

Lead Officer's Report

Community and Housing Committee, 11 November 2010, item 5

Committee: Community and Housing

Agenda Item

Date: 11 November 2011

5

Title: Lead Officer Report

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Item for decision

Summary

1. This report advises members of any updates from the previous meetings and provides information put forward by officers regarding the services that report to this committee.

Recommendations

2. That the report be noted.

Situation

3. Reform of Council Housing Finance

On 20 October the Comprehensive Spending Review (CSR) announcements included confirmation that the present housing subsidy system is to be replaced with a self-financing system from 2012. This is something the Council has been strongly supporting in recent consultations. It is a welcome development which will enable rents to be retained locally, enabling the Council to keep its housing stock in good condition and provide funding for new social housing.

To enable transition to the new system, the Council will be required to take on a significant level of debt, but financial modelling shows that the costs of servicing the debt will be significantly lower than what is currently lost through the negative housing subsidy system.

Under the original proposal councils were to get freedom to keep capital receipts from Right to Buy sales. However it is uncertain whether this proposal will now go ahead as within the CSR there is now appears to be a requirement for councils to surrender full receipts to the exchequer. If this is the case the Council will need to carry out further financial modelling to ensure that self financing is still a sustainable option.

4. Recession Impact – Housing Options/Homelessness Update

Following the CSR it has been confirmed that the national homelessness grant funding programme will be continued for 2011/12 to 2015/16. Although it has been stated that it is likely that authorities will get a minimum grant payment reflecting their current payment (for UDC this is currently £60,000) the detailed

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local government allocations will not be published until December, so payment at the current level cannot be guaranteed at this stage.

The Government has also announced that funding for mortgage rescue will continue. To date Uttlesford Council has completed 3 mortgage rescues with others ongoing.

The effects of the proposed changes to housing benefit are another area of concern for the housing options and homelessness section. We currently encourage many of the clients we are assisting to look for accommodation in the private rented sector because of the shortage of social housing vacancies. Many of these clients will require help through housing benefit to make privately renting affordable. We are finding through the rent deposit guarantee system that some landlords are starting to request two months deposits from clients who will be on housing benefit. This means that the scheme will be under pressure as the funding will not be able to cover as many deposit guarantees.

A recent press release from Shelter warned:-

Households in Uttlesford will be an average of £74 a month worse off as a result of government cuts to Local Housing Allowance (figures based on the average loss per month are based on the average three bedroom household)The findings come from new, independent research commissioned by the housing charity which reveals that 134,000 households across England will either be evicted or forced to move when the cuts come in because they will be unable to negotiate cheaper rents from their landlords.

Figures from The East of England Local Government Association (LGA) also show that 61% of Local Housing Allowance (LHA) private sector claimants across all property sizes within Uttlesford will be affected by the changes to LHA.

The LGA comments that:-

The changes are also expected to have an impact on local authorities and the services they provide. Local authority managers will need to understand the implications for their area to ensure that appropriate advice can be given to customers and planning for impacts on services is undertaken.

There is likely to be greatly increased demand for social housing, particularly from larger households who are living in overcrowded accommodation, having been forced to move because they were unable to afford to pay the shortfall in their rent.

Evidence to the DWP Select Committee Enquiry suggests that the changes will lead to an increase in homelessness presentations caused by rising rent arrears and evictions for those already in accommodation

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and a reduction in the supply of affordable accommodation for those seeking it. The rise in homelessness is likely to have cost implications in terms of temporary accommodation and the demand for housing advice and debt counselling services.

With all the current pressures in mind it is very timely that the Council's emergency temporary accommodation at Molehill Green is now ready and following the open day on November 8 2010 will ready to provide a good alternative to Bed and Breakfast.

The number of people seeking housing advice has continued its upward trend with 242 seeking advice in the first quarter of 2010/11 and 297 in the second quarter.

5. Holloway Crescent update

The new bid for funding was successful and the HCA have awarded the Council money towards the new build bungalows at Holloway Crescent. The money will come via East Thames who applied for the funding on our behalf.

Progress on site has been good and the contractors are now planning and programming the internal trade commencements.

6. Pest Control Review Update

At the Committee meeting in March 2010 there was a request from Members to provide an update after 6 months on the progress made following the review of the Pest Control Service last year.

A full update including financial information and the effect of the change to the circumstances under which concessions apply are given in an appendix to this report.

In summary there has been a reduction in the number of requests for wasps' nests treatments compared to the same period last year due in part to seasonal variations but also to an increasing reluctance of potential customers to pay the higher charges. With respect to income from mice treatments and the eradication of rats on non domestic premises it is too soon in the year to assess the impact of the changes to charges. However, in spite of a downwards trend in requests for wasps' nest treatments so far this year income levels have been retained and there is an expectation of an increase in income from rodent control services as the year progresses. There is still a need to concentrate on obtaining further commercial contracts and increase income from rodent treatments.

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