17 was averted, as tighter monitoring and control of spend was introduced. In particular, the upward trend in expenditure on responsive repairs under the Mears contract was reversed.

As shown above this was achieved without any reduction in customer satisfaction, which increased during the same period.

- 12.2 As a result of this and other measures to contain expenditure in a number of areas, those individual overspends which did occur were more than offset by efficiencies elsewhere. With rents exceeding all operational and repairs costs, an overall surplus position of £309k was achieved at year-end as shown below, enabling HRA general reserves to be increased commensurately.

	<b>Full Year Budget</b>	<b>Forecast Outturn</b>	<b>Variance from Budget</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Repairs and Maintenance	12,602	13,010	408	3%
Housing Operations	11,263	10,491	(772)	(7%)
Financing and Recharges	24,018	24,719	701	3%
Rent and Income	(48,426)	(48,554)	(128)	(0.3%)
Development	543	25	(518)	(95%)
<b>Total</b>	0	(309)	(309)	

- 12.3 In relation to Transforming Homes, pressures on the relevant capital budgets arose due to the average cost of bringing void properties up to standard, as well as some 'outlier' properties which required exceptional levels of capital spend under the programme. Effective budget management in the later quarters mitigated the position so that as at year-end there was a positive variance of 168k (1.68%) against the budget of £10m.
- 12.4 The HRA budget for new-build development is held in the Environment and Place Directorate – there was an overall underspend for the year of £3.7 million due to delays in commencement, which has been carried over into this year so that schemes are funded as they are delivered.
- 12.5 The figures below summarise significant movements in the HRA for 2017/18.

#### **HRA 2017/18 - budget movement summary**

<b>Loss of income - 1% rent reduction</b>	<b>710</b>
<b>Budget Savings/Increased Income</b>	
Service Charges	(67)
Garage Rents	(34)
Heating	(1)
Leaseholder Service Charges	(221)
<b>Total Budget Savings/Increased Income</b>	<b>(323)</b>

<b>Budget Pressures/Inflation</b>	
Salaries and Pay Award	80
Contractual Uplift on Repairs	170
Increased Recharges to the GF	180
<b>Total Budget Pressures/Inflation</b>	<b>430</b>
<b>Net Rental Loss</b>	<b>817</b>
Interest Charge	100
<b>Revenue Movement</b>	<b>917</b>
<b>Movement In Capital Resources</b>	<b>(2,067)</b>
Contribution to Reserves	<b>1,150</b>
<b>Net HRA Position 2017/18</b>	<b>0</b>

### 13. Summary

- 13.1 The Housing service has a key role to play in delivering for Thurrock residents the borough they wish to see. In 2016/17 performance overall remained strong in a context of increasing demand and organizational change. Effective financial management is in place and the service is working more cohesively across its wide operational remit to deliver improved services.
- 13.2 Building on improvements already made, and linking them to a wider strategic analysis of the future of housing in the borough, the housing review will deliver further service improvements throughout 2017/18. The Stock Condition Survey and the supply and demand modelling both now in progress will provide a robust data-set to inform decisions about future service delivery.
- 13.3 In the second half of the year the review will also establish the broad strategic mission for housing in the medium term which enables services and residents, working together, to respond to Thurrock's housing challenges.

## APPENDIX A – 2017/18 Performance Indicators

PI	Performance Indicators	Freq	Target	2016-17
<b>CPI</b>	<b>Corporate Performance Indicators</b>			
HCP0010	HRA Budget Variance	Monthly	0.0%	
HCP0020	GF Budget Variance	Monthly	0.0%	
HCP0030	% of invoices, handled by Housing, paid within 30 days	Monthly	TBC	
HCP0040	% of service income generation target met	Monthly		
HCP0050	Number of Complaints Received	Monthly	TBC	894
HCP0060	% of Complaints Upheld	Monthly	TBC	41%
HCP0070	Average Days Sickness Absence Per FTE Per Annum	Monthly	9	10.02
HCP0080	% staff turnover within year - rolling year average	Monthly		
HCP0090	% sickness within service which is long term	Monthly		
HCP0100	% absence within service which is stress related	Monthly		
<b>KPI</b>	<b>Key Performance Indicators</b>			
HKP0010	% General Satisfaction of Tenants With Neighbourhoods / Services Provided by Housing	Monthly	75.00%	70.97%
HKP0020	Number of Homes Transformed as Part of The Transforming Homes Programme	Monthly	1,000	1,115
HKP0030	% of Repairs Completed Within target	Monthly	97.00%	98.30%
HKP0040	% Rent Collected	Monthly	98.0%	99.0%
HKP0050	Average Time to Turnaround / Re-let Voids (in days)	Monthly	30.0	34.7
HKP0060	Number of Private Tenants Whose Homes Have Been Improved as a Direct Result of Enforcement Action	Monthly	530	636
<b>LPI</b>	<b>Local Performance Indicators</b>			
HLP0010	Number of Households Assisted to Downsize	Monthly	50	56
HLP0020	CORE Data Submitted	Monthly	100%	
HLP0030	Average Days Taken to Provide Shortlist	Monthly	3	
HLP0040	Satisfaction of New Tenants With The Sign-up Process	Monthly	75.0%	76.0%
HLP0050	Average Days Taken to Complete Letting After Keys Returned by Contractors	Monthly	4.00	
HLP0060	Level of Void Loss (£) - Dwellings	Monthly	£700,000	£445,777
HLP0070	Level of Void Loss (£) - Garages	Monthly	£250,000	£249,678
HLP0080	Average Number of Days Taken to Complete a Technical Survey	Monthly	5.0	5.5
HLP0090	% Cost Savings Realised as a Result of Inspections	Monthly	20%	
HLP0100	% of Tenants on Estates Represented by TRAs	Monthly	50%	
HLP0110	Tenant Satisfaction With Responsive Repairs	Monthly	90%	91%
HLP0120	% of Gas Service Checks Carried out Within Statutory Timescale	Monthly	100%	100%
HLP0130	Percentage of calls substantively responded to within 2 working days	Monthly	95%	
HLP0140	Number of projects due, delivered on time and on budget in the period	Monthly	90%	
HLP0150	Properties Recovered as a Result of Joint Action With Corporate Fraud	Monthly	30	17
HLP0160	Number of CCTV Incidents Resulting in Enforcement Action	Monthly	300	
HLP0170	Tenant Satisfaction With ASB Service	Monthly	65%	64%
HLP0180	Submission of all Statutory Returns by Deadline Date	Monthly	100%	
HLP0190	% of Caretaking Visits Completed on Schedule	Monthly	95%	
HLP0200	Tenant Satisfaction with Grounds Maintenance	Monthly	90%	

HLP0210	Number of Households in Temporary Accommodation	Monthly	125	133
HLP0220	Properties Sourced in The Private Sector as Preventions / PRSO Discharge	Monthly	120	45
HLP0230	Number of Families in B&B For More Than Six Weeks at Last Day of Month	Monthly	0	
HLP0240	Number of Homelessness Preventions	Monthly	350	396
HLP0250	% Rent Collected - Travellers	Monthly	98%	
HLP0260	Tenant Satisfaction With Transforming Homes	Monthly	80%	84%
HLP0270	% of Transforming Homes Contractors' Workforce Who Are Thurrock Residents	Monthly	40%	
HLP0280	% of Transforming Homes Contractors' Suppliers Based in Thurrock	Monthly	40%	
HLP0290	% of RTB Applications Processed in Target Timeframe	Monthly	100%	
HLP0300	Leaseholder Satisfaction	Monthly	55%	
TRK	Tracker Items			
HTR0010	Number of applicants on Housing Register; Bandings 1-3, 4,5	Monthly	Tracker	7,954
HTR0020	Number of mutual exchanges completed in the period	Monthly	Tracker	
HTR0030	Number of new social lettings	Monthly	Tracker	
HTR0040	Number of Households at Risk of Homelessness Approaching the Council For Assistance	Monthly	Tracker	2,285
HTR0050	Number of Homeless Cases Accepted	Monthly	Tracker	287
HTR0060	Outcome of Damp and Mould Inspections A - Housekeeping Advice Given B - Treatment C - Works	Monthly	Tracker	
HTR0070	Reported Households placed in Thurrock Borough Council by other Local Authorities	Monthly	Tracker	183
HTR0080	Number of ASB cases resolved without formal action	Monthly	Tracker	
HTR0090	Number of cases where formal ASB action has been taken	Monthly	Tracker	
HTR0100	Number of DA cases where formal enforcement action has been required	Monthly	Tracker	
HTR0110	Number of tenants evicted	Monthly	Tracker	60
HTR0120	Tenants provided with support and assistance to retain homes	Monthly	Tracker	652

## Appendix B – 2016/17 Outturn Indicators

Performance Indicators	Freq	Target	2015-16	YTD
<b>Key Performance Indicators</b>				
General satisfaction among tenants	M	72.00%	70.00%	71.84%
% Rent collection (BVPI 66a)	M	99.00%	99.64%	99.00%
Households at risk of homelessness approaching the Council for assistance	M	Monitor	2,944	2285
Number of homeless preventions	M	Monitor	741	396
Number of homeless cases accepted	M	Monitor	222	287
% of repairs completed within target	M	85.00%	95.00%	98.30%
Number of homes transformed	M	65%	5,838	65%
Average days to turn around voids (BVPI212)	M	33	36	34.7
Number of private residents whose homes have been improved as a result of direct enforcement action (Hazards Removed)	M	450	442	636
<b>Local Performance Indicators</b>				
Satisfaction of new residents with the take-on process	M	75%	71%	75%
Satisfaction with Transforming Homes	M	80%	84%	84%
Satisfaction with Repairs	M	80%	86%	91%
Satisfaction with ASB	M	67%	62%	64%
Reported Households placed in TBC by other LAs	M	Monitor	67	183
Number of households in TA	M	70	87	133
Properties sourced in the private sector	M	70	53	45
No of homelessness applications	M	Monitor	389	537
No applicants on Housing Register	M	Monitor	–	7,954
Number of households successfully assisted to downsize	M	70	75	56
Level of void loss - Dwellings	M	As per Finance	Not set	£37,148
Level of void loss- Garages	M	£200,000		£249,678
Garages available for letting (and voids)	M	Monitor	471	607
Average turn around for Council Homes adaptation (requests to completion)	Q	75.00%	80.00%	73.00%
Gas servicing	M	100%	100%	100%
Average no of days taken to complete an emergency repair	M	1.00		0.13
Average no of days taken to complete a non-urgent repair	M	20.00		9.01
Average no of days taken to complete a technical survey	M	5.00	6.8 in March 16	5.08
No of repairs undertaken	M	Monitor	3190 in March 16	34,056
Healthier & Safer homes (Well homes)* satisfaction	Q	85%		100%

Tenancy audits completed	M	33%	14%	25%
Number of residents engagement events	M	60	New	Unknown
Number of tenants at risk of eviction (including evictions)	M	50	271 (59)	60
Number of New ASB Cases (level 2 & 3)	M	Monitor		347
ASB Case open (& closed)	M	110	143	N/A
Access to services [% Customer Slips received and closed]	M	95.00%		92.89%
Level of sickness	M	8	8.71	TBC
No. of complaints upheld	M	Monitor	590	359
% Complaints upheld	M		59%	41%
Complaints received (All)	M	650	816	894
Properties recovered (fraud)	M	60	45	17
Tenants provided with support and assistance (Welfare)	M	Monitor	699	652
Number of Incidents recorded on CCTV, reported to Police	M	Monitor		527
MP & Members enquires	M	Monitor	1,956	1,806
Number of RTB Applications	M	Monitor	224	236
% of Customer Slips addressed within target (QA team)	M	95%		92.15%

## **Appendix C - Housing Review - *'Meeting Thurrock's Housing Challenge'***

Thurrock is growing and becoming a location of choice for more people. There are high levels of employment, and house prices and rents are growing as the buoyant housing market reflects the borough's upward direction of travel.

The housing review will position the borough to respond to these welcome developments while ensuring that current tenants and other residents in housing need receive improved housing services tailored to their circumstances, and benefit from the opportunities coming to the borough.

With a general needs housing stock of 10,000 including a substantial portfolio of sheltered housing, and a range of growth and development opportunities, Thurrock is well-placed to maintain and develop good housing services and to explore new models of delivery to respond to the dynamic changes in the borough.

The review will establish a new vision for housing in Thurrock based on the following;

- The right priorities for Housing Revenue Account expenditure for the long term
- The right set of ambitions for regeneration and development
- The right partnerships to increase the supply of affordable housing
- The right balance between general needs housing and supported and specialist schemes
- A constructive relationship with the growing private rented sector
- Tenancy services that enhance the quality of life for tenants and leaseholders
- The right allocations policy to make best use of our housing stock
- Services that respond to housing challenges before crisis point and prevent homelessness wherever possible
- An approach that devolves responsibility to communities wherever possible, and helps them to resolve their own housing issues

To put the customer – and his/her individual housing circumstances – at the centre of the review, and the service in the future, we will develop a set of clear offers to each group of customers – i.e. current tenants and leaseholders, private tenants, other residents in housing need, etc. – as well as a refreshed external offer to developers and other partners (taking into the Housing White Paper and the available regeneration options)

With the strategic priorities and the service offers in place, we will review all our key policies and processes to ensure we emerge with the right services to deliver them.

The review will also incorporate Thurrock's seven design principles (Customer and Demand Management, Processes, Property and Assets, Digital/ICT, Commercial and Procurement) and the review team will include both Housing staff and members of the corporate Service Review team to make sure the service moves forward in full alignment with Thurrock's future operating model.

All managers and staff in Housing have opportunities to input directly into the review, along with key partners from across the Council and a full range of external stakeholders.

The review will be conducted across the next twelve months, working to milestones based on the above (Vision and objectives / Customer and stakeholder offers / Review of key policies and processes / Change proposals and implementation) and reporting in March 2018, by which point some 'quick wins' will have been implemented and actions under various headings will already be underway. .

For further information contact John Knight, Head of Housing, or Dawn Shepherd, Housing Strategy Manager.