

**MEETING**

**HOUSING COMMITTEE**

**DATE AND TIME**

**MONDAY 29TH JUNE, 2015**

**AT 7.00 PM**

**VENUE**

**HENDON TOWN HALL, THE BURROUGHS, LONDON NW4 4BQ**

**TO: MEMBERS OF HOUSING COMMITTEE (Quorum 3)**

Chairman: Tom Davey,  
Vice Chairman: Shimon Ryde

Melvin Cohen  
Val Duschinsky

Ross Houston  
Adam Langleben  
Kath McGuirk

Bridget Perry  
Tim Roberts

**Substitute Members**

Maureen Braun  
Richard Cornelius

Charlie O-Macauley  
Jim Tierney  
Peter Zinkin

Jim Tierney  
Amy Tevethan

**You are requested to attend the above meeting for which an agenda is attached.**

**Andrew Charlwood – Head of Governance**

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Media Relations contact: Sue Cocker 020 8359 7039

**ASSURANCE GROUP**

## ORDER OF BUSINESS

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## Decisions of the Housing Committee

27 April 2015

Members Present:-

AGENDA ITEM 1

Councillor Tom Davey (Chairman)

Councillor Val Duschinsky	Councillor Bridget Perry
Councillor Ross Houston	Councillor Shimon Ryde
Councillor Adam Langleben	Councillor Tim Roberts
Councillor Kath McGuirk	Councillor Jim Tierney (substitute for Councillor Kath McGuirk)
Maureen Braun (substitute for Councillor Lisa Rutter)	

### 1. MINUTES OF THE PREVIOUS MEETING

**RESOLVED** that the minutes of the meeting held on 2 February 2015 be agreed as a correct record and signed by the Chairman.

### 2. ABSENCE OF MEMBERS

COUNCILLOR KATH MCGUIRK AND COUNCILLOR LISA RUTTER.

### 3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

#### **Councillor Roberts**

Declared a general non-pecuniary interest, in his capacity as a joint private landlord.

#### **Councillor Houston**

Declared a non-pecuniary interest as an appointee to the Barnet Board.

#### **Councillor Langleben**

Declared a non-pecuniary interest in agenda item 10, as he was a private tenant

#### **Councillor Ryde**

Declared a non-pecuniary interest with regard to agenda item 5.

### 4. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

**NONE.**

**5. MEMBERS' ITEM - COUNCILLOR HOUSTON - ENGAGEMENT WITH REGISTERED PROVIDERS**

Councillor Ross Houston had requested that a Member's Item be considered on the following matter:

"To ask the Housing Committee to consider and discuss how the Council engages with Registered Providers at both a local and strategic level both in terms of policy / commissioning and scrutiny of performance as Performance & Contract Management Committee does not monitor RPs and there should be an agreed process for engagement."

**RESOLVED that a report be prepared for consideration by the Committee, with a view to more strategic engagement with Registered Providers.**

**6. MEMBER'S ITEM - COUNCILLOR MCGUIRK - BRIEFING ON THE HOUSING NEEDS ASSESSMENT**

Councillor Kath McGuirk had requested that a Member's Item be considered on the following matter:

"To ask for a detailed briefing on the Housing Needs Assessment used in the draft Housing Strategy to calculate the number of affordable homes the council believes they will need to deliver to meet current and future housing need."

**RESOLVED that a briefing note be circulated to all Members of the Committee, prior to the next meeting, to include an explanation of how the figures are formulated.**

**7. MEMBERS' ITEM - COUNCILLOR ROBERTS - SECURE AND NON-SECURE TENANTS ON GRAHAME PARK AND DOLLIS VALLEY**

Councillor Tim Roberts had requested that a Member's Item be considered on the following matter:

"To ask that the Housing Committee receives an update on how the council is dealing with existing secure tenants and non-secure tenants over the current and next phases of the regeneration."

**RESOLVED that**

**A quarterly briefing note be provided for Members of the Committee, with regard to all regeneration estates, giving an update on all secure and non-secure tenants, detailing how the Authority is discharging its duty to those tenants and also updating on out of borough usage.**

**8. MEMBERS' ITEM - COUNCILLOR LANGLEBEN - RENT INCREASE FOR WEST HENDON ESTATE**

Councillor Adam Langleben had requested that a Member's Item be considered on the following matter:

“To ask for a briefing on the recent decision to increase rents for West Hendon estate tenants by around £20 a week to reach target rent levels. Please could officers provide background information to this decision, and details of when and how this was communicated to tenants, as well as details of the timescales tenants are being asked to comply with the rent increase. Please could the housing committee also be provided with details of how this will be dealt with for the other regeneration estates.”

**RESOLVED that**

- 1. a briefing note be circulated to all Members of the Committee outlining the impact on tenants already affected and the potential future impact with a view to detailing the mitigation measures that can be taken to help tenants that could fall into arrears ;**
- 2. The briefing note to also include the effect of service charges, Council Tax and water rate increases.**

**9. BARNET HOMES DELIVERY PLAN 2015/16**

The Committee considered this report which set out the Services to be delivered by Barnet Homes in 2015/16.

Members queried the potential impact on rent collection rates and were informed that this only affected a small group of tenants and the Authority were working closely with Barnet Homes on this matter.

Members also asked if the income figures related to up to date housing stock figures.

Officers gave a commitment to check this and brief Members accordingly.

**RESOLVED that the Delivery Plan for Housing Management and Housing Options Services for 2015/16 be noted.**

**10. SUMMARY OF FEEDBACK FOLLOWING CONSULTATION ON THE DRAFT HOUSING STRATEGY**

The Committee considered this report, noting that the Council had undertaken a public consultation on the draft Housing Strategy. The consultation included an online survey as well as presentations to Barnet Homes Performance Advisory Group, The Landlords Forum and a Housing Forum meeting. This report summarised the outcomes of the consultation. The Housing Committee would be asked to approve a revised version of the draft Housing Committee Strategy in June 2015.

**RESOLVED that the feedback following the consultation on the draft Housing Strategy be noted, with the final strategy to be submitted to this Committee in due course.**

**11. COMMITTEE FORWARD WORK PROGRAMME**


**RESOLVED that the Work Programme be noted.**

**12. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

The meeting finished at 19.34pm



	AGENDA ITEM 6
	<h2>Housing Committee</h2> <h3>29 JUNE 2015</h3>
<b>Title</b>	<b>Member's Items</b>
<b>Report of</b>	Head of Governance
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	None
<b>Officer Contact Details</b>	<a href="mailto:Jan.natynczyk@barnet.gov.uk">Jan.natynczyk@barnet.gov.uk</a> , 0208 359 5129

<h2>Summary</h2>
<p>The report provides detail of the Members items submitted for the Housing Committee to consider at its meeting of 29 June 2015.</p>

<h2>Recommendation</h2>
<p><b>That the Housing Committee's instructions are requested in relation to the item submitted by Members.</b></p>

## 1. WHY THIS REPORT IS NEEDED

### 1.1. THE FOLLOWING MEMBERS ITEMS HAVE BEEN RECEIVED:

#### **Member's Item in the name of Cllr Adam Langleben: Loss of social rented homes on council regeneration estates (data from ARG)**

I request that the Housing Committee discuss the impact on housing need in the borough of the net loss of 827 social rented homes on Barnet's regeneration estates, including how many of these homes will be replaced with new homes for social rent in other locations across the borough:  
[http://barnet.moderngov.co.uk/documents/s23434/Appendix%20A\\_LBB\\_Forecast%20Housing%20Completions%20Demolitions.pdf](http://barnet.moderngov.co.uk/documents/s23434/Appendix%20A_LBB_Forecast%20Housing%20Completions%20Demolitions.pdf)

#### **Member's Item in the name of Cllr Kath McGuirk: Update on operation of the incentives scheme for private sector landlords**

I request that the committee be provided with a briefing about the operation of the incentives scheme for private sector landlords over the lifetime of the scheme, including how much money has been paid to private sector landlords, how many landlords have been paid incentives and how often, how many properties have been involved in the scheme and what impact the scheme has had on the number of lettings over time.

#### **Member's Item in the name of Cllr Ross Houston: Housing Allocations – Review of one offer policy**

I request that the committee be provided with an update on the operation of the one offer only policy in the council's housing allocations scheme – it has been more than 6 months since the introduction of the policy and there have been high profile examples where the policy has come under scrutiny (Sweets Way for example).

#### **Member's Item in the name of Cllr Tim Roberts: Homelessness**

I request that the committee be provided with a briefing on the number of homeless acceptances each year since 2010, the tenure and location where each case has been re-housed (in borough, out of borough, out of London), and the number of households currently in long term temporary accommodation and in emergency accommodation.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 No recommendations have been made. The Housing Committee is requested to give consideration and provide instruction.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 Not applicable.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Post decision implementation will depend on the decision taken by the Committee.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 When matters raised through a Member's Item are progressed, they will need to be evaluated against the Corporate Plan and other relevant policies.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 None in the context of this report.

### **5.3 Legal and Constitutional References**

- 5.3.1 The Council's Constitution Responsibility for Functions, section 6 illustrates that a Member, including appointed substitute Members of a Committee may have one item only on an agenda that he/she serves. Members items must be within the term of reference of the decision making body which will consider the item.

- 5.3.2 There are no legal references in the context of this report.

### **5.4 Risk Management**

- 5.4.1 None in the context of this report.

### **5.5 Equalities and Diversity**

- 5.5.1 Member's Items allow Members of a Committee to bring a wide range of issues to the attention of a Committee in accordance with the Council's

Constitution. All of these issues must be considered for their equalities and diversity implications.

## 5.6 **Consultation and Engagement**

5.6.1 None in the context of this report.

## 6. **BACKGROUND PAPERS**

6.1 Email to Governance Service..

	AGENDA ITEM 7
	<h2>Housing Committee</h2> <h3>29 June 2015</h3>
<b>Title</b>	<b>Housing Strategy</b>
<b>Report of</b>	Commissioning Director, Growth and Development
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Appendix A- Final Draft Housing Strategy Appendix B- Results of Online Survey Appendix C- Summary of Written Responses Appendix D- Equalities Impacts Assessment
<b>Officer Contact Details</b>	Cath Shaw, <a href="mailto:cath.shaw@barnet.gov.uk">cath.shaw@barnet.gov.uk</a> , 020 8359 4716 Paul Shipway, <a href="mailto:paul.shipway@barnet.gov.uk">paul.shipway@barnet.gov.uk</a> , 020 8359 4924 Chloe Horner, <a href="mailto:chloe.horner@barnet.gov.uk">chloe.horner@barnet.gov.uk</a> , 020 8359 4775

### Summary

The Council has developed a new Housing Strategy to take account of major changes in the housing sector and wider demographic and economic changes. The strategy addresses the challenges of a growing population, increased housing demand, and the impact of austerity, growth and regeneration on the borough. Following on from a period of public consultation the Housing Committee is asked to approve a final draft of the Housing Strategy.

### Recommendations

1. That the Committee approve the final Housing Strategy.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Council has developed a new draft Housing Strategy to meet the key current housing challenges in the borough, in particular, to ensure the continued supply of good quality housing to accommodate a rapidly growing and changing population. The strategy contains the following six housing priorities:
- Increasing the housing supply,
  - Delivery of homes that people can afford,
  - Sustaining the quality of the private rented sector,
  - Tackling homelessness,
  - Providing housing related support to vulnerable people,
  - Deliver efficient and effective services to residents.
- 1.2 Following on from a 12 week public consultation period, the Council has made a number of changes to the draft Housing Strategy. The key changes have included:
- The chapter on tackling homelessness has been amended to more clearly explain the Council's strategy for tackling homelessness and reducing the use of temporary accommodation.
  - The Council has modified its proposals for rent setting and has developed a new draft rents policy which is considered in detail in a separate report to this committee. In summary the revised proposals are to make use of affordable rents for new tenants and for newly built council homes, but not to apply these to existing tenancies. Under the revised proposal, existing tenants will see their rents raised to the target rent level which is in line with existing national guidance on social rent convergence. The additional income raised by taking this approach will be used to increase the supply of council homes.
  - The chapter on providing housing related support to vulnerable people has been amended to ensure that it includes the most up-to-date information on the key client groups supported by Adult Social Care.
- 1.3 It is recommended that the Housing Committee approves the final draft of the Housing Strategy in Appendix 1.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The draft Housing Strategy has been designed to meet the key current housing challenges in the borough.
- 2.2 Barnet's population continues to grow and according to the latest population projections is expected to be London's most populous borough by the end of 2015. Barnet is an attractive and popular borough; with some of the best schools in the country, acres of green open space, and strong transport links. This is why people want to live in Barnet. Whilst this is something to be proud of, it also creates a significant housing challenge for the borough.
- 2.3 Barnet is expected to grow by a further 22% over the next 30 years. This is the equivalent to a town the size of Guildford. Within that, the number of

children and older people will increase significantly. This means that, not only does Barnet need more housing; the type of housing required is also changing to reflect the borough's evolving demographic profile.

- 2.4 Barnet is an expensive place in which to live, both in terms of buying a home and renting a home. This means that the number of households who require help with their housing has increased.
- 2.5 There has been a shift in tenure in Barnet. Home ownership has fallen whilst private renting has increased as more people have found it difficult to buy their own home due to higher prices and reduced availability of mortgages. Rents are also rising and are increasingly beyond the reach of low income households which means that some people will need to consider living in more affordable areas outside of the borough.
- 2.6 The Council has had to make significant reductions in its expenditure, and is determined to provide services in a more cost effective way to maintain quality and improve customer satisfaction. The reform of council housing finance provides an opportunity to invest in housing in a way that reduces some of those costs. The Council has already started to build new council homes and will continue to do this over the coming years.
- 2.7 Whilst Barnet is a relatively wealthy place, more than 20,000 households have been affected by the Government's welfare reforms which are designed to help people back into work. The Council has worked in partnership with Barnet Homes and Job Centre Plus to assist households affected by the overall benefit cap move into more affordable accommodation and/or enter employment.

### **3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Council could decide to not develop a new housing strategy but this would mean that important decisions on housing investment would not be based on a robust and up-to-date evidence base. It may also be difficult to secure external funding for regeneration schemes if the borough's housing strategy does not reflect the London Mayor's housing objectives described in the new draft London Housing Strategy.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 A number of activities will be actioned following approval of the Draft Housing Strategy. These include implementing a new 10 year management agreement for Barnet Homes to manage the Council's housing stock and consulting on a new council rents policy and an Affordable Housing Supplementary Planning Document that will sit alongside the Housing Strategy.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

5.1.1 The Housing Strategy contributes to the strategic objectives In the Council's Corporate Plan 2015 to 2020 in the following ways:

*"The Council, working with local, regional and national partners, will strive to ensure that Barnet is a place:*

- *"Of opportunity, where people can further their quality of life"-* by delivering on the Council's ambitious regeneration programme, creating 30,000 jobs and 20,000 new homes as well as improvements to infrastructure including new schools, health facilities and transport;
- *"Where people are helped to help themselves, recognising that prevention is better than cure"* – by enabling vulnerable people to live independently through floating support and supported living arrangements; our strategy for tackling homelessness focuses on prevention and helping people to help themselves, for example by securing their own accommodation in the private rented sector with support from the Council.
- *"Where responsibility is shared, fairly"* – by helping households affected by welfare benefit reforms to find more affordable accommodation and access to employment opportunities; the Council's rent proposals also seek to increase the contribution that council rents make towards funding the cost of much needed new affordable homes
- *"Where services are delivered efficiently to get value for money for the taxpayer"* – by developing a new management agreement with Barnet Homes to provide more effective housing services for the Council and delivering more effective environmental health services through Regional Enterprise Ltd.

5.1.2 The spatial expression of the Housing Strategy is provided by the Council's Local Plan. A revised draft Affordable Housing Supplementary Planning Document (SPD) has been produced. This will set out the Council's approach to securing affordable housing through mechanisms including Section 106 and Community Infrastructure Levy. The draft SPD will be considered by the Policy and Resources Committee in July 2015 and be subject to public consultation.

5.1.3 The Mayor's statutory London Housing Strategy was approved by the Secretary of State in October 2014. This aims to put in place the resources to deliver more than 42,000 homes a year across the Capital. The Mayor also aims to increase opportunities for home ownership, improve the private rented sector and ensure working Londoners have priority for affordable homes to rent. The Greater London Authority is currently working with boroughs to develop Framework Agreements on how new affordable housing will be delivered. Barnet's strategy will have to be in "general conformity" with the London Housing Strategy.

## **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**



- 5.2.1 Council housing is funded by the Housing Revenue Account which is a self-financing ring fenced account.

The Housing Strategy recognises the borough's need for 27,000 additional new homes including affordable housing. The strategy commits to building an additional 500 new affordable homes on council land.

The Housing Strategy also reviews rents currently paid by council tenants and proposes a variety of changes to increase rents up to 65% of the average private rental sector levels. The additional income generated from the rent increase will be used to fund the new homes.

- 5.2.2 The Council is now working on a development pipeline to ensure additional housing is built to suit the borough's needs.

- 5.2.3 the Council is working with the regulatory services to ensure that empty properties are identified to bring them back into use again. This is being managed by the Joint Venture organisation Re and is completed within the cost of the management fee.

- 5.2.4 There has been an increase in the number of people presenting as homeless with the borough and this has caused a financial pressure. However, there are a number of mitigating actions to manage demand. Any budgetary pressures will be managed within the Council's existing resources.

- 5.2.5 The introduction of the Overall Benefit Cap (as part of the Government's reform of welfare) from August 2013 means that some households will not be able to afford the rents charged in Barnet and other parts of London for temporary accommodation and private rented sector homes even where these fall within local housing allowance levels. The Council has been working with Job Centre Plus and Barnet Homes in the Welfare Reform Taskforce to assist households affected by the cap, either by entering employment or securing more affordable accommodation elsewhere.

### **5.3 Legal and Constitutional References**

- 5.3.1 The Local Government Act 2003 makes provision for a local housing authority to have a housing strategy. The Greater London Authority Act 1999, as amended, requires that any local housing strategy is in general conformity with the London Housing Strategy. The term local housing strategy includes any other statement of the local housing authority's policies or proposals relating to housing.

- 5.3.2 Annex A to the Responsibility for Functions Section of the Council's Constitution gives the Housing Committee specific responsibility in relation to the Housing Strategy (incorporating the Homelessness Strategy).

### **5.4 Risk Management**

- 5.4.1 The existing strategy was last updated fully in 2010 and since then there has been a change in government and a number of key housing reforms. There is a risk that it does not take account of changes that have occurred in the wider housing market that has emerged since then and therefore is no longer considered to be fit for purpose and underpin other strategic housing decisions.
- 5.4.2 There is a risk that the existing strategy will not be in “general conformity” with the London Mayor’s Housing strategy, which could lead to loss of support from the Mayor in respect of delivering the capital’s housing objectives. This could lead to potential difficulties in obtaining funding for the borough’s housing plans.
- 5.4.3 The revised rent setting proposals set out in the draft rents policy will be subject to further consultation before final authority is sought from the Housing Committee in October 2015 to implement it.

## **5.5 Equalities and Diversity**

- 5.5.1 Pursuant to section 149 of the Equality Act 2010 (“the Act”), The Council has a duty to have ‘due regard’ to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act, advancing equality of opportunity between persons with a protected characteristic and those without, and foster good relations between persons with protected characteristics and those without.
- 5.2.2 The protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership but to a limited extent.
- 5.2.3 A full Equalities Impact Assessment has been completed and identified that the Draft Housing Strategy will have an overall positive impact on all sections of Barnet’s community:
- Action to prevent homelessness and assist households affected by the Overall Benefits Cap will assist households who are generally more diverse and deprived than the population as a whole. They are more likely to be younger, from a diverse range of backgrounds, and single families with children.
  - Much of the new housing, including the affordable housing to be delivered, will be in the West of the borough on the regeneration estates where the most deprived and BAME communities are overrepresented in comparison to other areas of the borough.
  - Specialist housing will be provided for vulnerable people, for example older people and other adults with long-term conditions to ensure that there is a choice of tenure and support and an ability to plan ahead for the future to avoid expensive care costs where possible.
  - The associated infrastructure improvements on the regeneration estates, including new schools, health and transport facilities, as well as employment opportunities will improve the quality of life for the

existing local population, including the secure tenants who will be rehoused on the estate, as well as the new residents who will move into affordable and market housing.

- New family sized council homes are being built on infill sites by Barnet Homes to increase the supply of housing that is available to housing applicants in housing need. This group is likely to be more ethnically diverse than the existing Barnet Homes tenants and younger and the commitment to new family sized accommodation reflects the needs of cultural groups.
- New housing will be built to the Lifetime Homes standard and 5% of new homes will be fully wheelchair accessible.
- Improvement programmes will identify homes in need of adaptation for disabled households through the implementation of Disability Facility Grants.
- Improving the quality of private rented housing will help to meet the housing requirements of many groups of people, especially younger people and those that do not want to buy their own home.
- Outreach Barnet will provide dedicated floating support to vulnerable people who are placed in the private rented sector. These may include young people and people with mental health conditions.

5.5.4 In addition to the above, a full Equalities Impact Assessment has been carried out on the draft rents policy and will be updated following the outcome of the consultation. (See separate report on draft rents policy for further information)

## 5.6 Consultation and Engagement

5.6.1 A 12 week public consultation was undertaken between 6 January 2015 and 31 March 2015. The consultation included an online survey as well as presentations to the Housing Forum, Barnet Homes Performance and Advisory Group, and Barnet Landlords Forum.

5.6.2 In total 93 people responded to the online survey. The results indicate that there is general support for all the overall priorities that were set out in the draft Housing Strategy. The results are summarised in the table below.

Priorities	Agree	Disagree	Neutral	Don't know
Increase housing supply	73.11%	15.06%	5.38%	6.45 %
Deliver more homes that people can afford	70.00%	17.78%	6.67%	5.56%
Sustain the quality of the private rented sector	73.33%	15.56%	6.67%	4.44%
Tackle homelessness	69.32%	15.91%	9.09%	5.68%
Deliver housing to support vulnerable people	80.24%	5.82%	9.30%	4.65%
Deliver efficient and effective services to residents	76.82%	10.98%	8.54%	3.66%

5.6.3 Barnet Homes Performance and Advisory Group (PAG) was supportive of aspects of the draft Housing Strategy, particularly the proposals around

sustaining quality in the private rented sector through increased landlord accreditation. PAG members raised concerns about the level of affordable housing being re-provided on the regeneration estates and the potential impact on homelessness of the proposal to charge higher rents. Barnet Housing Forum includes a number of housing association and support agency partners. The Forum was generally supportive of the draft Housing Strategy. A presentation was also given to the Barnet Landlords Forum which was also generally supportive.

5.6.4 The Council also facilitated a focus group of eight Citizens Panel members from the owner-occupation, social and private rented sectors. The key theme that emerged from the discussion was around the need for more affordable housing in the borough.

5.6.5 Appendix 3 summaries the written comments that were received as part of the consultation and the Council's response to them.

## 6. BACKGROUND PAPERS

6.1 Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Cabinet 12 March 2010	Decision item 8 - approved the existing Housing Strategy	<a href="http://barnet.moderngov.co.uk/Data/Cabinet/201004121900/Agenda/Document%207.pdf">http://barnet.moderngov.co.uk/Data/Cabinet/201004121900/Agenda/Document%207.pdf</a>
Cabinet 14 September 2011	Decision item 8 - approved Barnet's approach to social housing reform	<a href="http://barnet.moderngov.co.uk/Data/Cabinet/201109141900/Agenda/Document%204.pdf">http://barnet.moderngov.co.uk/Data/Cabinet/201109141900/Agenda/Document%204.pdf</a>
Cabinet Resources Committee 24 June 2013	Decision Item 6 - Local Authority New Housing Programme	<a href="http://barnet.moderngov.co.uk/documents/s9244/CRC%20LA%20New%20Build%20public.pdf">http://barnet.moderngov.co.uk/documents/s9244/CRC%20LA%20New%20Build%20public.pdf</a>
Assets, Regeneration & Growth Committee 9 July 2014	Decision Item 11 - Strategic Asset Management Plan principles for consultation	<a href="http://barnet.moderngov.co.uk/documents/s16064/Strategic%20Asset%20Management%20Plan%20principles%20for%20consultation.pdf">http://barnet.moderngov.co.uk/documents/s16064/Strategic%20Asset%20Management%20Plan%20principles%20for%20consultation.pdf</a>
Policy and Resources Committee 21 July 2014	Decision Item 10 - Funding for an Extra Care Housing Scheme at Moreton Close, NW7 and Advance Acquisitions of Leasehold properties on Regeneration Estates	<a href="http://barnet.moderngov.co.uk/documents/s16154/Funding%20for%20an%20Extra%20Care%20Housing%20Scheme%20at%20Moreton%20Close%20NW7%20and%20Advance%20Acquisitions%20of%20Leasehold.pdf">http://barnet.moderngov.co.uk/documents/s16154/Funding%20for%20an%20Extra%20Care%20Housing%20Scheme%20at%20Moreton%20Close%20NW7%20and%20Advance%20Acquisitions%20of%20Leasehold.pdf</a>
Assets, Regeneration & Growth Committee 8 September 2014	Decision Item 12 - Barnet Development Pipeline	<a href="http://barnet.moderngov.co.uk/documents/s17356/Development%20Pipeline%20-%20Report.pdf">http://barnet.moderngov.co.uk/documents/s17356/Development%20Pipeline%20-%20Report.pdf</a>
Housing Committee,	Decision Item 9-	<a href="http://barnet.moderngov.co.uk/ieList">http://barnet.moderngov.co.uk/ieList</a>

27 October 2014	Housing Strategy	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&amp;MId=7936&amp;Ver=4">Documents.aspx?CId=699&amp;MId=7936&amp;Ver=4</a>
Housing Committee. 27 April 2013	Decision item 10- Summary of Feedback Following Consultation on Draft Housing Strategy	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&amp;MId=7938&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&amp;MId=7938&amp;Ver=4</a>



# Housing Strategy 2015 to 2025

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## 1. Introduction-Chair of Housing Committee

*Our housing strategy is based on a simple premise: that people who contribute to the life of the Borough should be able to live here, in good quality homes that they can afford.*

*In Barnet, we are building those homes. Our regeneration schemes are replacing run-down estates with thriving new mixed developments like the Stonegrove Estate in Edgware, which is now a successful new community; home to long-standing social tenants, young families and commuters. Together with the growth at Brent Cross, Colindale and Mill Hill East these schemes will deliver over 29,000 new homes and new infrastructure by 2029.*

*We have launched a programme of building council homes, with a commitment to at least 500 new homes by 2020. We will fund this in part by introducing a fairer system of council rents which aim to give residents a hand up not a hand out, and to reduce the disparity between Council rents and Housing Association rents for new tenants.*

*The housing strategy also sets out how we will support existing residents. For those in the private rented sector, this means cracking down on the minority of rogue landlords. For many older and disabled residents the priority is to be able to continue enjoying an independent life in their own home. We will make sure that new developments include wheelchair accessible homes, and homes that can be adapted to meet people's needs as they get older. We will also ensure that the right specialist housing is available for those that need more support.*

*Finally, working with Barnet Homes and our joint venture company Re, we will continue our relentless drive to deliver housing services to residents – be they council tenants, leaseholders or private renters – as efficiently and effectively as possible.*

**Councillor Tom Davey**

**Chair of Housing Committee**

## 2. Executive Summary

London is a successful, thriving city, attracting investment and people from across the globe and with the best schools in the country. This brings many benefits to Barnet residents. But it also brings challenges. The increasing numbers choosing to live in London- and to stay here as their families grow- together with longer life expectancy, creates pressure on housing and other services.

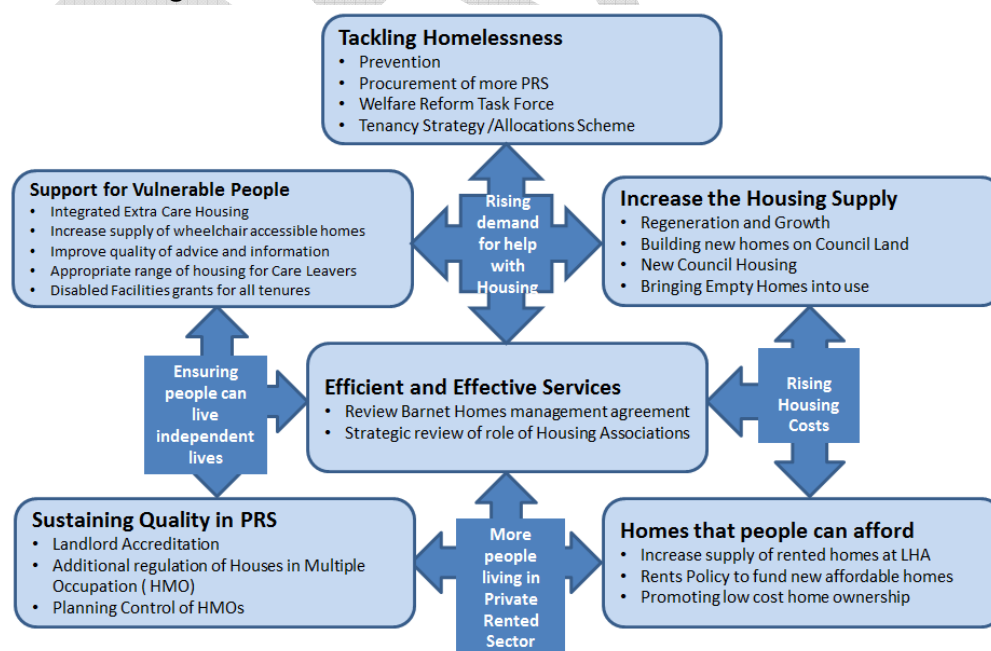
Barnet has the largest population of any borough, with an estimated 392,000 residents. This is expected to grow by 76,000 over the next 25 years – an increase of 19% per cent. Within that, the number of children and older people will increase significantly.

This creates a number of challenges for Barnet residents and for public services, such as:

- Rising demand leads to higher house prices and rental costs
- Fewer people can meet their aspirations to home ownership, and more are living in the private rented sector.
- The demand for housing and homelessness related services is increasing,
- More emphasis is needed on helping people- particularly older and disabled adults- to live independently at home.

Our housing strategy, therefore, has six themes:

- Increasing housing supply.
- Delivering homes that people can afford.
- Sustaining quality in the private rented sector.
- Tackling homelessness.
- Providing suitable housing for vulnerable people.
- Delivering efficient and effective services.



Barnet's HNA indicates that the borough has a potential need for an additional 27,000 dwellings over this period.

### **Priority 1- Increasing the housing supply**

The majority of Barnet's growth will be focussed on Brent Cross/Cricklewood, Colindale, and Mill Hill East, where there is capacity to deliver 20,000 new homes by 2029.

The development of Brent Cross/Cricklewood will deliver 7,500 new homes and up to 27,000 new jobs over the next 20 years. Colindale will make the largest housing contribution to the borough over the next 10 years, with approximately 10,000 new homes, and the regeneration of Mill Hill East will provide more than 2,000 new homes over the next 15 years.

The Council's largest estates in Grahame Park, West Hendon, Stonegrove/Spur Road and Dollis Valley are being regenerated. Dilapidated, poor quality housing is being replaced with modern, high-quality mixed-tenure accommodation. The regeneration of Barnet's biggest estates will see 3,000 existing council dwellings replaced with 7,000 mixed tenure homes.

The strategy also sets a target of building at least 500 new affordable homes on Council land over the next five years. The programme is already underway, the first homes were completed in March 2014 - the first new council houses in Barnet for over 20 years and (40) more are currently on site.

Bringing empty properties back into residential use is another important way of increasing the availability of housing. Currently, there are approximately 1,300 homes in Barnet that have been empty for 6 months or more. Where owners wish to bring properties back into use, the Council will provide financial assistance in the form of Empty Property Grants.

### **Priority 2- Delivering homes that people can afford**

To ensure that new developments contribute to the delivery of affordable rented and low cost home ownership housing the Council is revising its Affordable Housing Supplementary Planning Document, which guides applicants, agents, developers and planners through the affordable housing delivery mechanism and clarifies Barnet's application of Local Plan and London Plan policy requirements.

The strategy also outlines a fairer rent policy for council homes that ensures that enough money will be available to invest in new homes. The Council will consult on proposals to charge an affordable rent at LHA level or 65% of the average market rent whichever is lower for all new council homes it builds. For existing properties being re-let the Council will set rents at LHA level or 50% average market for a first flexible five year tenancy or at 65% of the average market rent for a lifetime tenancy and for a lifetime tenancy. For existing tenants, the Council will consult on proposals for increasing rents to target rent levels from April 2016 representing a one off average increase of approximately 9%.

### **Priority 3- Sustaining quality in the private rented sector**

Everyone wants to live in a home that is of good quality and makes them feel safe. As such, Barnet's Housing Strategy will seek to improve the quality of housing across the borough, and in particular tackle the issue of poor quality housing in the private rented sector.

The high demand for homes has seen an increase in the number of Homes in Multiple-Occupation (HMOs) – particularly through the conversion of family homes into properties shared by unrelated people which, in some cases, are not well managed.

The Council will update how HMOs are regulated and crack down on rogue landlords and sub-standard properties, working directly with landlords and encouraging them to acquire formal accreditation through the London Landlords Accreditation Scheme.

### **Priority 4- Tackling homelessness**

Barnet Council has taken action to reduce the number of people placed in temporary accommodation and, in doing so, has successfully avoided the use of bed and breakfast accommodation.

The Council's strategy for reducing the number of residents in temporary accommodation has focused on increased incentives to private landlords to increase the number of private lettings to homeless households; a greater focus on homelessness prevention measures; sourcing accommodation in less expensive areas outside of Barnet; and working in partnership with Job Centre Plus to create a multi-agency Welfare Reform Task Force to work closely with households affected by welfare reform to minimise the risk of homelessness.

Going forward we will continue to work with private landlords to ensure that there is a good supply of affordable accommodation and work to sustain tenancies and prevent homelessness.

To make the best use of limited existing stock, the Council has also changed the way that these homes are allocated and restricted allocations to those households that are in the highest need, such as:

- The allocations scheme takes into account the contribution that people who are working or volunteering make to the community.
- In order to increase the turnover and availability of council homes, many new tenants now receive a fixed term tenancy of five years.

### **Priority 5- Providing suitable housing to support vulnerable people**

The number of older residents in Barnet is expected to increase significantly as people live longer and healthier lives. The Council will ensure that there is a suitable variety of housing

options to meet the needs of older people, including specialist supported housing which is integrated with local facilities through a hub and spoke approach.

All new homes in the borough will be meet the lifetimes homes standard so that they are suitable for people with limited mobility, and many of the new properties will be close to transport and local amenities.

New wheelchair accessible homes will be provided through the Council's own development pipeline, and improvements will be made to the quality of housing advice available to vulnerable groups

The Council will ensure that young people leaving care receive help and assistance to make a successful transition to living independently.

**Priority 6- Deliver efficient and effective services to residents**

The Council's arm's length management organisation, Barnet Homes, has successfully improved tenant and leaseholder satisfaction by improving services and investing in council homes through the Decent Homes Programme.

The Council has reviewed its relationship with Barnet Homes and is seeking to put in place a new management agreement to run for another 10 years to continue to develop and improve its housing needs and management services.

Arrangements are already in place for the provision of other housing related council services, including regulation of the private rented sector and disabled facilities grants which are provided by Regional Enterprise, a joint enterprise between the Council and Capita, which was established in October 2013.

The Council will continue to work closely in partnership with local Housing Associations to deliver more affordable homes and maintain high standards of service.

Barnet's Housing Strategy sets out a considered and achievable approach to meeting the housing challenge facing the borough over the next decade. The Council is committed to the successful delivery of this strategy and will ensure that resources are prioritised to ensure success.

### 3. Introduction

High quality housing, excellent schools, attractive green spaces, low levels of crime and good transport connections mean that Barnet is a successful, enterprising and popular place where people want to work and live.

However, we have developed an evidence base that has highlighted a number of issues that need to be addressed, including:

**An increasing population:** the latest projections from the Greater London Authority show that with an estimated 393,000 residents, Barnet is the most populous London Borough during 2015, and is set to see more growth, with a projected further population increase of 76,000 over the next 25 years.

The largest increases are expected among children and the elderly, and a particular challenge will be to provide appropriate housing choices for an increasing number of older people.

**Increased housing demand:** Increased demand for housing is already evident, with higher house prices and rents and increased levels of homelessness and people in emergency temporary accommodation.

Home ownership has fallen whilst private renting has increased as more people have found it difficult to buy their own home due to higher prices and reduced housing supply at affordable levels. Private renting is set to continue to increase and means that within 10 years half the properties in the borough are likely to be rented.

Rents are also rising and are increasingly beyond the reach of low income households which means that some people will need to consider living in more affordable areas outside of the borough.

**Financial Constraints:** Whilst Barnet is a relatively wealthy place, there are pockets of deprivation. More than 20,000 households have been affected by the Government's welfare reforms which are designed to help people back into employment by making sure that work pays. This means that some households have found it harder to meet their housing costs and the Council has worked successfully with its partners, including Job Centre Plus, to assist over 1,400 households since April 2013, with a focus on helping people access employment or finding more affordable accommodation. In addition, there have been wider financial pressures that have had an impact on many households, including energy bills, wage constraint and higher housing costs.

The Council is required, by reduced funding from central government, to spend considerably less. By the end of 2020 the Council expects to have half the funding it



had in 2010 and therefore is determined to provide services in a more cost effective way while seeking to maintain quality and customer satisfaction. The reform of council housing finance provides an opportunity to invest in housing in a way that helps reduce some of these costs as well as providing income.

**The impact of Growth and Regeneration:** Capacity for 27,000 new homes in Barnet has been identified in the Local Plan, and these will be primarily delivered through our growth and regeneration plans. The challenge will be to ensure that the new homes are provided in a way that enhances the borough by creating quality places and delivers the type of homes that we need and not just the quantity.

The Council has already done much to address these issues, for example through its plans to deliver new homes at Brent Cross Cricklewood and Mill Hill East through growth and regeneration, and completion of the first new council homes for over 20 years. However, the extent of the housing challenges that face us mean that there are further actions we need to take and options to consider.

High demand for new homes from existing and new residents and rising housing costs mean that we will prioritise **Increasing the Housing Supply**, including the use of our own resources to build new houses, and the **Delivery of homes that people can afford**, including homes for rent at local housing allowance levels and low cost home ownership.

The increased level of private renting means that we will focus on **sustaining quality in the Private Rented Sector**, including supporting good landlords whilst using discretionary powers to control and manage houses in multiple occupation where rogue landlords fail to meet minimum health and safety standards.

We will continue to help those that need assistance by tackling homelessness, with a focus on prevention of homelessness as well as making best use of our existing housing stock and helping people affected by welfare reform.

**Providing suitable housing to support vulnerable people**, including older residents, those with disabilities and mental health problems and young people leaving care will be a priority. This is not only because these are people in need of more appropriate housing but also because by providing the right housing we reduce the other care costs for the Council.

We will ensure that housing finances are optimised to maximise the amount of money to invest in delivering new homes, including a review of our rents policy. For council and housing association homes in the borough we will work with Barnet Homes, our Arm's Length Management Organisation (ALMO) to review the housing services they provide to ensure that they are cost effective and more generally fit for the future and therefore, able to deliver our wider objectives and **deliver efficient and effective services to residents**. The Council will also consider the development of purpose built private rented sector homes

which will provide an income stream to the General Fund and help raise standards in the sector.

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## 4. Increasing the Housing Supply

### A Growing Borough

Since 2001, Barnet's population has increased by 23% from 319,000 to an estimated 393,000 and it is now the most populous London Borough. As Barnet grows and changes it is becoming more diverse; over a third of the population belongs to a black and ethnic minority group. Census data shows that ethnic minority groups as a percentage of the overall population have increased across all wards between 2001 and 2011.

This growth reflects the popularity of Barnet as a place to live, with high quality housing, good transport connections, excellent schools, attractive green spaces and low levels of crime. The population is expected to increase by a further 76,000 by 2039, the equivalent of a town the size of Guildford.

Population growth is expected to be spread across all age ranges, but particularly amongst children and older people, which will present challenges for meeting the respective needs of these groups, with a need for more schools, family sized homes and housing options that meet the needs of an ageing population.

The Council's Local Plan has identified capacity to build 27,000 new homes in the borough. This provides an opportunity to make sure that the on-going housing needs of residents are met, as well as ensuring that the borough remains a vibrant and dynamic place where individuals and businesses can thrive.

### A Framework for Delivery

Barnet's Local Plan was adopted by the Council in 2012 and sets out our approach to ensuring that growth is delivered in a way that enhances the borough over the next 15 years. A key element of the plan is Barnet's three strands approach, which seeks to ensure that growth is focused in areas that need investment and improvement, such as the housing and regeneration estates, whilst conserving the borough's classic suburban environment and protecting communal open spaces, particularly the green belt.

To better understand Barnet's changing population the Council commissioned a local Housing Needs Assessment (HNA). Barnet's HNA shows the types of accommodation that will be needed to meet the expected increase in households as well as meeting existing unmet need.

The Barnet HNA estimates that 27,350 new homes will be required between 2015 and 2025, suggesting that housing need may have been underestimated and has possibly reached a level where it exceeds capacity as identified in the Mayor's Strategic Housing Land Availability Assessment (SHLAA) from which a new housing target of 23,490 new homes for Barnet between 2015/16 and 2024/25 has been set in the London Plan 2015.

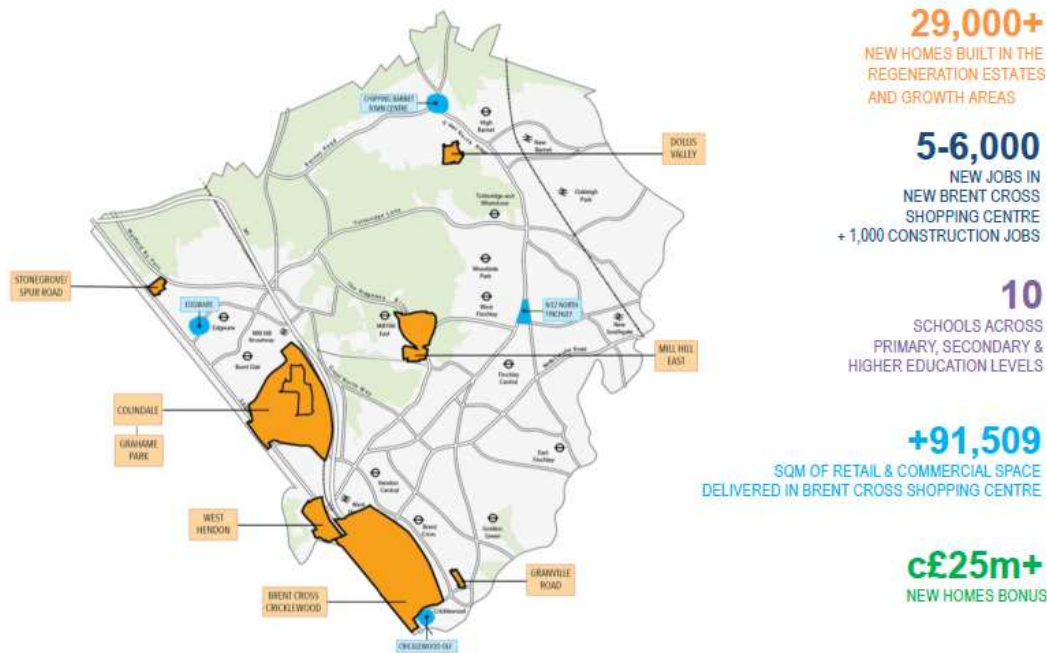
The outputs from the HNA are summarised in the following table:

	1 bed	2 beds	2 beds shared	3 beds	3 beds shared	4 beds	Total	%
Total Requirement	831	456	786	277	224	161	2735	
Market for Sale	241	79	400	33	144	13	910	33%
Intermediate Ownership	364	193	231	119	56	58	1020	37%
Market Rent	79	102	86	67	12	50	396	14%
Affordable rent	148	82	69	58	13	39	410	15%
%	31%	17%	29%	10%	8%	6%		

The Local Plan 2012 recognised the need for a range of accommodation tenures and sizes to reflect the needs of a changing and growing population, and, taking account of the market’s predisposition to provide one and two bedroom homes, prioritised larger family homes of 3 bedrooms or more across affordable, intermediate and private developments.

## Regeneration and Growth

### REGENERATION PROGRAMME KEY OUTPUTS



The majority of growth will be focused in Brent Cross/Cricklewood, Colindale and Mill Hill East. These areas have the capacity to deliver up to **20,000 new homes** by 2029/30, of which 6,500 will come forward in the next 5 years, as well as opportunities for improvements to public transport and employment growth.

Brent Cross/Cricklewood - A long term scheme which will deliver **7,500 new homes** and up to 27,000 jobs over the next 20-30 years. In addition, the scheme will see a doubling in size of Brent Cross Shopping Centre, new community facilities, improved transport infrastructure

and new schools. At least 15% of new homes provided will be affordable in addition to 215 homes to replace Whitefield Estate.

**Colindale**- represents an opportunity to deliver sustainable housing growth, a new compact neighbourhood centre in an area well served by improved public transport services and high quality public open space. Colindale will make the single largest housing contribution to the Borough over the next 10-15 years and one of the biggest in North London with over **10,000 new homes**, of which more than half already have planning permission and significant numbers are under construction or have been completed. Of the 5,240 homes already in the pipeline, 1797 or 34% will be affordable, including 1,183 for rent.

**The Millbrook Park project** will see the regeneration of **Mill Hill East** and represents a major development opportunity in the heart of Barnet which will provide **2,174 new homes** of which 324 will be affordable. Within 15 years the regeneration of Mill Hill East will create a sustainable suburban village with a new mixed use high street, primary school, health and community facilities, open space and improved transport links.

**Estate regeneration**- focuses on the Council's largest estates, Grahame Park, West Hendon, Stonegrove/Spur Road and Dollis Valley, and seeks to replace poor quality mono-tenure estates with high quality and modern mixed-tenure developments. Much of this is achieved through taking advantage of existing low densities which provide the opportunity for a higher number of new homes financed through private sales. Once fully completed, estate regeneration will see 3,000 existing council dwellings replaced with almost **7,000 new mixed tenure homes**, with existing secure council tenants rehoused in new homes provided by housing associations.

Although hampered by the economic downturn, good progress has been made with the estate regeneration programme. A total of 534 new homes have already been delivered at Stonegrove/Spur Road, with the whole scheme expected to complete by 2018, and 257 new homes have been built at West Hendon. Grahame Park has proved more challenging, but 533 new homes have already been provided with 147 currently on site. Following the appointment of new delivery partners, Countryside Properties and London and Quadrant Housing Association, the first phase of Dollis Valley is now on site with the whole scheme expected to complete by 2021.

We recognise that regeneration can be a disruptive process for residents, particularly those that are living in non-secure accommodation, and will seek to minimise this disruption at the point that tenants are required to move by making use of flexibilities within our allocations scheme and providing advice and support. We will also consider buying out leaseholders in financial hardship when this will assist in the regeneration process.

## Building new council homes

The reform of council housing finance in 2012 moved the Council out of a national subsidy system which required a contribution of more than £10 million a year from council rents, to a position where the Council has enough funding to maintain existing council homes and build new ones. The reinvigorated Right to Buy has also provided additional receipts which the Council can spend on new homes to replace those that have been sold.

The Council has commissioned Barnet Homes the Council's Arm's Length Management Organisation (ALMO) to build 41 new council homes on a number of sites around the borough, the first for over 20 years, and the first 3 houses were completed in March 2014. This initial programme is expected to complete by 2016.



New Council Homes March 2014

The Council plans to build new homes for social/affordable rent, shared ownership, market rent and market sale on sites owned by the Council. The Council will work with a range of development agents to achieve this, including Capita, Re, and Barnet Homes

## Housing Development Pipeline

In the past, surplus Council land has been sold, often for development. With the established need for more housing especially affordable housing the Council has realised it needs to review its principles for decisions about surplus land and its development. The following principles have been agreed to govern this "development pipeline":

- The decision whether to develop or sell a site, and what to develop on the site, should be based on assessment of what offers the best financial return to the Council while meeting need for different housing types. This might, for example, involve development of affordable or extra care housing, which offsets the costs of temporary accommodation or residential care respectively.
- While decisions will consider the net present value of different options, the requirements of the Medium Term Financial Strategy may in some cases suggest that revenue savings are afforded a higher priority than Capital receipts.
- The Council is considering the option of the establishing a delivery vehicle for the development of surplus council land, working in partnership with Re and Barnet Homes.

Subject to consultation with Ward Members, the Council has approved an initial list of five sites, including a mix of large and small sites, out of a pipeline of around 60 surplus sites with potential for housing development. These are:

- Land adjacent to Broadfields, Northway/Fairway and Whittings Hill schools,
- Land at Moxon Street High Barnet,
- Land at Coppetts Close, Finchley.



In the development of Council land for affordable housing the Council is subject to the same consideration as any other developer. When the Council is acting as the developer itself, the surpluses that are generated from building out the land can be used for the benefit of the Council and not a third party developer.

The Council has started to quantify its land holdings to establish the scale of its housing development over the next 10 years. We plan to build a total of 500 homes for subsidised rent on infill sites by 2020 and have identified a first tranche of around 280 homes for mixed tenure housing on land which is surplus to requirements.

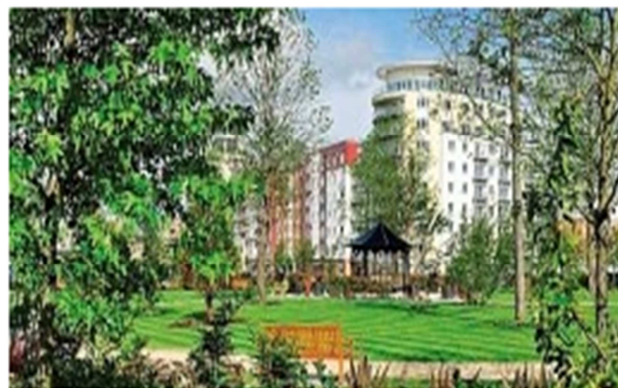
### Quality homes and places

Our latest assessment of housing delivery in Barnet shows that nearly 30,000 new homes can be delivered by 2029/30, of which 13,000 will come forward in the next 5 years. This significant growth will transform a number of places, particularly in the growth and regeneration areas in the west side of the borough. It is important to ensure that the new homes and places that are provided are of a high quality that complements and enhances Barnet's suburban character.

The Council will seek the highest standards of urban design in order to generate development proposals of landmark quality and create an accessible safe and attractive environment for people who live in, work in or visit Barnet's areas of housing and economic growth.

All new homes are required to meet Lifetime Homes and Lifetime Neighbourhood Standards<sup>1</sup> to provide accessible and adaptable accommodation for everyone, from young families to older people and individuals with a temporary or permanent physical impairment. It is also a Local Plan requirement that 10% of new homes will be fully wheelchair accessible.

Larger new developments are more successful if they are supported by local facilities at an early stage; Beaufort Park, a mixed tenure development in Colindale, provides a good example of where this approach has created high quality new homes supported from an early point by a boulevard with shops, restaurants and bars, and a landscaped park.



Landscaped park at Beaufort Park

<sup>1</sup> Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society – Communities & Local Government Feb 08

More details about Barnet's approach to ensuring the quality of new homes is set out in the Residential Design Guidance<sup>2</sup> and Sustainable Design and Construction Supplementary Planning Documents<sup>3</sup> adopted in 2013.

### Empty Homes

It is usual for an area to have a number of properties that are empty for short periods of time as a result of turnover within the housing stock and this can be seen as an indicator of a healthy housing market. However some properties remain empty for long periods and over time can cause problems such as disrepair to neighbouring premises as well as acting as a magnet for squatters and fly tipping. It is these neglected empty properties that are a drain on public sector resources and have an adverse effect on the perceptions of crime and general sense of well-being in the local area.

In October 2013 Barnet had 1,273 properties registered for Council Tax that had been empty for 6 months or more. At 0.91% of the housing stock this is slightly higher than the London average of 0.71%. By April 2015 this figure has risen by 2.3% to 1,302 properties of which 141 have been empty for 5 years or more. This figure is slightly misleading as it does not include a further 2,429 properties registered as second homes, which experience has shown are also often long term empty properties.

There are sometimes legitimate reasons for homes being empty, for example whilst probate is being resolved, however in the majority of cases this is not the case. With the on-going pressure on the housing market it is important that the number of properties remaining empty is kept to a minimum. This is also to the benefit of the property owners as their property would provide a rental income if it was made available for letting.

In order to deal successfully with long term empty properties the Council needs to understand the reason that the property became empty, and why it has remained empty. This strategy is aimed at bringing long term empty properties back into residential use. This may include long term vacant sites and redundant commercial units where there is the potential for conversion or redevelopment for housing purposes.

The Council will assist empty property owners in bringing their property back into use through a combination of advice, and financial assistance in the form of Empty Property Grants. All Empty Property Grants will be administered in line with the Council's Private

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<sup>2</sup> <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/supplementary-planning-documents/residential-design-guidance.html>

<sup>3</sup> <https://www.barnet.gov.uk/citizen-home/planning-conservation-and-building-control/supplementary-planning-documents/sustainable-design-and-construction/sustainable-design-and-construction-spd-documents.html>

Sector Housing Financial Assistance Policy<sup>4</sup>. The Council will gain nomination rights through this funding for homeless households.

In cases where the owner will not work with the Council to bring the property back into residential use the appropriate enforcement action will be taken ranging from the service of minor works notices to compulsory purchase of the property. The Council currently has seven properties at varying stages of the compulsory purchase order process. All enforcement action will be completed in line with the London Borough of Barnet Development and Regulatory Services Enforcement Policy<sup>5</sup>.

#### **Achievements:**

- Since April 2012 2,634 new homes have been delivered in the borough, including on the regeneration estates:
  - 2012/13- 469 new homes(including 212 affordable)
  - 2013/14 - 39 new homes( including 38 affordable)
- First new council homes for over 30 years were completed at Alexandra Road and tenants moved in during April 2014
- Stonegrove/Spur Road was awarded 'Gold' in Q17 Annual Design Awards 2012
- 2013/14 – Amendments to Planning consent were agreed for Brent Cross/Cricklewood
- 2013/14 - Planning consent was agreed for Phase 1 Dollis Valley and started on site
- 2013/14 – Construction work commenced on two more phases of Stonegrove/Spur Road which will deliver 198 new homes including 41 affordable
- Construction of new primary school commenced at Mill Hill East
- 2013/14 – Construction work was started on 219 new homes at West Hendon including 74 affordable.

#### **Targets:**

- 462 homes, of which 169 will be affordable, will be completed on the regeneration schemes by 2016.
- 41 new council homes will be delivered by November 2015.
- Further 200 new council homes will be delivered on HRA land by Barnet Homes by 2016/2017
- Re will complete first tranche of development of circa 300 Homes on five council sites by 2018
- The Council review of other potential housing infill sites to be used to develop more homes will be completed by November 2015
- 26,000 new homes will be delivered by 2029/30, including:

<sup>4</sup> <https://www.barnet.gov.uk/citizen-home/council-tax-and-benefits/grants-and-funding/private-sector-housing-financial-assistance-policy.html>

<sup>5</sup> [https://www.barnet.gov.uk/dam/jcr:3e02363a-c9a7-4f6e-bc10-60e8003f2ffc/DRS\\_Barnet\\_Enforcement\\_Policy\\_2013\\_Doc\\_.pdf](https://www.barnet.gov.uk/dam/jcr:3e02363a-c9a7-4f6e-bc10-60e8003f2ffc/DRS_Barnet_Enforcement_Policy_2013_Doc_.pdf)

- 5,070 at Brent Cross/ Cricklewood (30% affordable)
- 10,840 at Colindale (30% affordable)
- 190 at Dollis Valley (30% affordable)
- 2260 at Mill Hill East (15% affordable)
- 650 at Stonegrove Spur Road (45% affordable)
- 1180 at West Hendon (25% affordable)
- 130 at Granville Road
- 400 at North London Business Park (150 units affordable)

- 100 properties will be returned to residential use annually following council involvement
- The Council will initiate compulsory purchase action on a minimum of four empty properties annually

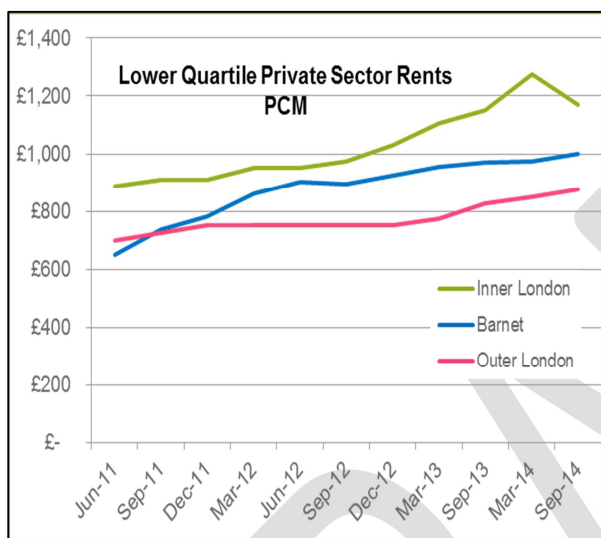
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## 5. Delivery of homes that people can afford

### Housing Market

House prices in Barnet have remained high and are continuing to increase as, in common with the rest of London, demand for homes outstrips supply. The median house price in the borough is now £460,560, twelve times the median household income of £38,147 which has made home ownership increasingly difficult to access for many people, as evidenced by a fall in owner occupation of 12% between 2001 and 2011, and a corresponding increase in renting privately.



High demand and limited supply has also meant that private rents have increased, with lower quartile rents rising by 50% or £351 a month between June 2011 and September 2014, to become the 4<sup>th</sup> most expensive in outer London. Rental inflation has outstripped housing benefit entitlements making it increasingly difficult for lower income working households to find affordable accommodation in the borough.

Increasing the housing supply in the borough will help to ease the pressure on housing costs in the longer term, and as outlined elsewhere in this document the Council has plans that will be expected to see 26,000 new homes built over the next 10 years.

### Affordability

The Council recognises that a range of affordable housing supply is needed to meet the needs of the growing population and is revising its Affordable Housing Supplementary Planning Document (SPD), which guides applicants, agents, developers and planners through the delivery of affordable housing through mechanisms such as Section 106 Agreements. The SPD also clarifies Barnet's application of Local Plan, London Plan and national policy requirements in terms of housing delivery. The new SPD will be adopted in early 2016 following a period of public consultation.

### Rented homes at affordable prices

The Council recognises that different types of affordable housing are needed to meet a range of income levels and types of household across the borough. The rent regime for homes in the public sector, including council and housing association homes has become more complex. Council homes benefit from social rents which on average are £103 a week,

or about 31% of the average private rent of £337 a week in Barnet. Housing Association tenants pay on average 25% more than council tenants and for new homes will be charged affordable rents of up to 80% of market rents.

Beds	1	2	3	4+
Council	£90	£103	£117	£133
Housing Association	£117	£127	£143	162
Private Sector	£237	£307	£402	£762

Average Rents in Barnet

The London Housing Strategy has proposed that two different approaches to affordable rents are used; with lower ‘capped’ rents, no more than 50% of market rents, targeted at those most in need and ‘discounted’ rents, no more than 80 per cent of market rents, prioritised for working households.

The Council recognises that new homes provided with the aid of grant will need to comply with the regime of affordable rents as described above. However, we think that for many people, including working households on modest incomes, affordable will mean a rent at Local Housing Allowance (LHA) level, which means that they will qualify for support in the form of Housing Benefit if their income is low enough to merit this. In view of this the Council will seek to increase the supply of rented homes at LHA level both by making use of its own resources to develop new homes directly and in partnership with others.

We will also explore innovative solutions to increase the supply of affordable purpose-built rented homes, including the encouragement of institutional investment in the private rented sector and modern new homes designed specifically for renters.

### Council Rents Policy

As shown above, the average council rent of £103 a week is about one third of average private sector rent, and significantly below the rent levels for new affordable homes at either capped or discounted rents that will be delivered through the London Mayor’s housing programme.

The Council believes that there is scope for council rents to provide more of a contribution to building more new affordable council homes, and will therefore consult with council tenants and other stakeholders on a new rent policy for council homes which will include the following:

- Existing council tenants will have rents increased to target rent from April 2016, an average increase of about 7% with a maximum of £10 a week.
- New-build council properties will have rents set at 65% of average market rents.

- New tenants who are granted a 5 year flexible tenancy will have rents set at 50% of average market rents. If the tenancy is extended at the end of the 5 year period then the rent charged will be 65% of average market.
- New tenants who are granted a lifetime tenancy will have rents set at 65% of average market rents.

The increase in income achieved through this approach will enable the Council to build approximately 130 additional new affordable council homes by 2020. This will contribute towards the target of building 500 new council homes over the next five years.

### Promoting Home ownership

We recognise that the aspiration that the majority of people have to own their own home has become increasingly difficult to achieve, as house prices have increased and access to mortgages has become harder, particularly for first time buyers.

The Government has reinvigorated the Right to Buy, which has helped more council tenants in Barnet to purchase their home, as well as providing funds that the Council can use to provide new affordable homes for rent. In addition, a number of residents have been able to take advantage of the *Help to Buy* scheme, and the Council will carry out more research to see if there is more that needs to be done to help people access this.

Through the Borough's affordable housing programme, 412 new homes for shared ownership have been delivered in Barnet since April 2011, and the Council will continue to work with developers and housing providers to deliver more low cost ownership options as part of its growth and regeneration plans.

We will also explore other means of helping people access home ownership, for example the potential for building smaller more affordable starter homes for people who would prefer to own a smaller home outright rather than a larger one through shared ownership. Pocket Homes, for example, are at least 20% cheaper than comparable market properties in the area, providing an opportunity for people on middle incomes to access home ownership.

Pocket homes are on average 38 square meters with a separate living room/kitchen and bedroom and shared amenity spaces such as court yards and roof gardens. They are well insulated and built to Code Level 4 and are Lifetime Homes compliant. Pocket residents are on average 32 years old with a household income of between £30,000 and £40,000 per annum.

They have restricted eligibility ensuring that buyers have a household income below the Mayor's maximum household income<sup>6</sup> threshold for eligibility for affordable housing schemes and the lease includes conditions that obliges owners to follow the same eligibility rules when selling their home. There are also restrictions on renting the home out.

<sup>6</sup> £65,000 per annum

A Housing Bill will be published during 2015 to support home ownership. The Council will seek to work with the government on its new starter homes initiative which will increase the supply of new starter home which will exclusively be offered to young first time buyers at a 20 per cent discount below their open market value.

Where possible, the Council will establish a policy on the local marketing of properties to ensure people living and working in the borough have the opportunity of purchasing homes built on council land before marketing more widely.

**Achievements:**

- 362 new homes for shared ownership have been delivered in Barnet since April 2011
- 958 new affordable homes for rent have been delivered in Barnet since April 2011

**Targets:**

- The Council will develop business case for delivery of purpose-built private rented sector units by end of 2016
- The Council will develop clear plans for delivery of more low cost home ownership by 2016
- The Council will consult on a local rent policy for council homes in Summer 2015
- Subject to outcome of consultation the Council will implement a local rent policy for council homes from April 2016

## 6. Sustaining quality in the Private Rented Sector

The role of the private rented sector (PRS) in meeting the housing needs of the borough has increased significantly over the last decade. Between 2001 and 2011, the number of private rented homes rose from 17% to 26% of homes in the borough. Our analysis of affordability and housing need going forward suggests that the private rented sector will continue to grow over the next ten years by a further 9% to represent 35% of homes in the borough.

Private rented sector homes provide flexibility and choice for people. However, the nature of the market means that there are many small scale landlords often with only one or two properties, which makes it more difficult to ensure a consistent quality across the sector. In addition, due to the high level of demand for housing, there has been a tendency towards an increase in the number of homes in multiple-occupation (HMOs) in the borough, particularly through the conversion of family homes into properties shared by 3 or more unrelated people, and in some cases these are not well managed.



Illegal conversion which could only be accessed by stooping tackled by Barnet's private sector housing team

The Council already works with local landlords and letting agencies to raise standards through a landlord forum run by Barnet Homes and by encouraging them to acquire formal accreditation through the London Landlords Accreditation Scheme.

In addition, through services provided by R<sup>e</sup>, Barnet works jointly with the Police and other partners to address sub-standard housing conditions in the private sector, including Houses in Multiple Occupation, "beds in sheds" and squats.

Along with more than 100 other Local Authorities the Council has signed up to support Shelter's "Evict Rogue Landlords Campaign"<sup>7</sup>.

In order to ensure that the growing private rented sector continues to offer good quality and safe homes, the Council intends to review how HMOs are regulated and consider other options.

The Council's current approach to tackling problems with HMOs is mostly driven by tenants who ask for help with improving their living accommodation. This means that difficult or potentially dangerous situations are only dealt with once they have arisen instead of being prevented in the first place. An Additional Licensing Scheme would place a responsibility on

<sup>7</sup> [http://england.shelter.org.uk/campaigns/fixing\\_private\\_renting/evict\\_rogue\\_landlords](http://england.shelter.org.uk/campaigns/fixing_private_renting/evict_rogue_landlords)

the landlord to inform the Council that their property is in multiple occupation and encourage them, with the Council's support, to ensure that they meet the required standards. The Council can then prioritise dealing with the properties of most concern and focus upon those landlords who fail to licence them to make the most effective use of its resources.

In addition the Council intends to implement an Article 4 Direction which withdraws permitted development rights which allow the conversion of dwelling houses to small HMOs (which accommodate 3 to 6 residents) without planning permission. As of May 2016 all new HMOs in Barnet will require planning permission.

### **New Purpose-built PRS**

The Council recognises that purpose built PRS when located within or around town centres can help address distinct housing needs as well as support labour mobility.

Long term private rent schemes are those that have been purpose built as rental units, are in single ownership and are subject to a covenant which ensures the units will stay in private rent for at least the covenanted period.

The economics of purpose built private rented homes that are held in a single ownership and are intended for long term rental differ from mainstream market housing for sale.

The Council will consult on a new Affordable Housing Supplementary Planning Document during 2015. This will consider options to provide purpose-built PRS with discounted market rent (intermediate rent),

#### **Achievements:**

- 463 landlords have been accredited through the London Landlord Accreditation Scheme (27% increase since 2011/12)
- Council signed up to Shelter's "Evict Rogue landlords Campaign"
- 174 tenanted properties were made free from Category 1 hazards<sup>8</sup> following intervention by the Private Sector Housing Team since 2011/12 (50% increase)  
62 licences were issued in 14/15 compared to 46 in 2013/14. There are currently 154 licensed HMOs in Barnet

#### **Targets:**

- Article 4 Direction and Additional Licencing on HMOs will be consulted on during 2015
- Subject to outcome of consultation Article 4 Direction and Additional Licencing implemented in May 2016
- 570 landlords will be accredited through the London Landlord Accreditation Scheme by 2020
- The Council will develop business case for purpose-built PRS scheme by end of 2016

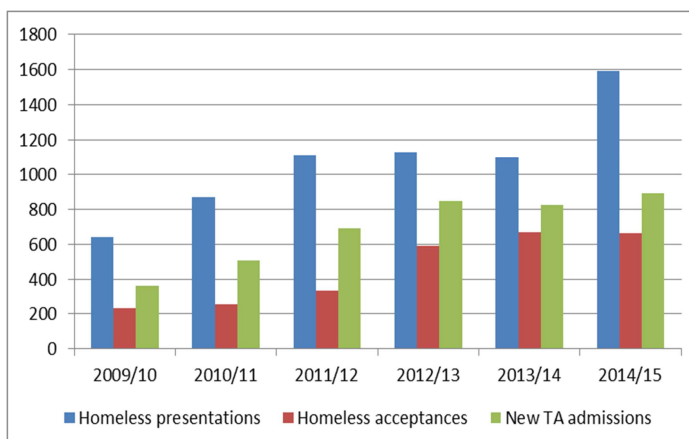
<sup>8</sup> Housing Health and Safety Rating System



## 4. Tackling Homelessness

### Overview

The number of households presenting as homeless and the number of households being accepted as homeless has increased significantly over the past five years. The number of new admissions into temporary accommodation has also risen.



The key reasons for the increased demand on services include:

- Increased housing costs combined with restrictions on housing benefit has resulted in more households moving out of Central London to Outer London boroughs, including Barnet. This is evidenced by a significant increase in the number of households claiming housing benefit in Barnet and a fall in housing benefit claims in Central London.
- The number of households seeking help with their housing has been increasing throughout London because of the high cost of owning or renting a home.
- Private sector rents have increased faster in Barnet than in other parts of London and they are the 4<sup>th</sup> highest out of 16 Outer London boroughs, meaning that more low-income households may approach the Council for assistance with their housing.
- Some households have found it difficult to manage welfare reforms such as the removal of spare room subsidy.

As demand has increased, there has also been a reduction in the supply of homes available to people facing homelessness, particularly in the private rented sector where the level of support provided through housing benefit has not kept pace with increases in private rents. It has become increasingly difficult to procure privately rented properties that fall within Local Housing Allowance levels resulting in increased use of emergency accommodation and escalating costs for the Council as the amount that is paid for these units is often not fully funded by housing benefit.

The Council recognises the stress that homelessness places on households who lose or risk losing their home and will assist people who find themselves in this situation to find a new home. In Barnet, we are proud that we have managed to avoid the use of bed and breakfast accommodation. However, we are concerned that a consequence of increased homelessness has been a significant increase in the use of self-contained emergency accommodation, which increased from 204 in April 2011 to over 600 by March 2013. Measures have already been taken to reduce the number of people in emergency accommodation which had fallen to 455 by March 2015, including:

- Increased incentives to private sector landlords, so that the number of private lettings to homeless households increased from 121 in 2011/12 to 393 in 2014/15
- A greater focus on homelessness prevention measures, such as tenancy sustainment, youth mediation and domestic violence support services.
- Through undertaking a financial assessment as part of the housing application signposting applicants to debt advice provided by Citizens Advice Bureau and Christians against Poverty.
- Sourcing accommodation in less expensive areas outside of Barnet
- Formation of welfare benefits task force to work closely with households affected by welfare reform to minimise the risk of homelessness.

Our strategy for tackling homelessness and reducing the use of temporary accommodation will continue to be threefold, with a focus on prevention, increasing the supply of housing available to homeless people, and making best use of our existing resources to manage demand. We will also ensure that households affected by welfare reforms designed to get people back into work are supported through the changes.

### Preventing Homelessness

The Council recognises that it is far better to help households avoid the upheaval and stress of becoming homeless and will seek to prevent homelessness and reduce the use of temporary accommodation wherever possible through services provided by Barnet Homes, with a particular focus on the following:

**Private rented sector tenancy sustainment:** Barnet Homes will increase specialist tenancy sustainment resources to increase homeless preventions amongst residents who approach Barnet Homes for assistance and are at risk of being made homeless from their private rented sector accommodation. Barnet Homes will work with tenants and landlords to resolve rent arrears, disrepair and threats of illegal eviction with good quality advice and representation.

**Young people:** Barnet Homes will continue to provide effective prevention services for young people by providing intensive family mediation to resolve conflict and, where this is not possible, provide planned moves into suitable alternative accommodation. This will include working closely with the Council and supported accommodation providers to ensure that those in highest need are given the right support. Barnet Homes will also expand the Get Real project which is an innovative model of shared housing for young people who want to access and sustain education, training and/or employment. Given the fact that the government has announced that it intends to remove the automatic entitlement of housing benefit for young people aged 18 to 21, Barnet Homes will work in local schools to explain the realities of youth homelessness.



**Victims of domestic violence:** Barnet Homes will provide specialist advice and support to those at risk of violence and ensure that a holistic approach is taken of the victims' needs. Barnet Homes will also expand the provision of our Sanctuary Scheme which installs safety measures in homes where a household is at risk of violence. Furthermore, Barnet Homes will work with Solace Women's Aid to set up a new domestic violence refuge in Barnet which will provide a one stop shop approach to providing a range of support.

**Welfare reform:** Welfare reforms designed to help people into work have meant that more households have been at risk of losing their home, and the Council has worked closely with its partners to establish a taskforce led by Barnet Homes. The Welfare Benefits Taskforce has brought together staff from Barnet Homes, the Council's Housing Benefit service, Job Centre Plus and Future Path to work with households affected by welfare reform with a focus on helping them into employment, and we will continue to take this approach as Universal Credit is fully implemented over the next few years. Barnet Homes will continue to work closely with our Welfare Reform Taskforce partners, Job Centre Plus, Capita and Future Path, to minimise homelessness amongst those affected by Welfare Reform.

**Single homeless people:** Our partner, St Mungo's Broadway, supports single homeless people to secure accommodation in the PRS through their rent deposit scheme. This scheme will be utilised to prioritise assistance for certain groups of single homeless people (including those leaving supported accommodation because of substance abuse or they are high risk or ex-offenders) who would otherwise be placed in temporary accommodation.

**Stakeholder engagement:** Barnet Homes will work closely with local support providers and agencies to ensure that they are aware of the homeless prevention support provided by the ALMO and their own role in enabling homelessness prevention.

### **Increasing the supply of homes for households facing homelessness**

Barnet has also embarked on a programme of building new council homes for the first time in over 20 years as described in section 3, and will also explore the possibility of purchasing homes directly in more affordable areas which could be let to households who can no longer afford to remain in the borough.

Barnet Homes has worked closely with private landlords to increase the supply of private rented sector homes both in the borough and further afield by developing a marketing strategy with a clear brand, Let2Barnet, and the employment of skilled negotiators with experience of working with private landlords.

## Making best use of existing resources and reducing the use of temporary accommodation

Subsidised housing, including council and housing association homes have become increasingly scarce, and the Council has already made changes to the way that these homes are allocated, including restricting the our allocations scheme to those households that are in the highest need and expecting housing applicants to accept the first suitable offer of accommodation they receive. At the same time, our scheme recognises the contribution that people who are working or volunteering make to the community. The Council's Tenancy Strategy has been implemented and many new tenants now receive a fixed term tenancy of five years, with the aim of increasing the turnover of council homes and increasing the availability of council homes for those that need them. This enables tenants to have the time to stabilise their life circumstances and financial situation through to training and entering employment and eventually sustain private sector housing.

### Achievements:

- Homeless preventions increased by 99% between 2012/13 and 2013/14 to 894. A further 832 homeless preventions were achieved in 2014/15.
- The creation and launch of the Barnet Homes Let2Barnet brand in 2012 has proved extremely successful with the scheme providing almost 900 affordable private rented properties for homeless households and those at risk of becoming homeless. Annual affordable PRS supply increased by 224% between 2011/12 (121) and 2014/15 (392).
- Local placements policy was implemented in 2013 to ensure that housing applicants are offered accommodation that is affordable and suitable..
- 3 new council homes were delivered in 2013, the first homes built by the council since 1991.
- Welfare benefits task force has contacted 1,403 households since April 2013. Of these 439 have gained employment and 86 have moved into more affordable accommodation In 2013/14 and 2014/15 the Taskforce prevented the homelessness of a total of 365 households affected by the Benefit Cap.
- Two innovative Get Real flats set up resulting in positive outcomes for the young homeless people involved and positive recognition from professionals working in the youth homeless field.
- Barnet Homes helped 63 council tenants affected by the under-occupancy reduction to move into smaller homes (including 45 trade downs and 18 mutual exchanges) during 2013/14.
- Changes to the Council's Housing Allocations Scheme from February 2015 which to make best use of a limited housing supply

### Targets:

- Barnet Homes will achieve at least 700 homeless preventions in 2015/16
- The Council and Barnet Homes will develop a detailed Homelessness and Temporary Accommodation action plan by September 2015
- Barnet Homes will enable at least 325 affordable private sector lettings to homeless households and those at risk of homelessness in 2015/16i

- Barnet Homes will host 3 London Landlord Accreditation Scheme landlord development courses per year to increase the number of accredited landlords. Private Sector Housing Team in Re will also promote landlord accreditation to landlords it works with,
- 570 landlords will be accredited through the London Landlord Accreditation Scheme by 2020
- Barnet Council will work with Barnet Homes, Job Centre Plus and Registered Providers on a local support framework for universal credit to ensure that the potential for homelessness is minimised in 2015

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## 7. Providing suitable housing to support vulnerable people

There are some residents with specific needs that mean that they require particular types of accommodation and / or support to sustain suitable housing. The Council is committed to supporting vulnerable people, including older people, adults with long-term conditions (for example physical disabilities, mental health, learning disabilities /autism) and young people leaving care to meet their housing needs and aspirations. This may be done either by commissioning specialist support to help people stay in their homes or providing specialist accommodation for those not able to live independently, preferring supported housing over more institutional and expensive residential care.

### Older People

We know that the older population in Barnet is set to increase significantly over the next 30 years.

The Cornerstone Report commissioned by the Council in 2014 which focused on Housing and Care for Older People identified 2 housing profiles for older people in the Borough:

- The over 60 population is 64,690 now and is projected to be 109,849 by 2041- an increase of 41%.
- The over 90s population is set to increase fourfold from under 3,000 in 2011 to almost 12,000 in 2041.
- There will be more over 90 year olds than 85-89 year olds from 2035

- Older people who tend to have some, or in some cases, all of the equity that they need to fund a move and will be moving for lifestyle reasons or may be thinking about their future care needs.
- Older people who tend to have little or no equity to fund a move and are more likely to be moving due to a care crisis.

The Council's strategy is to make it easier for older residents to plan ahead for their housing needs as they approach old age, so that those that want to make planned downsize moves are able to do so and ensure that those with high care needs have a non-residential care choice when care in their own home no longer meets their needs, including those with dementia. The Council also recognises that informal support networks are important for people as they grow older as this helps to prevent social isolation and loneliness.

### Advice for people planning for older age

The Age UK Barnet "[Later Life Planner](#)" service helps people to manage and plan for the challenges that ageing brings, whilst retaining independence, choice and control in their lives. This service provides advice on welfare and benefits, housing or support services as well as how to keep healthy, fit and active. The team is based at Age UK Barnet's offices but advisors also work out in the community to reach as many people as possible across the borough.

The Dementia Adviser service provided by the Alzheimer’s Society offers information for Barnet residents about all aspects of living with dementia and supports people to access services.

[My Care My Home](#) is a free advice service for individuals and their families who need advice about housing and care and how to pay for it. The service provides access to a range of information such as details of local home care providers, care homes or care in sheltered or Extra-care schemes.

All these schemes, and help for older people who need to leave hospital, can also be accessed from the Council’s social care online directory called [Social Care Connect](#).

[Outreach Barnet](#) provides short term housing related support and advice for people with support needs. Funded by the Council, it is free of charge to customers. The service helps people maintain their accommodation by offering a range of support which promotes independence and empowerment. 1046 residents accessed this service between July 2014 and April 2015.

## Housing options for older people

### New Homes

As described in chapter 1, Barnet’s growth and regeneration programme will deliver in excess of 30,000 new homes by 2030. Many of these will be suitable for people to grow older in as they are designed to lifetime standards, comply with current energy efficiency standards, and are sited close to transport and amenities,

### Co-Housing

The ‘New Ground Cohousing’ development in Union Street, High Barnet will be the UK’s first senior cohousing community for older women and has been planned for 16 years by the group Older Women Co-Housing – (OWCH) and Hanover Housing Association. Construction started in March 2015. The scheme will provide homes for women aged

over 50 in 25 flats, including 8 social rented flats. The scheme has pre-sold all but one of the flats for sale and shared ownership to date suggesting that this is an attractive option for active movers who are planning for their old age. The Council will consider further schemes in the future.

#### Co-housing in a nutshell

Co-housing communities are created and run by their residents. Each household has a self-contained, personal and private home but residents come together to manage their community, share activities, eat together. Co-housing is a way of combating the alienation and isolation many experience today, recreating the neighbourly support of the past.

## Supported Housing Options

It is important that the right sort of housing is provided to help older people with a range of support needs requiring help with managing everyday tasks. The Council has identified that there is already a shortfall in supply of supported housing for older people as an alternative to residential care homes, with the former providing a more flexible and affordable approach that can help older people live more independently for longer. At present approximately 80 people each year would benefit from a better outcome if they could be placed in supported housing. The Council believes that older people would benefit from more extra-care housing units and will look to the development pipeline to find further opportunities for developing such schemes.

### Extra care

There are currently 136 Extra Care Housing (ECH) flats in Barnet all of which are owned and managed by registered providers (RPs) and charitable service providers. An additional 50 homes will be delivered by 2017/8, by Barnet Homes at Moreton Close. In addition, the Council has plans to provide 100 specialist integrated homes on a hub and spoke model where accommodation is linked to health and care support and other community facilities to be delivered by 2025 – including 50 homes for sale. Hub and spoke models can offer services and facilities to the wider community, as well as to residents of the scheme. This means that a range of services including housing support can be provided from a central point over a defined geographical area to people within the surrounding community.

#### Extra Care Housing

These are usually flats, sometimes bungalows, link or terrace houses which have been developed or adapted to provide 24 hour care cover “on site”. With an Extra-care scheme you combine the privacy and independence of your own house with the security and confidence of knowing that care support is close at hand on call if you need it any time day or night. Many of the schemes also have other facilities such as communal lounges.

### Care and Repair Service

The [Care and Repair Service](#) provided by R<sup>e</sup> helps older residents and disabled people of all ages who live in the private sector to live independently and safely in their own homes.. It is the main source for advice on housing adaptations, repairs and improvements, finding suitable contractors, grant funding streams and other financial assistance (including charity funding) as well as helping residents to access benefit entitlement. Whilst residents can choose to deal with the arrangement of their own adaptation and building works, the majority opt for the supported service provided by Care and Repair which covers minor and major building works to improve quality of life and independence for vulnerable people. The supported service covers all aspects from completing the application form for a Disabled Facilities Grant, to getting estimates and supervising the works through to

completion. Many of the services are provided free of charge. However, we are unable to provide all of our services this way and for some works a fee based on the cost of works will be charged.

### **Disabled Facility Grants (DFGs)**

Disabled residents including residents with a disabled child may apply for help towards the cost of adaptation of their home whether it is owner-occupied or rented from a council, housing association or private landlord. The grant must be for somebody who is registered disabled or would qualify to be registered. How much a resident gets depends on an assessment of their income.

### **Housing for adults with long-term conditions**

Supported housing can provide settled accommodation, offer security of tenure and provide increased opportunities for independent living for adults with a range of long-term conditions, including dementia, learning disabilities, autism, physical, neurological and sensory disabilities, and problems with substance misuse, including drugs and alcohol.

Our strategy is to stimulate provision to provide a variety of options for housing and support rather than one size fits all, including helping people with support needs access the Private Rented Sector

The current Supported Living Framework will expire in 2017. In 2015-16 the Council will start a project to shape and model its approach to how supported living services should be commissioned beyond 2017. Discussions with providers and key stakeholders will help to inform our approach.

### **Physical disability**

In terms of accommodation type, we recognise the need for homes which can offer level access for wheelchair users and those with decreased mobility, and have stipulated that all new homes must meet the Lifetime Homes Standard, and that 10% must be fully wheelchair accessible. In addition, we will provide a number of wheelchair accessible homes on council owned land supported by the Housing Revenue Account Investment Programme, including 9 new build fully accessible wheelchair properties currently planned and a further 5 new wheelchair properties every 2 years. Generally self-contained accommodation is preferable, although we are considering the potential for small shared settings for groups of friends who wish to live together.



## Learning disability and autism

We will seek to meet the needs of people with learning disabilities who are ready to move from hospital settings to supported accommodation within the community.

According to the Barnet Insight Report<sup>9</sup>, 57 (35%) service users with autism were living in residential care homes during 2012/13, which suggested that there was a need for more specialist supported housing schemes.

One example is Speedwell Court, a local development for people with high functioning Autism and Asperger's syndrome has been

developed in partnership with Origin Housing. Speedwell Court has 10 self-contained studio flats, where residents can live for up to two years and enables service users to gain important life skills for independent living to support their move-on plans. The move-on pathway for service users is for them to transfer to more independent accommodation with access to specialist support if they need it.

National forecasts show the number of young adults with Autism is expected to increase by 2.7% over the next 5 years, with a local increase of 8.7% expected within Barnet. There is therefore a need to have a clearer picture on the needs of people with autism to inform the planning of services.

### Winterbourne View

The Winterbourne View Joint Improvement Programme and Concordat requires local authority housing and social care and health commissioners to work closely together to develop creative solutions to find and develop appropriate housing for people with learning disabilities who are ready to leave hospital.

### Views of the people with learning disabilities (PWLD)

A housing workshop was held with the Learning Disabilities Partnership Board in April 2014. Participants identified their main issues and barriers to moving:

- Lack of choice of accommodation and location, importance of PWLD living close to family, friends and support networks how can this fit with personalisation
- Changes to welfare benefits and increasing costs of housing , affordable properties are often very small
- Need greater access to adaptation services.
- Importance of having accessible and independent information including examples of all the types of housing schemes and options
- Having the right support from family, social worker or key worker to make the right choices - are the right tools available to work through realistic options?
- Making sure we are planning for future needs particularly people with complex needs
- Making sure private landlords understand the needs of PWLD.

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<sup>9</sup> 2013/14



## Mental Health

Adults with a severe and enduring mental illness face high rates of unemployment, social isolation, poorer physical health and insecure housing arrangements.

The prevalence of mental health problems recoded on GP registers is higher in Barnet (0.95%) than the England average (0.84%).

By 2025 there are projected to be 65,280 people with a mental health condition in Barnet.

In Barnet, there are instances where individuals are being placed in residential settings because of a lack of local supply of alternatives. There is the need for the development of a wide range of accommodation options, including home ownership schemes, with a varying spectrum of support to meet the differing needs of the adult mental health population.

The Council plans to increase the range of sustainable accommodation options for people with mental health problems in conjunction with the NHS. There is a compelling evidence base that where we live has a significant impact on our mental health. For the NHS, inadequate access to housing increases costs and demand for acute services.

## Young People Leaving Care

The Council recognises the responsibilities it has to help young people in care to find and keep appropriate accommodation as they reach adulthood. This means ensuring that young people leaving care are helped to prepare for living independently and supported through the transition from living in a care setting to their own home. Young people in this situation need advice on managing their finances, flexibility about when they move out of care to minimise disruption, for example to their education, and access to accommodation in other areas, for example if they want to go to university in another part of the country.

Barnet Homes, who manage the allocation of homes for the council, works closely with the Council's Onwards and Upwards team that provides support for young care leavers, and a clear referral pathway between the two organisations has been established for new referrals. In addition, there is active joint management of cases to ensure that issues that may be hampering a young person from securing or keeping accommodation, such as rent arrears or anti-social behaviour are addressed. A range of housing options are in place for care leavers, including a Foyer, supported housing and shared accommodation, and a training flat has been established where young people can spend time learning how to manage their own home. Barnet Homes has also established the *Get Real Project*, which provides shared accommodation for young people, including care leavers.

In recognition of its corporate parenting role, the council has recently made changes to its Housing Allocations Scheme to give young care leavers more priority for council and housing association homes.

### **Achievements:**

- Site was identified and funding agreed for new Extra Care Housing Scheme at Moreton Close
- Planning permission was granted for Co-housing project which has started on site
- Council re-commissioned generic and mental health housing related floating support services
- Supported Living Housing Scheme was established at Speedwell Court in 2013
- 221 Disability Facility Grants were approved and completed in 2014/15.

### **Targets:**

- “New Ground” Older Women’s Co-Housing (OWCH) Scheme will open in February 2016
- New extra care housing scheme at Moreton Close will be completed by 2017/18
- The Council will increase the supported housing options, including provision for people with dementia by 150 units by 2025.
- The Council will start a project to shape and model its approach to how supported living services should be commissioned beyond 2017 during 2015/16.
- The Council will work with users and their representatives to produce accessible information on housing options for people with Learning Difficulties and Autism by 2016.
- Private Sector Housing Team in Re will reduce the average time for the administration of Disabled Facilities Grant works to 186 days from 2015.
- Private Sector Housing Team will increase the number of people supported to remain in their homes through the Disabled Facilities Grant scheme from 2015.

## 8. Deliver efficient and effective services to residents

### Management of Council Housing Services

Currently Barnet Homes delivers the full housing management services for the 10,000 tenanted and 4,000 leasehold properties owned by the Council. It also provides the housing options and homelessness services to the whole of the borough. It was set up in 2004 as an Arm's Length Management Organisation (ALMO). In February 2012 it became a subsidiary company along with Your Choice Barnet, to The Barnet Group, a local authority trading company, wholly owned by Barnet Council. Your Choice Barnet (Limited) is an adult social care company providing services to adults with learning and physical disabilities.

The ALMO was created to deliver improvements to the condition of the Council's housing stock through the government's Decent Homes programme and to improve services to tenants and leaseholders. Barnet Homes was successful in delivering the Decent Homes programme and improving tenant satisfaction, and in 2010 the Council's Housing Strategy confirmed that the Council wanted to keep the ALMO and explore the potential for Barnet Homes to provide more services. In January 2012 the Council transferred the Housing Needs Service to The Barnet Group, with Barnet Homes responsible for delivering the service.

The Council will work with The Barnet Group to review the current arrangements, to assess value for money and to ensure that it can continue to deliver housing services to residents as well as assist in the Council's wider strategic needs to increase housing supply. This will include options for the delivery and management of new homes and a mixed economy of private, social and affordable rents. Revised arrangements will be in place by October 2016.

### Regional Enterprise (R<sup>e</sup>)

R<sup>e</sup>, a joint enterprise between the Council and Capita, was established in October 2013 following a competitive tendering exercise. The objective of this approach is to make use of Capita's private sector expertise to increase the efficiency of and grow the services provided by R<sup>e</sup> to both save the Council money whilst also ensuring that services which are essential to support growth and prosperity in the borough are maintained and improved.

As well as providing planning, environmental health, highways and trading standards services, R<sup>e</sup> also manages services responsible for taking forward the Council's growth and regeneration plans and planning strategies including the Local Plan. In addition, as part of the Environmental Health function R<sup>e</sup> delivers regulatory services for the private rented sector, including registration of Homes in Multiple Occupation, as well as delivery of the council's strategy for bringing empty private sector homes back into use.

## Housing Associations

Housing Associations, also known as Registered Providers, have a key role to play in providing low cost housing in the borough and helping the Council to deliver its wider housing objectives, including our Estate Regeneration programme. Housing Associations currently manage over 7000 homes in Barnet, including for rent and low cost home ownership, and are the main providers of new affordable homes in the borough, with more than 600 homes built since April 2012, exceeding targets set by the Council.

As well as providing new homes, it is important that high quality services are provided to people living in housing association properties, and the Council carries out regular monitoring and benchmarking of the performance being delivered by registered providers.

We have been working proactively with local housing providers to deliver the outcomes of Welfare Reform to ensure a tailored service is provided to all residents who have been affected by the changes to help them get back into work, and we are now working to meet the need for improved employment and training opportunities available in Barnet.

The Council will continue to work in partnership with Housing Associations to deliver more affordable homes and maintain high standards of service, including through the Barnet Housing Association Liaison Group which remains an excellent opportunity for housing providers to share experiences, promote good practice and highlight areas for increased partnership working.

We also want to explore how we can work more strategically with housing associations to meet the housing challenges facing the borough.

### Achievements

- Housing Needs service was transferred to Barnet Homes in 2012 to provide a unified housing service
- **R<sup>e</sup>**, a joint venture with Capita which will deliver the council's growth and regeneration programme established
- More than 600 new affordable homes delivered by housing associations since April 2012

### Targets

- The Council will work with Barnet Homes to establish arrangements for the future of homelessness and housing management services beyond 2015/16 by October 2016
- Complete a strategic review of the role of Housing Associations in helping the Council to deliver its objectives by October 2016

## Appendix 1 – Financing the Housing Strategy

### 1. Increasing the supply of Housing through Regeneration and Growth

The Council's development partners are currently responsible for a substantial amount of the Council's costs to bring these schemes to fruition.

Principal Development Agreements and Regeneration Agreements allow the Council to recover its costs at certain stages of the regeneration projects.

For each scheme, the Council's costs are budgeted and recorded on a monthly basis, and are invoiced either quarterly or towards the end of each financial year, depending on the terms of the agreement with the development partner.

### 2. Council Housing and Housing Needs Services

The Council's Medium Term Financial Strategy (MTFS) includes a General Fund saving of £300k for 2015/16 and this will be delivered through a reduction in the Management Fee paid to Barnet Homes for the delivery of homelessness and housing advice services.

A saving of £2.84 million in the Housing Revenue Account (HRA) Management Fee has been negotiated with Barnet homes subject to agreement from Policy and Resources committee. This will create additional headroom in the HRA and enable the Council to build more affordable homes than it otherwise would be able to, with a minimal impact on service delivery.

### 3. Delivery of Affordable Housing

Once the HRA saving of £2.84 million as set out above has been taken into account, it is estimated that the HRA, supported by 1-4-1 replacement Right-to-Buy receipts could fund the building of 390 new affordable homes on council land. It is estimated that our proposed rent policy would raise an additional £20 million over the next 5 years and enable the Council to build at least another 100 more affordable homes to deliver our target of 500 new homes on existing council housing land by 2020.

In addition, Barnet Homes have secured £2.47m funding from the GLA 2015/18 affordable housing programme to support building 101 new homes at a total cost of £19.1m.

The Council will continue to explore other options for funding additional new housing on its own land outside of its housing portfolio, and is currently working with Re and Barnet Homes to develop the most appropriate delivery vehicle for this .

### 4. Tackling Homelessness

Containing budget pressures associated with the costs of temporary accommodation continues to be a challenge especially with the demand to bring forward early decanting for

regeneration. Detailed plans are in place to contain those costs and this will be monitored through existing governance structures.

#### 5. Housing Revenue Account Capital Programme:

Investment to ensure that council owned housing stock is well maintained and that statutory health and safety obligations are met. Also includes investment to improve Granville Road and deliver 41 new council homes.

2014-15 TO 2018-19	CAPITAL BUDGETS £'000					
Housing Revenue Account	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Major Works (excl. Granville Rd)	7,637	9,402	8,438	8,101	6,331	39,908
Granville Road	20	273				293
Regeneration [1]	3,773	3,151	2,506	2,065	1,684	13,181
Misc. - Repairs	1,316	942	2,020	2,073	2,348	8,698
M&E/ GAS	12,543	16,572	8,254	8,079	6,826	52,273
Voids and Lettings	1,980	1,712	1,806	1,853	2,305	9,655
41 New Affordable Homes	550	7,750				8,300
Advanced Acquisitions (Regen Estates) [2]		4,773	2,000	2,000		8,773
Moreton Close		4,934	6,400	1,000		12,334
<b>Totals</b>	<b>27,819</b>	<b>49,508</b>	<b>31,424</b>	<b>25,171</b>	<b>19,493</b>	<b>153,415</b>

#### 6. Barnet Homes Capital Programme:

Investment to refurbish General Fund hostels and 3 new council homes at Alexandra Road.

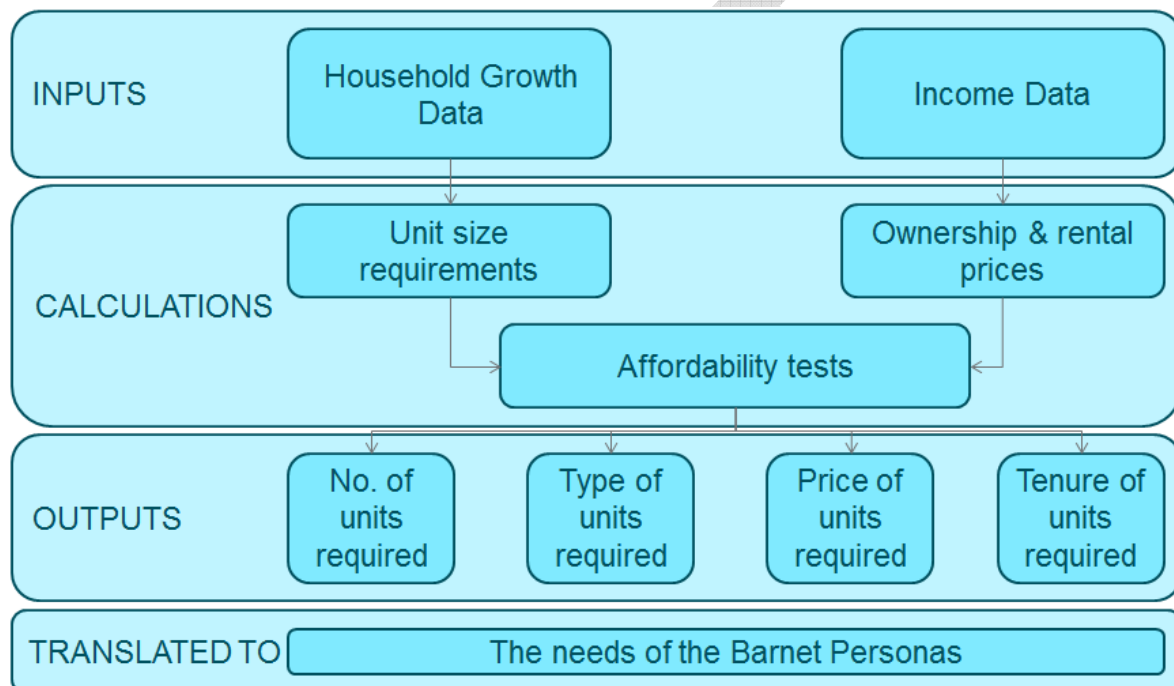
2014-15	TOTAL CAPITAL FUNDING £'000					
General Fund	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Alexandra Road <sup>10</sup>	33					33
Hostel Refurbishment Programme	122	148				270

<sup>10</sup> Alexandra Road was appropriated into the General Fund for legal reasons

## Appendix 2- Housing Needs Assessment

We know that Barnet’s population is increasing, and it is important to understand the type of homes that will be needed to accommodate this growth. The council have commissioned a Housing Needs Assessment to provide analysis of the expected household growth, existing unmet need and affordability, and provide an estimate of the number, size and tenure mix that will be needed over the next 10 years. The assessment also considers how housing need is distributed across a set of personas that represent the type of households living in the borough.

The approach taken is summarised in the following table.



In addition, affordability was assessed on the basis of Department of Works and Pensions figures for the minimum household income needed after housing costs have been taken into account + 10% as follows, examples of which are:

- £ 6,656 for a single adult
- £11,440 for a couple
- £18,564 for a couple with 2 children

Using the approach, the assessment identified that over the next 10 years a total of 27,350 new homes will be required, and that the majority of households housing need could be met by the private rented sector as follows:



**Barnet Housing Market Assessment 2015/16 – 2024/25**

	1 bed	2 bed	2 Bed Shared	3 Bed	3 Bed shared	4 Bed	Total	Comment
Total Requirement	8309	4555	7864	2768	2240	1614	27350	This is the total number of units needed
80% Market Rent	8309	4555	7864	2768	2240	1614	27350	Households who could afford 80% market rent
Market Rent	7523	3536	7001	2099	2123	1111	23393	Of the total, this many could afford market rent
Shared Ownership	6043	2714	6307	1519	1998	717	19298	Of the total, this many could afford shared ownership
Owner Occupation	2406	785	4002	334	1440	134	9101	Of the total, this many could afford to buy a home with a mortgage

This suggests that over the next ten years, there will be an annual need for 2735 new homes each year. The household projections show that two thirds of the new households in the borough will be couple or single people without children, generating a need for smaller units or accommodation that is suitable for sharing.

In addition, whilst 86% of new households could afford the private rented sector, increasing to 100% at 80% of local market rents, only 33% will be able to afford home ownership at full market rates, although this rises to 71% for shared ownership.

In terms of size, the overall mix of accommodation needed to meet housing need, will be 30% one bedroom homes, 46% two bedroom homes, 18% three bed homes and 6% 4 bed or larger. Within this, the projections show that higher proportions of two and three bedroom homes will be required for those that can afford home ownership.

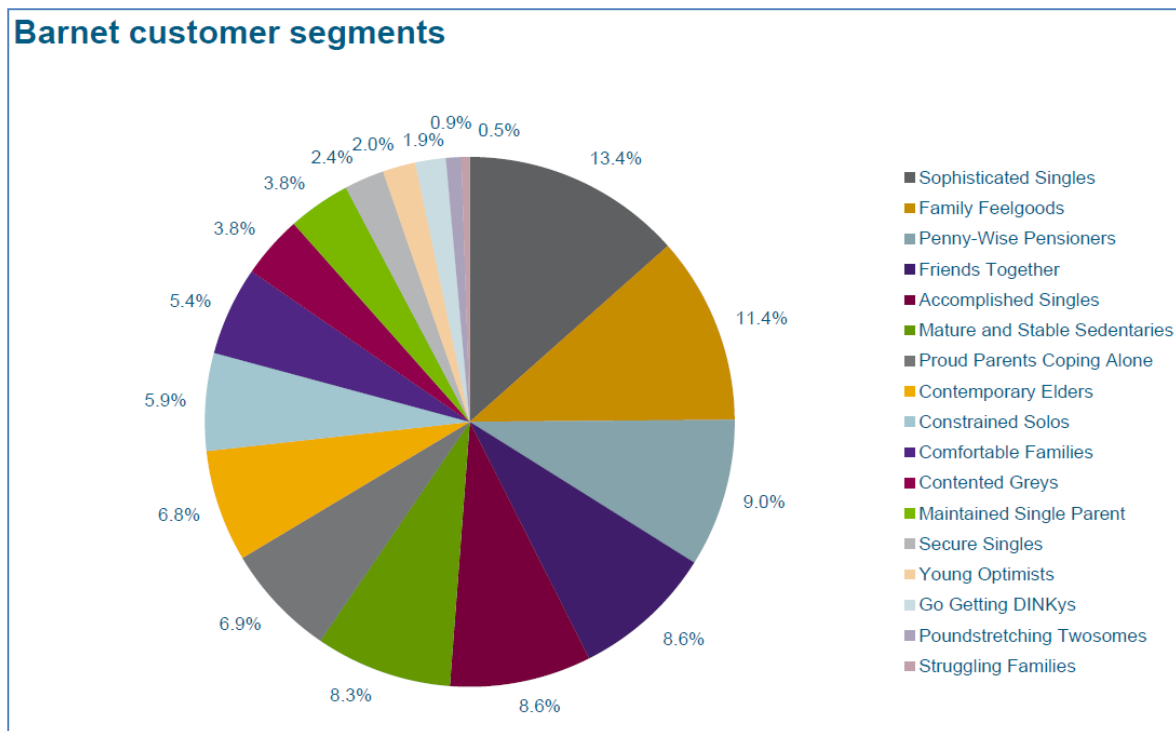
The above analysis can be used to give the following annual requirement for new homes:

	1 bed	2 beds	2 beds shared	3 beds	3 beds shared	4 beds	Total	%
Total Requirement	831	456	786	277	224	161	2735	
Market for Sale	241	79	400	33	144	13	910	33%
Intermediate Ownership	364	193	231	119	56	58	1020	37%
Market Rent	79	102	86	67	12	50	396	14%
Affordable rent	148	82	69	58	13	39	410	15%



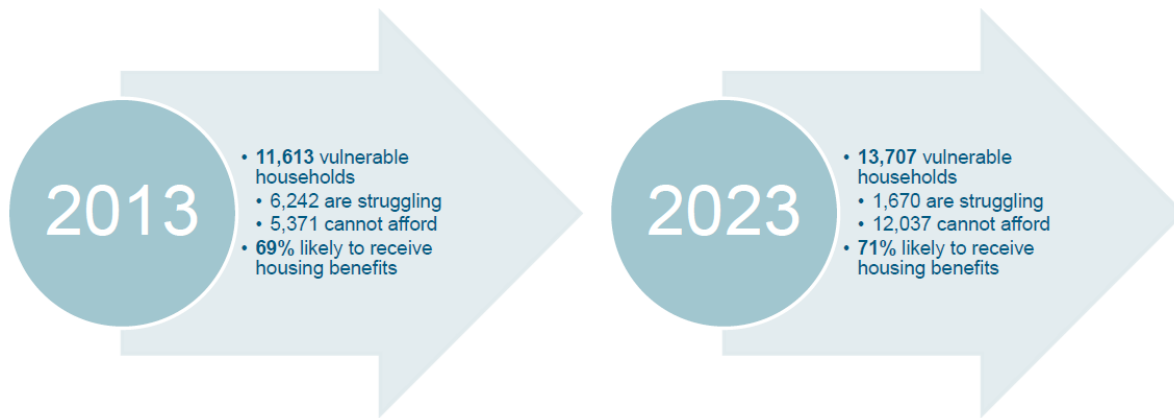
## Barnet Customer Segments and affordability

In addition to the Housing Needs Assessment, we have also carried out a study into the affordability of housing and how this is likely to change over the next 10 years. This study looked across a set of representative personas that have been developed based on Call Credit Cameo data (CAMEO classification system provides detailed customer analysis & customer segmentation).



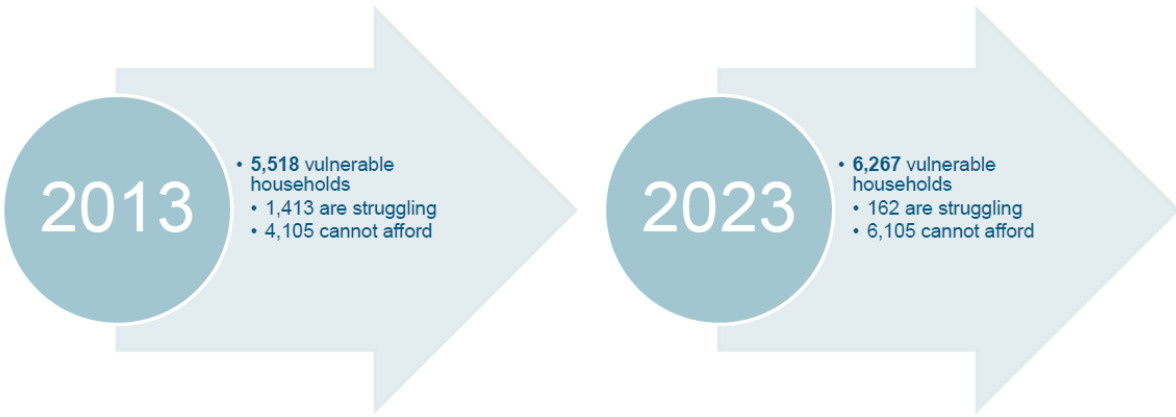
The study considered the types of housing each household could afford at present, and assumes that incomes will increase by 23% and housing costs by 40% over the coming ten years, based on how these have changed during the last few years. This inevitably shows that more people will find struggle to meet their housing costs by 2023.

For rented accommodation, the assessment shows that there are currently an estimated 11,613 households who have difficulties with paying their rent, including 5,371 who have less than the DWP minimum household income once they have paid their rent, suggesting that they cannot afford private rented accommodation. The overall number who are likely to have difficulties with rent payments increases to 13,707 by 2023, but within this 12,037 will be below DWP minimum household incomes once they have paid their rent.



<b>Rent Affordability 2013</b>	30-40k	25-30k	20-25k	15-20k	10-15k	10k
Friends Together					740	444
Comfortable Families	856	578	395			
Mature and Stable Sedentaries			517			
Young Optimists						
Constrained Solos					505	377
Struggling Families				242	57	48
Proud Parents Coping Alone				837	1,046	795
Penny Wise Pensioners						1,390
<b>Rent Affordability 2023</b>						
	37-50k	30-37k	25-30k	18-25k	12-18k	12k
Pound-stretching Twosomes			331	98		
Friends Together					814	489
Comfortable Families	933	630	430			
Mature and Stable Sedentaries			625			
Young Optimists						
Constrained Solos					526	392
Struggling Families				266	63	53
Proud Parents Coping Alone			268	921	1,151	875
Penny Wise Pensioners						1,390
<b>RED=Number who cannot afford rent</b>		<b>Amber = Number Struggling to pay rent</b>				

The number of households that will not afford to keep up with existing mortgage payments will increase by 49% in 2023, to over 6.1k. This is because most household groups that struggle to make their mortgage payments at present will not be able to afford making them at all. It is likely that they were in another lifestyle segment when they bought the house, but in their new circumstances they cannot afford a mortgage.



<b>Mortgage Affordability 2013</b>				
		15-20k	10-15k	10k-
Pound Stretching Twosomes		9		
Friends Together		418	394	161
Young Optimists		263	293	113
Constrained Solos		732	674	450
Proud Parents Coping Alone		529	991	491
<b>Mortgage Affordability 2023</b>				
	25-30k	18-25k	12-18k	12k-
Pound Stretching Twosomes		11		
Friends Together		460	433	177
Young Optimists		274	304	118
Constrained Solos		835	768	513
Proud Parents Coping Alone	162	581	1,090	540
<b>RED=Number who cannot afford mortgage</b>	<b>Amber = Number Struggling to pay mortgage</b>			

## Appendix 3- Regeneration Schemes in Barnet

Scheme	Total Housing delivery	Infrastructure delivery	Partners	Status October 14
<b>Brent Cross</b>	<p>Replacing the existing 217 homes with up to 7,500 new homes</p> <p>BX North- Hammerson is re-providing up to 60 new homes- 31 social rent 29 private/shared equity</p>	<p>BXC North- New Living Bridge and footbridge</p> <p>Major Transport improvements</p> <p>BXC South- new schools and community facilities</p>	<p>BXC North- Hammerson and Standard Life</p> <p>RP to be selected by end of 2014</p> <p>BXC South- Council is undertaking a procurement process to select its preferred development partner for this scheme. Procurement will be concluded in early spring 2015</p>	<p>BXC North- phase 1A an expected start on site is in late 2015 with completion by 2017/18</p> <p>BXC North- start on site tbc</p>
<b>Dollis Valley</b>	<p>441 existing properties that will/have been demolished,</p> <p>and replaced with a new 631 unit scheme -</p> <p>230 social rent</p> <p>20 intermediate</p>	<p>New Community Centre</p> <p>New Community Nursery School</p>	<p>Countryside &amp; London &amp; Quadrant</p>	<p>Works started 4<sup>th</sup> Feb 2014 (estimated completion within 7 years)</p> <p>First occupation - Spring 2015</p>

Scheme	Total Housing delivery	Infrastructure delivery	Partners	Status October 14
381 Private Sale				
<b>Grahame Park</b>	<p>Replace 1,314 existing homes with 2,977 new homes: 889 social rent, 165 low cost home ownership and 1,923 private units</p> <p>Stage B is to be reviewed</p>	<p>Barnet College re-location, major highways and infrastructure works, replacement library, Children's Centre and Centre for Independent Living, re-provision of Health Centre and Community Centre.</p> <p>New Heybourne Park</p>	<p>Genesis Housing Association (Choices for Grahame Park)</p>	<p>Phase 0 completed 32 new homes</p> <p>Phase 0 completed 39 new homes</p> <p>Phase 1a completed 319 new homes.</p> <p>Phase 1b(i) – On site due to complete 31<sup>st</sup> March 2015.</p> <p>Lanacre Avenue Shift on site and due to complete early 2015.</p>
<b>West Hendon</b>	<p>Demolition of existing estate and part of West Hendon Broadway</p> <p>Creation of approximately 2,000 new homes:</p> <p>219 social rent</p>	<p>Creating linkages through from the estate to West Hendon Broadway and Welsh Harp reservoir</p> <p>New education &amp; community facilities as well as retail and commercial space</p>	<p>Barratt Metropolitan LLP</p>	<p>Phase 3a is on site and will be completed in April 2015. The whole scheme is due to be completed by 2029.</p>

Scheme	Total Housing delivery	Infrastructure delivery	Partners	Status October 14
	287 low cost home ownership 1494 private sale	Appropriate landscaping, open space and parking provision		
<b>Stonegrove</b>	Replacing the existing 603 homes with 937 new mixed use housing; comprising of 417 affordable units and 520 private units	<p>Joint Church and Community Centre replacing existing St Peter's Church and hall, including a new community hall</p> <p>New school replacing the existing secondary school</p> <p>Commitment towards delivering employment and training benefits</p> <p>Improved landscaping and open spaces to benefit the wider community</p> <p>New roads and improvements to traffic management</p>	Barratt London Family Mosaic Barnet Homes	Pilot phase delivering 62 new social housing units have been completed. A new school has been completed. 450 homes have been delivered including 314 affordable homes. Planning Permission for new joint church and community facility has been approved with construction expected to commence in new year.

## Appendix 4 - Barnet Council's partners in the delivery of the housing strategy

The Barnet Group	Regional Enterprise (R <sup>e</sup> )	Private rented sector landlords and agents	Housing associations	Regeneration partners	Others
<ul style="list-style-type: none"> <li>Assessment of housing and homelessness applications</li> <li>Management of council's housing stock</li> <li>Delivery of new homes</li> </ul>	<ul style="list-style-type: none"> <li>Regulation of the private rented sector</li> <li>Delivery of regeneration and growth programme</li> <li>Disabled facilities grants for private sector</li> </ul>	<ul style="list-style-type: none"> <li>Supply of homes for rent</li> <li>Stock investment</li> <li>Purpose built PRS</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of new homes</li> <li>Low cost home-ownership</li> <li>Examples of housing associations include: Notting Hill, Home, Group, Network Stadium</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of new homes and communities</li> <li>For list of regeneration partners see appendix 3</li> </ul>	<ul style="list-style-type: none"> <li>Examples include:</li> <li>Outreach Barnet in tenancy sustainment</li> <li>Onwards and Upwards in supporting young people leaving care</li> <li>Clinical Care Commissioning Group for care and support</li> </ul>
<b>Tenants and residents</b>					

## Appendix 5 - Housing Strategy 2015 to 2025 Action Plan

Objective: Increasing the Housing Supply	Date
462 homes, of which 169 will be affordable, will be completed on the regeneration schemes	2016
41 new council homes will be delivered	November 2015
Further 200 new council homes will be delivered on HRA land by Barnet Homes	2016/2017
Re will deliver a first tranche of development of 265 Homes	2018
The Council review of other potential housing infill sites to be used to develop more homes will be completed by	November 2015
26,000 new homes will be delivered including: <ul style="list-style-type: none"> <li>• 2070 at Brent Cross/ Cricklewood (30% affordable)</li> <li>• 10,840 at Colindale (30% affordable)</li> <li>• 190 at Dollis Valley (30% affordable)</li> <li>• 2260 at Mill Hill East (15% affordable)</li> <li>• 650 at Stonegrove Spur Road (45% affordable)</li> <li>• 1180 at West Hendon (25% affordable)</li> <li>• 130 at Granville Road</li> <li>• 400 at North London Business Park (150 units affordable)</li> </ul>	2025/26
100 properties will be returned to residential use annually following council involvement	Annually
The Council will initiate compulsory purchase action on a minimum of four empty properties annually	Annually
Objective: Delivery of Homes that People Can Afford	Date
The Council will develop business case for delivery of purpose-built private rented sector units	2016
The Council will develop clear plans for delivery of more low cost home ownership	2016
The Council will consult on a local rent policy for council homes	Summer 2015



Subject to outcome of consultation the Council will implement a Local rents policy for council homes	April 2016
<b>Objective: Sustaining Quality in the Private Rented Sector</b>	<b>Date</b>
Article 4 Direction and Additional Licensing on HMOs will be consulted on	2015
Subject to outcome of consultation Article 4 Direction and Additional Licensing on HMOs will be implemented	2016
The Council will develop business case for purpose-built PRS scheme	2016
570 landlords accredited through the London Landlord Accreditation Scheme	2020
<b>Objective: Tackling Homelessness</b>	<b>Date</b>
Barnet Homes will achieve at least 700 homeless preventions	2016
The Council and Barnet Homes Develop a detailed Homelessness and Temporary Accommodation action plan	September 2015
Barnet Homes will enable at least 325 affordable private sector lettings to homeless households and those at risk of homelessness	2015/16
Barnet Homes will 3 London Landlord Accreditation Scheme landlord development courses per year to increase the number of accredited landlords	Annually
Barnet Council will work with Barnet Homes, Job Centre Plus and Registered Providers on a local support framework for universal credit to ensure that the potential for homelessness is minimised	2015
570 landlords will be accredited through the London Landlord Accreditation Scheme	2020
<b>Objective: Providing Housing Related Support to Vulnerable People</b>	<b>Date</b>
New Ground" Older Women's Co-Housing (OWCH) Scheme opens	February 2016
New extra care housing scheme at Moreton Close will be completed	2017/18
The Council will Increase the supported housing options, including provision for people with dementia by 150 units	2025
The Council will start a project to shape and model its approach to how	2015/16.

supported living services should be commissioned beyond 2017	
The Council will work with users and their representatives to produce accessible information on housing options for people with Learning Difficulties and Autism	2016
Private sector Housing Team in Re will reduce the average time for the administration of Disabled Facilities Grant works to 186 days	2015
Private sector Housing Team in Re will increase the number of people supported to remain in their homes through the Disabled Facilities Grant scheme.	2015
<b>Objective: Deliver efficient and effective services to residents</b>	<b>Date</b>
The Council will work with Barnet Homes to establish arrangements for the future of homelessness and housing management services beyond 2015/16	October 2016
The Council will complete a strategic review of housing associations in helping deliver its objectives	October 2016

## Housing Strategy Glossary of Terms

**Affordable housing:** Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

**Affordable Rent Housing:** is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the average local market rent (including service charges, where applicable).

**Arms-Length Management Organisation – ALMO:** A situation where an organisation is established to manage council housing stock. The properties remain council owned and tenants remain council tenants. The ALMO in Barnet is called Barnet Homes.

**Black and minority ethnic (BME):** a term commonly used to refer to all people who are members of minority ethnic communities. It includes Bangladeshi, Pakistani, Indian, and Indian Other, Chinese, Asian Other, Black African, Black Caribbean mixed, other mixed background and other ethnic.

**Decent Homes Standard:** All social housing must meet the Decent Homes Standard, to be warm, weatherproof, and have reasonably modern facilities.

**Disabled Facilities Grant (DFG):** a mandatory grant, subject to means testing, which is available to provide certain adaptations to a dwelling for disabled persons.

**Empty Dwelling Management Order (EDMO):** an Order that enables the council, in certain circumstances, to take management control of a dwelling in order to secure occupation of it.

**Empty Property:** For statistical purposes, empty properties are those which have been vacant for more than 6 months.

**Extra Care Housing:** housing schemes comprising self-contained dwellings designed to enable older people to self-care for longer and give them access to care and other services, which helps retain their independence.

**House in Multiple Occupation (HMO):** a dwelling occupied by more than one or numerous households.

**Flexible tenancy:** a form of secure tenancy which lasts for a fixed—term period of 2 or 5 years. The tenancy may be extended for a further term. Also known as fixed-term tenancies. Given that most flexible tenancies also have an introductory first year these tenancies actually last for 3 or 6 years.

**Floating Support:** Is a service that is delivered to a family or an individual that is not tied to accommodation. Floating support services provide service users with a support package that is based upon their assessed needs and as independence increases, the level of support is reduced.

**Greater London Authority (GLA):** A strategic body constituted under the Greater London Authority Act 1999, consisting of the Mayor of London, the London Assembly and staff, which has responsibility for producing regional policy in a number of areas, including transport, economic development, planning, housing and the environment for London.

**Green Belt:** A national policy designation that helps to contain development, protect the countryside and promote brownfield development. Development is strictly controlled in the Green Belt.

**Handyperson Scheme:** a service provided by the In touch Home Improvement Agency covering essential repairs and maintenance that are too small for general contractors to price but are too difficult for older and disabled clients to tackle on their own.

**Homes and Communities Agency (HCA):** A body set up by the Government, which provides assistance, regulation and control of Registered Providers landlords (RP's).

**Housing Revenue Account (HRA):** This is the Council's landlord's account, which shows all of a Local Authority's income and expenditure arising from its role as the owner of housing. The account is 'ring fenced'; that is, no transfer can be made between it and the rest of the Council's accounts, the 'General Fund'. Other powers and duties of a Housing authority, for example the duty to the homeless, the 'enabling' role in promoting Housing Association activity in the area, and grants for private sector housing are General Fund activities.

**Intermediate housing:** homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

**Lifetime tenancy:** a form of secure tenancy which lasts for the life of the tenant. Includes a tenancy agreement which sets out certain rights, including the right to buy

**Lifetime Homes:** the Lifetime Homes standard is a set of design criteria that provide a model for building accessible and adaptable homes.

**Lifetime Neighbourhoods:** a government strategy for ensuring that housing and planning policies take account of the aspirations and changing lifestyles of people as they grow older.

**Local Plan:** This sets out the Council's plans for all land use and development in the borough, along with its policies for planning issues such as affordable housing.

**Local Housing Allowance (LHA):** This is a simplified housing benefit system for people on benefits or low incomes who rent from private landlords. LHA is based on the number of rooms people are allowed, not how much rent is charged. The number of rooms allowed depends on who lives with the tenant.

**Local Tenancy Strategy:** sets out the type of tenancy a new tenant may be allocated, such as a non-secure tenancy, a fixed-term flexible tenancy (of 2 or 5 years) or a lifetime tenancy. Fixed term and lifetime tenancies are secure tenancies under the law and confer certain rights such as the Right to Buy.

**Local Plan Core Strategy:** This is the principal document in the Local Plan. It contains the Council's overall ambitions and priorities for the borough and will be used to decide what Barnet should be like in 2027.

**Market Housing:** Private housing for rent or sale, where the price is set in the open market.

**Multi Agency Public Protection Arrangements (MAPPA):** Is the name given to arrangements for the responsible authorities tasked with the management of high risk offenders.

**Multi Agency Risk Assessment Conference (MARAC):** Is part of a coordinated community response to domestic abuse.

**NEET:** Stands for Not in Education, Employment or Training. It is a measure used nationally to identify how many young people are not engaged in learning or work after the end of compulsory schooling.

**New Homes Bonus:** Provides local authorities with a grant payment equal to the national average for the council tax band on each additional property built. Grant payment is paid for a six year period (per completed property), as a non-ring fenced grant. Includes enhancement for new affordable homes completed.

**Private Sector Enforcement:** Private sector enforcement work completed by the Private Sector Housing Team in Re to improve the condition of accommodation in the Private Sector.

**Private Sector Leasing Scheme:** a scheme operated by an RSL or local authority whereby private housing is leased for a period of time and used to meet the needs of households on the housing register.

**Registered Social Landlord (RSL):** - A social housing organisation that is registered with the Homes & Communities Agency and is often referred to as a housing association.

**Registered Providers:** Registered Provider landlords are independent non-profit making housing associations aiming to provide affordable homes for people in housing need. Also known as Housing Associations.

**Regional Enterprise Ltd (Re):** A joint venture between Capita plc and Barnet Council delivering strategic planning, regeneration, building control and environmental health services.

**Rent Policy:** Sets out how rents on council homes are determined.

**Right to Buy:** Government policy that allows tenants of local authorities to purchase their home from the council.

**Section 106 Agreements:** These agreements confer planning obligations on developers in order to achieve the implementation of relevant planning policies such as the provision of affordable housing as part of the development.

**Section 215 Notices:** Section 215 (s215) of the Town & Country Planning Act 1990 (the Act) provides a local planning authority with the power, in certain circumstances, to take steps requiring land (including a building) to be cleaned up when its condition adversely affects the amenity of the area. It is one of the tools that can be used to tackle empty properties.

**Secured by Design:** a national scheme which focuses on crime prevention at the design, layout and construction stages of homes and commercial premises.

**Shared Ownership:** Shared ownership homes offer a low cost way to get on the home ownership ladder. People buy a share in a property owned by a housing association, starting from 25%, and pay rent on the remainder at an affordable rate.

**Sheltered Housing:** Homes for persons over the age of 60 years or vulnerable people with a support need, usually with a Scheme Manager on site or on call to offer to help and support with a 24 hour lifeline service.

**Social Rented Housing:** is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined.

**Special Needs:** People with special needs including older people, those with physical or learning disabilities, mental ill health or people who are vulnerable for other reasons.

**Target rent:** rent set by formula which takes into account the value of the property and the number of bedrooms. Target rents are currently increased by Consumer Prices Index inflation plus 1%. Also referred to as Formula rents

**Appendix B- online survey responses**

	To what extent do you agree/ disagree that the council should <b>increase housing supply?</b>	To what extent do you agree/ disagree that the council should <b>deliver more homes that people can afford?</b>	To what extent do you agree/ disagree with the proposal that the council should <b>sustain the quality of the PRS?</b>	To what extent do you agree/ disagree with the proposal that the council should <b>tackle homelessness</b> ?	To what extent do you agree/ disagree with the proposal that the council should provide suitable <b>housing support to vulnerable people?</b>	To what extent do you agree/ disagree with the proposal that the council should <b>deliver efficient and effective services to residents?</b>
Strongly agree	54 (58.06%)	47 (52.22%)	49 (54.44%)	42 (47.73%)	52 (60.47%)	52 (63.41%)
Tend to agree	14 (15.05%)	16 (17.78%)	17 (18.89%)	19 (21.59%)	17 (19.77%)	11 (13.41%)
Neither agree or disagree	5 (5.38%)	6 (6.67%)	6 (6.67%)	8 (9.09%)	8 (9.30%)	7 (5.54%)
Tend to disagree	5 (5.38%)	5 (5.56%)	8 (8.89%)	4 (4.55%)	3 (3.49%)	3 (3.66%)
Strongly disagree	9 (9.68%)	11 (12.22%)	6 (6.67%)	10 (11.36%)	2 (2.33%)	6 (7.32%)
Don't know	6 (6.45%)	5 (5.56%)	4 (4.44%)	5 (5.68%)	4 (4.65%)	3 (3.66%)
Total answered	93	90	90	88	86	82
Not answered	0	3	3	5	7	11

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## Appendix C- Written Responses to Draft Housing Strategy consultation

Increasing housing supply		Response
No	Comments	
1	Questions about how the Housing Needs Assessment and requirements for new homes take account of households already living in Emergency or Temporary Accommodation and future pressures on homelessness.	The Housing Needs Assessment (HNA) is intended to provide the council with an estimate of the total number of homes that need to be built over the next 10 years. The HNA included households who are living in non-secure tenancies and the households who were accepted onto the housing allocations scheme (at April 2014) as well as an estimation of backlog of need (e.g.: concealed households and overcrowded households) extrapolated from the 2014 London SHMA produced by the Greater London Authority. It is difficult to project future homelessness pressures within this but clearly housing requirements will need to be reviewed in light of any changes in the housing market.
2	Question about how the council intends to assist non-secure tenants when they are decanted from the regeneration estates and what impact will it have on the supply of affordable accommodation for all housing applicants given the extent of decanting due to take place?	The council has considered how to support long-standing non-secure tenants on the regeneration estates to enable them to maintain links with the community. When non-secure tenants are decanted from the regeneration estates they will be assessed for their housing need at that point. If the non-secure tenant meets the necessary criteria, they will be placed onto Barnet Council's Allocations Scheme. When assessed each non-secure tenant will also receive a recommendation on the area that they can suitably be rehoused into. These will be based on the individual circumstances of each non-secure tenant, having full consideration of issues such as schooling, work commitments and support networks. Following their placement onto the Scheme, the non-secure tenant will be made an offer of accommodation. The type of tenure they are nominated for and location of the property will be dependent on the availability of accommodation and the recommendations mentioned above.
3	Suggestion that council could increase affordable housing supply by buying out Right to Buy leaseholders in non-regeneration areas using the right of first refusal to buy back within the first 10 years of sale. Homes could then be let out to housing applicants.	The business case for this will need to be considered under the Housing Revenue Account business planning.

## Appendix C- Written Responses to Draft Housing Strategy consultation

Increasing housing supply		Response
No	Comments	
4	<p>Comments agreeing that it is important to ensure that new developments are of a high quality design, for example:</p> <ul style="list-style-type: none"> <li>• Good space and environmental standards.</li> <li>• Complimenting and enhancing the area's local character and identity.</li> </ul>	<p>This is noted and the council reaffirms its commitment that new homes are delivered to the highest design and environmental standards as embodied by the council's Local Plan policies.</p>
5	<p>Concerns about the risks of over-development, particularly high density flatted developments and lack of communal green space and concerns about the lack of other infrastructure to support the new communities (e.g.: schools, transport and health services).</p>	<p>This is noted and as in response 4 above, the council's Local Plan policies and the planning process are designed to ensure that developments are well designed and through Section 106 agreements new infrastructure is delivered to support the new developments.</p>

Delivering homes that people can afford		Response
No	Comments	
1	<p>The majority of comments on this priority were relating to the proposal to increase council rents to 80% market or LHA rate. They were mainly against the proposal. The key concerns raised included:</p> <ul style="list-style-type: none"> <li>• PRS rents in Barnet have become unaffordable for many working families.</li> <li>• Increasing council rents will substantially increase the housing benefits bill and mean more households are affected by the overall benefits cap.</li> <li>• Council tenants, given local allocation policies, are already those most in need of assistance. Pegging council rents to the private sector may increase welfare dependency.</li> <li>• This proposal may push families who may just be managing without claiming housing benefit onto reliance on housing benefit.</li> <li>• It is likely to drive Right To Buy sales as the individual business case for those who can afford to buy will buy rather than pay higher rents thus reducing affordable housing supply</li> </ul>	<p>The Council has considered the responses and proposes to consult further on a draft rents policy on the following basis:</p> <ul style="list-style-type: none"> <li>• Existing tenants will see rent increased to the formula rent</li> <li>• New homes will have rents set at 65% of average market rents</li> <li>• New five year flexible tenants will be charged rent at 50% of average market rents for the first 5 years and if they are offered a further tenancy on review they will be charged 65% market</li> </ul>

## Appendix C- Written Responses to Draft Housing Strategy consultation

Delivering homes that people can afford		Response
No	Comments	
	<ul style="list-style-type: none"> <li>The strategy is silent on whether tenants will see any specific improvements in service, or a revised service offer as a result of the rents increase.</li> </ul> <p>There was some recognition from one respondent that there is room to increase council rents above their current level and that increased rental income can assist the council in developing more affordable homes.</p>	
2	<p>Suggestions to ensure that affordable housing is maximised through the planning system , for example:</p> <ul style="list-style-type: none"> <li>Set out specific targets for social rented housing.</li> <li>Develop a Supplementary Planning Document that sets out clear expectations on value in viability reports, including that viability calculations should be transparent and public.</li> <li>Establish a policy on the local marketing of properties to minimise off-plan sales.</li> </ul>	<p>The council is currently producing a new Affordable Housing Supplementary Planning Document (SPD) that will be consulted on during Summer 2015. The SPD will explain how the council will maximise the delivery of affordable housing.</p>
3	<p>Suggestion that where the council must transfer land to secure delivery of affordable housing it should have a long-term interest in the land through retaining the freehold, keeping a long term equity stake in the value uplift of the land by adding covenants on disposal, and look at long term payback arrangements on private sector-led development.</p>	<p>The suggestion has been noted. The council's approach to delivery of affordable housing will be contained in the forthcoming Affordable Housing Supplementary Planning Document. There will be a further consultation on this in Summer 2015.</p>
4	<p>Suggestion that Barnet Council should halt the West Hendon development, seek legal advice and review the current scheme.</p>	<p>There will be many benefits for local people in the regeneration of West Hendon, including new high quality housing and improved infrastructure. Halting West Hendon would be a breach of contract and would leave the Council liable for costs running into £millions.</p>
5	<p>Suggestion that on the regeneration schemes the same number of council homes should be provided as a minimum.</p>	<p>This is noted but overall the regeneration schemes will provide high quality housing across the range of tenures and existing secure tenants will be re-housed on the estate. The new private market homes on the regeneration estates are required to subsidise the building of new affordable homes, Each stage of the regeneration scheme enables the council to review the</p>

## Appendix C- Written Responses to Draft Housing Strategy consultation

<b>Delivering homes that people can afford</b>		<b>Response</b>
<b>No</b>	<b>Comments</b>	
6	Suggestion that all longstanding non-secure temporary tenants on Barnet's regeneration estates should be granted secure tenancies	The Council does not support this. There are many potential implications, including the viability of the regeneration schemes themselves, in deciding to grant all non-secure tenants secure tenancies and this is something that the council is not considering. However, the council has considered how to support long-standing non-secure tenants on the regeneration estates to maintain links with the community. The support that will be given to non-secure tenants when they need to move is explained in the section on increasing housing supply above.
7	Suggestions on the development of new intermediate rent and low cost home-ownership products, for example: <ul style="list-style-type: none"> <li>• Intermediate rent based on a percentage of income.</li> <li>• Key worker housing for particular target groups of people including those who need to live close to where they work.</li> <li>• Mutual home ownership.</li> </ul>	The council is investigating a range of models to help more people on middle incomes to access home ownership. One model being considered is Pocket Homes. They are generally 20% cheaper than comparable properties in the area, providing an opportunity for people on middle income who have lived or worked in the area for at least one year to access home ownership. Also now referenced in the strategy is the fact that the council will work with the government on the new Housing Bill when it comes forward to build more starter homes in Barnet.
8	Concern about how any low cost home ownership product created does not very quickly become recycled back into the buy to let market.	The council understands this concern. One of the home ownership products being considered, Pocket Homes, ensures that the properties remain below market value, and therefore affordable, in perpetuity. The leases also limit the ability of the owner to let the property out.

<b>Sustaining quality of private rented sector</b>		<b>Response</b>
<b>No</b>	<b>Comments</b>	
1	Suggestion that the council should promote and plan for the delivery of purpose built PRS for a number of reasons, including: <ul style="list-style-type: none"> <li>• Demand for PRS housing continues to increase due to a range</li> </ul>	The suggestions have been noted. The council supports the delivery of new purpose built PRS as part of a diverse mix of tenures to support a growing population.

## Appendix C- Written Responses to Draft Housing Strategy consultation

	<p>of factors including, mortgage constraints on access to owner-occupation, movement towards smaller household, more people opting to rent as a flexible life-style choice.</p> <ul style="list-style-type: none"> <li>• To provide flexibility and choice to new entrants to the labour market.</li> <li>• Encourage mobile middle income earners to move to the borough.</li> <li>• Reduce pressure and improve quality of existing local PRS market by increasing the supply of purpose built high quality PRS</li> </ul>	
2	<p>Suggestions to improve standards in private rented sector, including:</p> <ul style="list-style-type: none"> <li>• License all private sector landlords in order to tackle rogue landlords, improving standards in the private rented sector and reducing anti-social behaviour.</li> <li>• Introducing a Decent Homes Standard based Kite mark for the private rented sector, including current minimum legal requirements.</li> <li>• Increase tenants awareness of their rights.</li> </ul>	<p>The suggestions have been noted. The council is introducing an Article 4 Direction on homes in multiple occupation (HMOs). This will require landlords to obtain planning permission when converting homes into HMOs and will take effect in June 2016. The council is also consulting later in the year on plans to extend licencing of HMOs across the borough. The council also continues to support existing schemes in place for improving property and tenancy management such as the London Landlord Accreditation Scheme run by Camden Council and the London Mayor's London Rental Standard. Barnet Homes provides training for tenants in accessing the private rented sector and tenants' rights and responsibilities.</p>
3	<p>Suggestion to set up a social lettings agency to offer a quality management service to private landlords for letting their properties at either market rent or affordable rent but the service is free of charge for tenants.</p>	<p>Let2Barnet has been set up as a letting service by Barnet Homes and is free of charge for tenants and provides management services at a cost for landlords including council leaseholders. Despite a challenging housing market in terms of persuading landlords to work with benefit claimants, Let2Barnet has successfully increased the supply of accommodation available for housing applicants.</p>

## Appendix C- Written Responses to Draft Housing Strategy consultation

<b>Tackling homelessness</b>	
<b>No</b>	<b>Response</b>
1	<p>Suggestion that the draft strategy does not go into enough detail about homelessness prevention which is a big challenge for Barnet Council and Barnet Homes. The detail could be provided in a separate homelessness strategy.</p> <p>The council has revised the section on tackling homelessness to include more detail on preventing homelessness.</p>

<b>Other issues raised</b>	
<b>No</b>	<b>Response</b>
1	<p>Suggestion that public health outcomes should be included in the Housing Strategy.</p> <p>The Barnet Joint Social Care Needs Assessment will set out public health outcomes as they relate to housing. This is currently being produced and will be published in September 2015.</p>
2	<p>Suggestion that overseas buyers should not be able to buy up properties and leave them empty for investment purposes.</p> <p>The council cannot prevent overseas buyers from purchasing properties. Buyers will have to pay council tax on their property. Where possible the council will establish a policy on the local marketing of properties to ensure people living and working in the borough have the opportunity of purchasing homes built on council land before marketing more widely.</p>

## Appendix D Equality Impact Analysis (EIA) Resident/Service User

<b>1. Details of function, policy, procedure or service:</b>	
Title of what is being assessed: Draft Housing Strategy	
Is it a new or revised function, policy, procedure or service? New strategy	
Department and Section: Re/ Barnet Council/ Barnet Homes	
Date assessment completed: March 2015	
<b>2. Names and roles of people completing this assessment:</b>	
Lead officer	Chloe Horner
Stakeholder groups	Barnet Homes, tenants and residents, housing associations, private sector landlords, advice agencies and community groups.
Representative from internal stakeholders	Cath Shaw
Representative from external stakeholders	Derek Rust
Delivery Unit Equalities Network rep	Lesley Holland
Performance Management rep	N/a
HR rep (for employment related issues)	N/a
<b>3. Full description of function, policy, procedure or service:</b>	
<p>The Housing Strategy has been designed to meet the key current housing challenges in the borough and to meet the council's statutory requirement to have a Homelessness Strategy. The strategy contains the following six key priorities:</p> <ol style="list-style-type: none"> <li>1. <b>Increasing the housing supply</b>- to provide homes to house a growing population.</li> <li>2. <b>Delivery of homes that people can afford</b>- to provide more affordable homes for rent and sale.</li> <li>3. <b>Sustaining the quality of the private rented sector</b>- while many landlords provide good tenancy and property management there is a need to improve practice in some areas.</li> <li>4. <b>Tackling homelessness</b>- improving resilience by working with households at risk to get into and/or move into more affordable and more sustainable housing.</li> <li>5. <b>Providing housing related support to vulnerable people</b>- for example housing suitable for older people suffering from Dementia.</li> <li>6. <b>Providing efficient and effective services to residents</b>- through housing services provided by Barnet Homes and environmental health services provided by Re.</li> </ol>	

**How are the equality strands affected?** Please detail the effects on each equality strand, and any mitigating action you have taken so far. Please include any relevant data. If you do not have relevant data please explain why.

Equality Strand	Affected?	Please explain how affected	What action has been taken already to mitigate this? What further action is planned to mitigate this?
1. Age	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p>Population projections<sup>1</sup> show significant increases in over people aged over 70 and school age children. This has implications for the housing strategy in terms of the type of homes that are built.</p> <p>Older people are disproportionately represented in the Barnet Homes<sup>2</sup> tenant population and those of who are not of working age may be more reliant on benefits as a result of higher council rents.</p> <p>54% of people aged 16 to 34 and 28% of people aged 35 to 49 rent from a private landlord<sup>3</sup>. Only 6% of people aged 65+ and 12% of people aged 50 to 64 rent from a private landlord. Therefore poor standards in the private rented sector are more likely to affect younger people.</p> <p>Affordability issues has resulted in fewer people aged 16 to 34 being able to buy their own home. The average age of first-time buyers has increased.</p>	<p>The council plans to develop more Lifetime homes that are suitable for older people which also reduce the cost of long-term care. There are also plans for specialist housing units to prevent the need for high cost residential nursing care.</p> <p>Plans in the strategy include both smaller units for older people living alone and larger units for families with school age children.</p> <p>Council rents will not be charged at a rate that is more than the level that can be supported by the housing benefits system. Any future policy to increase council rents will be subject to a further consultation.</p> <p>Older tenants will benefit from service improvements as a result of higher rents as will other age groups.</p> <p>Barnet Homes and Re already promote the London Landlord Accreditation scheme as a way to improve tenancy and property management.</p> <p>The Article 4 Direction could bring potential positive benefits for residents of new HMOs (shared accommodation), who are often single, students, <i>working age</i>, on low income and transient.</p> <p>There are also plans for purpose-built private rental units which will provide more choice in the private</p>

<sup>1</sup> GLA projections 2014

<sup>2</sup> Barnet Homes data 2015

<sup>3</sup> Census 2011



		<p>The council has corporate parenting duties to young people leaving care.</p>	<p>rented sector.</p> <p>There are plans in the strategy to promote low-cost homeownership which will increase access for younger people.</p> <p>Young people leaving care are given band 2 status in the allocations scheme and Barnet Homes assists them to continue in training and/or employment through its flexible tenancy pathways.</p>
2. Disability	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>The 2011 census shows that in Barnet, 6% of the population had a disability or longstanding illness that limits their day-to-day activities in some way.</p> <p>Disability is a key factor in determining housing need and access to council housing so disabled people are disproportionately represented in the Barnet Homes tenant population compared to the borough as a whole.</p> <p>As the number of older people increases- as is expected in the population projections described above, there could be increasing age related disability in the population as a whole in the future.</p>	<p>The council's local tenancy strategy already awards secure tenancies to applicants with high levels of disability.</p> <p>Barnet Homes has produced an accessible housing register to assess the suitability of existing council homes to be made wheelchair accessible. Barnet Homes is developing new homes that are wheelchair accessible.</p> <p>The strategy includes plans to provide supported housing for adults with disabilities to promote independent living and maximise choice and control.</p> <p>Disabled people may benefit from the use of Disability Facility Grants to help them maintain accessibility in their own home whatever tenure it is.</p>
3. Gender reassignment	<p>Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/></p>	<p>There is limited data on the incidence in Barnet and it is not possible to ascertain the specific housing impact of this group.</p>	<p>There are no specific housing issues that have been identified for this group although the focus in Increasing housing supply, delivering affordable homes and improving the private rented sector will be of benefit to all individuals.</p>
4. Pregnancy and maternity	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>If a pregnant single mother applies to the council for rehousing they will be allocated 1 bedroom only. This restriction is in place to make the most effective use of limited housing stock. If the baby is born at the time of allocation then the</p>	<p>Pregnant mothers or those on maternity leave will benefit from plans in the strategy to develop more family homes as part of the commitment to increase the housing supply.</p>

		household may be offered 2 bedrooms.	
5. Race / Ethnicity	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p>Barnet is getting more diverse<sup>4</sup>, driven by more births among BAME communities and an increase in migrants. There are disproportionately high numbers of people living in Barnet Homes housing are from BAME communities and in particular Black ethnicities. 59.8% Barnet Homes tenants are White, 19.4% are Black, 8.2% are Asian and 12.6% are Other<sup>5</sup>. In comparison only 4%<sup>6</sup> of Black people are owner-occupiers.</p> <p>Evidence shows that minority ethnic groups are more likely to be users of council's housing services.</p>	<p>There may be a disproportionate impact on Black tenants [particularly Afro- Caribbean and African] if council rents are increased. 37.3 % Black tenants receive no housing benefit and may be impacted adversely compared to 3.2% White and 23.2% Asian. Households receiving no housing benefit are at risk of being drawn into the benefits system. The welfare reform taskforce may enable some households to return to work.</p> <p>Barnet Homes has developed a range of projects to increase the engagement of BAME groups in training and employment.</p> <p>BAME groups who are currently underrepresented in the owner-occupation sector will benefit from the increase in low-cost homeownership options envisaged in the housing strategy.</p>
6. Religion or belief	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p>The most common religious beliefs<sup>7</sup> in Barnet are Christianity (41.2%), followed by Judaism (15.2%), Islam (10.3%), No religion (8.4%), Hinduism (6.2%), Buddhism (1.3%), Other (1.1%), and Sikhism (0.4%).</p> <p>Of the Barnet Homes tenants where a religion is recorded 36% are Christian and 9.9% are Muslim.</p> <p>The ONS report<sup>8</sup> on religion (2013) states that the Jewish</p>	<p>Muslim tenants may be more likely to be on housing benefit as they have a lower level of economic activity. Increasing council rents could make them more dependent on welfare. The welfare reform taskforce may enable some households to return to work.</p> <p>Barnet Homes has developed a range of projects to increase the engagement of BAME groups in training and employment.</p>

<sup>4</sup> Census 2011

<sup>5</sup> Barnet Homes management information system 2015

<sup>6</sup> Census 2011

<sup>7</sup> Census 2011

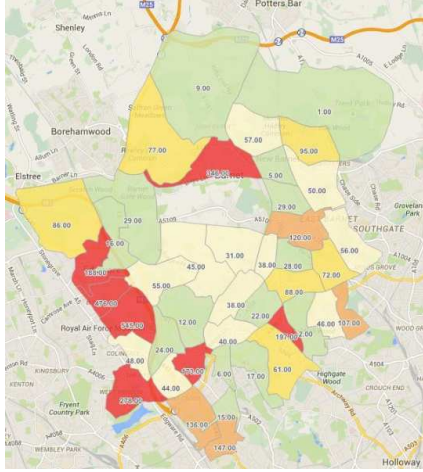
<sup>8</sup> Full Story: What does the Census tell us about religion in 2011? <http://www.ons.gov.uk/ons/rel/census/2011-census/detailed-characteristics-for-local-authorities-in-england-and-wales/rpt---religion.html>

		population have the highest level of employment, and that Muslims have the lowest level of employment. Muslims also have a significantly lower level of economic activity than other religions at 55%; the main reasons for this inactivity being because they were looking after the home and family (31%), or because they were students (30%).	The welfare reform task force has worked with households affected by the benefit cap and will continue to assist households who need to move or get into work to ensure sustainment of tenancy.
7. Gender / sex	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	According to the 2013 GLA projections, 48.9% (179,580) of the population in 2015 are male, and 51.1% (187,685) are female. 64.6% of Barnet Homes households are headed by females <sup>9</sup> .	There are no specific housing issues that have been identified for this group although the focus in Increasing housing supply, delivering affordable homes and improving the private rented sector will be of benefit to all individuals regardless of gender.  The Older Women's Co-housing (OWCH) has received planning permission for owner-occupied and social rented units and communal areas specifically designed for women over 50.
8. Sexual orientation	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	ONS Integrated Household Survey January to December 2013 <sup>10</sup> revealed that 1.6% of the adult population identified themselves as gay, lesbian or bisexual.  Stonewall's "Serves You Right Lesbian and gay people's expectations of discrimination", December 2007 <sup>11</sup> found that 20% "of lesbian and gay people surveyed expected to treated worse than heterosexuals when applying for social housing".	The focus in Increasing housing supply and delivering affordable homes and improving the private rented sector will be of benefit to all individuals regardless of sexual orientation.  In determining access to social housing Barnet Homes assesses housing need in a fair and objective way and in accordance with housing law. It is difficult to obtain data from individuals on their sexual orientation.
9. Marital Status	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/>	47% of Barnet households are married, 27% are single, 5% are separated, 12% are divorced and 8% are widowed. The main impact of marital status is on the type of housing required for	Barnet Homes is considering the issues around the rights of tenants in new relationships to request joint tenancies.  The Article 4 Direction could bring

<sup>9</sup> Barnet Homes management information system 2015

<sup>10</sup> <http://www.ons.gov.uk/ons/rel/integrated-household-survey/integrated-household-survey/january-to-december-2013/sty-facts-about-lgb-community-in-the-uk.html>

<sup>11</sup> <http://www.stonewall.org.uk/documents/servesyouright.pdf>

		<p>different groups. The private rented sector provides a key housing choice for single people who may want to share a house. Separating and divorcing couples provide extra pressure on the housing stock as 2 units are required instead of 1.</p>	<p>potential positive benefits for residents of new HMOs (shared accommodation), who are often single, working age, on low income and transient.</p>
<p><b>10. Other key groups?</b></p> <p>Carers</p> <p>People with mental health issues</p> <p>Some families and lone parents</p> <p>People with a low income</p> <p>Unemployed people</p> <p>Young people not in employment education or training</p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p> <p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p> <p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p> <p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p> <p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p> <p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>All these groups may come into contact with housing services in Barnet.</p> <p>The red colour in the map below shows the postcode areas with the highest number of tenants on full housing benefit.</p> 	<p>The key aims of the housing strategy to increase the housing supply, deliver more affordable homes and improve the PRS will be of benefit because they can provide housing for carers, people with mental health issues, families, lone parents, people on low income and young people not in employment, education or trainings.</p> <p>For people with mental health issues specialist floating support is provided by Outreach Barnet.</p> <p>The council's regeneration proposals will provide improvements to these areas that all have the highest levels of deprivation. Increasing the rent on council homes in these areas could result in more tenants becoming dependent on welfare and for some households lead to Barnet Homes taking court action against non-payment of rent.</p>

<p><b>4. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents?</b></p>
<p>Despite a difficult financial situation, expectations of local services are increasing. However Resident satisfaction with the council remains relatively high in Barnet. The Residents Perception Survey 2013 found an increase in concern from residents about lack of affordable housing and homelessness (with Barnet residents more concerned about the former compared to the London average). The strategy aims to tackle these issues and “<b>Increase the housing supply</b>” and the “<b>Delivery of homes that people can afford</b>”, both for rent and low-cost homeownership. This should result in increased levels of satisfaction across all groups of residents in the borough.</p> <p>One of the key priorities of the strategy is “<b>Providing efficient and effective services to</b></p>

**residents**". This will improve services, including those of partner organisations Barnet Homes (council housing services) and Re (environmental health and planning services). Better services are integral to increasing and maintaining high resident satisfaction.

Assessing satisfaction of service delivery going forward can include examining the satisfaction rates amongst different groups of residents to ascertain whether certain groups are less satisfied than others.

**5. How does the proposal enhance Barnet's reputation as a good place to work and live?**

Barnet is a popular place in which to live and work and there is a high demand for housing. The housing strategy will enhance Barnet's reputation as a good place to work and live. There is a widespread need for more homes across the household types as demonstrated in the Barnet Housing Needs Assessment. This will be of benefit to all of Barnet's communities and especially in the more deprived West of the borough where much of the "**Increase the housing supply**" and "**Delivery of homes that people can afford**" objectives will be delivered. In "**Providing suitable housing to support vulnerable people**" the council will ensure that there is good housing that supports specific needs of particular groups, such as older or disabled groups.

"**Sustaining the quality in the private rented sector**" will benefit the many households now living in the private rented sector. Landlord accreditation and further steps such as the Article 4 Direction on planning of HMOs will enhance Barnet's reputation as a good place to live.

The housing strategy will provide quality housing and associated services for all of the protected groups in the community.

**6. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?**

One of the key priorities of the strategy is "**Providing efficient and effective services to residents**". Better services are will ensure that residents feel confident about the manner in which the council conducts its business. The key concerns that were raised in the Residents Survey 2013, e.g.: lack of affordable housing and increasing homelessness, will be addressed in the housing strategy and this will contribute to increased confidence by all residents that housing needs are being met in the borough. Housing needs will be met by the housing application process in a fair and equitable manner.

**7. Please outline what measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? *Include information about the groups of people affected by this proposal. Include how frequently the monitoring will be conducted and who will be made aware of the analysis and outcomes? This should include key decision makers. Include these measures in the Equality Improvement Plan (section 16)***

Equalities monitoring will be conducted by Barnet Homes Equalities Group and Barnet Homes Successful Tenancies Board.

The council's Core Strategy deals with policies to increase housing supply and has its own Equalities Impact Assessment. As an integral part of all planning application delegated/committee reports there is a section on equalities impact arising from the planning proposal.

**8. How will the new proposals enable the council to promote good relations between**

**different communities?** *Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.*

The housing strategy includes plans to redevelop whole neighbourhoods with new and improved housing and facilities. This is intended to promote good relations between different communities.

**9. How have employees and residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal?** *Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community. Please refer to Table 2*

The council undertook a 12 week public consultation on the Housing Strategy. This included an online survey and presentations to Barnet Homes Performance and Advisory Group housing forum and private landlord meetings. There were 93 responses to the online survey and there was general support for the all the priorities:

- 80% agreed that the council should deliver housing to support vulnerable people.
- 77% agreed that the council should provide efficient and effective services to residents.
- 73% agreed that the council should increase the housing supply, especially where the home are affordable.
- 73% agreed that the council should sustain the quality of the private rented sector.
- 70% agreed that the council should deliver more affordable homes that people can afford.
- 69% agreed that the council should tackle homelessness.

However concerns were raised about the affordability of charging rents to council tenants based on 80% of average market rents. The council is now proposing a revised rent setting policy and will consult further on this before implementing.

## Overall Assessment

10. Overall impact			
Positive Impact  <input checked="" type="checkbox"/>	Negative Impact or Impact Not Known <sup>12</sup>  <input type="checkbox"/>	No Impact  <input type="checkbox"/>	
11. Scale of Impact			
Positive impact:  Minimal <input type="checkbox"/> Significant <input checked="" type="checkbox"/>	Negative Impact or Impact Not Known  Minimal <input checked="" type="checkbox"/> Significant <input type="checkbox"/>		
12. Outcome			
No change to decision  <input checked="" type="checkbox"/>	Adjustment needed to decision  <input type="checkbox"/>	Continue with decision <i>(despite adverse impact / missed opportunity)</i>  <input type="checkbox"/>	If significant negative impact - Stop / rethink  <input type="checkbox"/>

<sup>12</sup> 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

**13. Please give full explanation for how the overall assessment and outcome was decided.**

The overall assessment is that the draft Housing Strategy will have **an overall positive impact** on all sections of Barnet's community for the following reasons:

- Action to prevent homelessness and assist households affected by the Overall Benefits Cap will assist households who are generally more diverse and deprived than the population as a whole. They are more likely to be younger, from a diverse range of backgrounds, and single families with children. These households will be assisted to obtain employment in order to afford the rent or if this is not possible Barnet Homes will assist them to move into more affordable accommodation.
- Much of the new housing, including the affordable housing to be delivered, will be in the West of the borough on the regeneration estates where the most deprived and BAME communities are overrepresented in comparison to other areas of the borough.
- Specialist housing will also be provided for older people and people with disabilities to ensure that there is a choice of tenure and support and an ability to plan ahead for the future to avoid expensive care costs where possible.
- The associated infrastructure improvements on the regeneration estates, including new schools, health and transport facilities, as well as employment opportunities will improve the quality of life for the existing local population, including the secure tenants who will be rehoused on the estate, as well as the new residents who will move into affordable and market housing.
- New family sized council homes are being built on infill sites by Barnet Homes to increase the supply of housing that is available to housing applicants in housing need. This group is likely to be more ethnically diverse than the existing Barnet Homes tenants and younger and the commitment to new family sized accommodation reflects the needs of cultural groups.
- New housing will be built to the Lifetime Homes standard and 5% of new homes will be fully wheelchair accessible.
- Improvement programmes will identify homes in need of adaptation for disabled households through the implementation of Disability Facility Grants.
- Improving the quality of private rented housing will help to meet the housing requirements of many groups of people, especially younger people and those that do not want to buy their own home.
- Outreach Barnet will provide dedicated floating support to vulnerable people who are placed in the private rented sector. These may include young people and people with mental health conditions.





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	AGENDA ITEM 8
	<h2>Housing Committee</h2> <h3>29 June 2015</h3>
<b>Title</b>	<b>Council Housing- Rents Policy</b>
<b>Report of</b>	Commissioning Director, Growth & Development
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Appendix 1- Draft Rents Policy Appendix 2- Equalities Impact Assessment
<b>Officer Contact Details</b>	Cath Shaw, Commissioning Director, Growth & Development, <a href="mailto:cath.shaw@barnet.gov.uk">cath.shaw@barnet.gov.uk</a> , ☎ 0208 359 4716 Paul Shipway, Head of Strategy and Performance, Regional Enterprise, <a href="mailto:paul.shipway@barnet.gov.uk">paul.shipway@barnet.gov.uk</a> , ☎ 0208 359 4924

<h3>Summary</h3>
<p>The Council has developed a draft rents policy which will introduce affordable rents of up to 65% of average market rents for new council homes and new tenants, whilst seeking to implement target rents for existing tenants from April 2016.</p> <p>This report seeks authorisation to consult on the draft policy for council rents and report back to the Housing Committee on 19 October 2015 with proposals for a final policy.</p>

<h3>Recommendations</h3>
<ol style="list-style-type: none"> <li>1. That the Housing Committee consider and approve the draft Rents Policy for a public consultation.</li> <li>2. That the Housing Committee notes that the draft Rents Policy will be reported back to the Housing Committee (with any amendments made) on 19<sup>th</sup> October 2015, with a recommendation that it be approved and implemented.</li> </ol>

## 1. WHY THIS REPORT IS NEEDED

1.1 The Council's draft Housing Strategy has identified that due to increasing housing costs, there is a need to increase the supply of affordable homes, and includes proposals to develop a rents policy for existing and new council homes which will generate additional income to help fund the building of new council housing.

1.2 Rents for council housing are significantly lower than average rents charged in the private rented sector, and are also lower than those charged by local housing associations:

<b>Beds</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4+</b>
Council	£90	£103	£117	£133
Housing Association	£117	£127	£143	£155-171
Private Sector	£237	£307	£402	£762

**Table 1** - Average Rents in Barnet

1.3 Council rents in Barnet are also lower than those in all but one neighbouring London Borough as shown in table 2 below:

<b>Borough</b>	<b>Average Rent</b>	<b>Borough</b>	<b>Average Rent</b>
<b>Barnet</b>	<b>£103.27</b>	Hillingdon	£111.04
Enfield	£102.75	Brent	£114.45
Haringey	£105.49	Camden	£114.04
Harrow	£114.97	Islington	£115.89

**Table 2** – Average Council Rents in North London April 2015

1.4 Average council rents in Barnet are also below the target rent which was established in 2002 under the previous national rent setting regime to converge council and housing association rents. The average council rent is £103.27 whilst the average target rent is £110.40.

1.5 The current national rents policy assumes that many council rents are already at target rent level, and seeks to move fully towards target rents by letting properties at target rents when they become empty.

1.6 Following a change in national funding arrangements in 2012, rents for new affordable housing provided by Housing Associations are set at affordable rents of up to 80% of average private sector rents, although in practice these have tended to be set at an average of 65%.

1.7 Government guidance also presumes that new council homes built by local authorities will be let at affordable rent levels of up to 80% of average private sector rents.

- 1.8 The Mayor of London seeks rents of 50% or 80% of average market rents for new affordable homes that will be delivered through the affordable housing programme funded by the Greater London Authority for 2015 – 2018.
- 1.9 Affordable rents are also applied to some existing housing association properties as they become vacant to help fund the building of new affordable homes.
- 1.10 In view of the above, the Council has developed a draft rents policy that will raise additional income by adopting the following approach:

**New Council Homes** - All newly built council homes will be charged affordable rents at 65% of average market rents, regardless of whether they are let to an existing or new council tenant.

**Existing Council Tenants** – The Council will seek to fully implement target rents with effect from April 2016. Where the existing weekly rent is more than £10 below the target rent, the increase in rent will be capped at £10 a week each year until the target rent is reached. This approach will result in an average increase of about 7% in April 2016.

Once the target rent has been fully applied, rents will be increased by CPI+1% each year as recommended by the Government.

**New Council Tenants**- New council tenants will be charged an affordable rent. To align the rents policy with the Council's Tenancy Strategy, a lower affordable rent based on 50% of average private sector rents will be charged for flexible tenancies, whilst rents will be based on 65% of average private sector rents for lifetime tenancies. If a flexible tenancy is renewed after its 5 year initial period the rent will increase to an affordable rent based on 65% of average private sector rents.

Younger tenants less than 25 years old are issued a 2 year tenancy in most circumstances as is set out in the Council's Tenancy Strategy, and will receive a further 2 year tenancy if there is a further extension and they are still under 25. Rents for 2 year flexible tenancies will be set at 50% of average market rents regardless of whether it is a first or second tenancy.

**Non-secure tenants**- existing non-secure tenants on the Council's regeneration estates will be treated in the same way as existing secure tenants for the purposes of this policy. New non-secure tenants will be charged affordable rents at 50% of average private sector rents.

Once an affordable rent has been set for a new tenant, it will increase at CPI+1% each year.

In all of the above scenarios, rents will be capped at Local Housing Allowance levels where this would otherwise be exceeded.

## 2. REASONS FOR RECOMMENDATIONS

- 2.1 This approach is being recommended as it will generate additional income to help fund the building of new council homes, whilst also providing a rents policy that continues to provide existing tenants with the benefit of target rents significantly below the level of affordable rents. The proposed policy is expected to raise an additional £18.3 million by 2020 which will fund an additional 129 new homes, which is in line with the Council's Housing Strategy to build 500 homes by 2020.
- 2.2 Table 3 below shows the average target rents for each type of council home and average affordable rents at 50% and 65% of average market rents respectively:

<b>Beds</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4+</b>
Council April 2015	£90	£103	£117	£133
Target Rents	£90	£108	£127	£143
Housing Association	£117	£127	£143	£155-171
Private Sector	£237	£307	£402	£762
Affordable @50% of Private Sector	£119	£154	£201	£381
Affordable @65% of Private Sector	£154	£200	£261	£495

**Table 3** – Average and Affordable Rents in Barnet.

- 2.3 Households who approach the Council as homeless face a variety of outcomes, ranging from a private sector tenancy with a market rent, a housing association property with an affordable rent of up to 80% of private sector rents, or a council tenancy with a social rent which on average is only 30% of market rents. Adopting affordable rents for new council tenancies provides a more equitable approach for new people being rehoused by the council.
- 2.4 The use of 50% and 65% market rents for new flexible and lifetime tenancies aligns with the Council's Tenancy Strategy which recognises the need to provide additional support at a time of crisis. If a flexible tenancy is renewed after the initial five year period, the rent will be increased to a 65% market rent.
- 2.5 The aim of national rent policy for existing council tenants has been to move towards target or formula rents, and the proposed approach in the Council's draft rents policy will see existing council tenants in Barnet continuing to enjoy lower target rents, with an average one off increase of 7% from April 2016.
- 2.6 Limiting affordable rents to Local Housing Allowance levels will ensure that council rents will be fully eligible for housing benefit assessments, with the exception of some households affected by the benefit cap.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Council's draft Housing Strategy that was approved for consultation by the Housing Committee in October 2014 proposed that rents of 80% of average market or Local Housing Allowance should be charged for new council homes and new council tenants, and adopted over a period of time for existing tenants.
- 3.2 Consultation responses highlighted a degree of concern about the impact of this approach, particularly about the potential disincentive for lower paid working households to seek higher paid work, and the proposals have been revised as set out in 1.10 above.
- 3.3 The Council also considered following the Government's guidelines on rent setting for social housing, which would see existing rents increase by CPI+1% each year, whilst new tenants would be charged the target rent and newly built homes would be charged affordable rents of up to 80% of local market rents.
- 3.4 The Council is not obliged to follow the Government's guidelines and as this approach would not generate additional income for the delivery of more affordable homes it is not recommended.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Consultation of the proposed rents policy will be undertaken as set out 5.6 below. Following this a further draft of the policy will be reported to Housing Committee on 19 October 2015.
- 4.2 Research of private sector rent levels for different type of property, i.e. House, Flat, Bedsit, Bungalow, will be undertaken to help refine the proposed methodology for setting formula rents as set out in Appendix 1 of the draft policy.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.1.2 The Council's wider objectives are set out in the Corporate Plan and seek ensure that Barnet is a place:

- Of opportunity, where people can further their quality of life.
- Where responsibility is shared, fairly.
- Where people are helped to help themselves, recognising that prevention is better than cure.
- Where services are delivered efficiently to get value for money for the taxpayer.

The Council's proposed approach to rent setting reflects these objectives by seeking to provide more affordable home as a platform for helping people to help themselves, and to help prevent homelessness. In addition, this policy seeks to provide a clearer and fairer approach to rent setting.

## 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The rent policy proposals have been modelled with the Housing Revenue Account model and it is estimated that over the five year period commencing April 2016 net additional revenue of £18m will be raised which, combined with retained Right-to-Buy receipts, will enable the Council to build an additional 129 new affordable homes which along with the borrowing in the HRA will enable 500 homes to be built by 2020.. These figures are set out in table 4 below:

	Gross additional income	HB Subsidy loss	Net Benefit	% HB subsidy loss
Over 3 years:	£12.721m	£2.295m	£10.426m	18%
Over 5 years:	£26.503m	£8.117m	£18.386m	31%
Over 10 years:	£78.565m	£38.126m	£40.439m	49%

**Table 4** - Net cumulative cash benefits from moving to New Rent Policy

5.2.2 Some of the additional income raised will be lost as the rents policy will mean that the average council rent will exceed the limit rent which determines the amount of subsidy the Council can claim from the Government to cover the cost of Housing Benefit paid to council tenants.

5.2.3 It is likely that additional resources will be needed by Barnet Homes for rent collection and support to take account of potential difficulties in collecting higher rents from council tenants. The need for these resources will be assessed before the proposed final version of the rents policy is reported back to the Housing Committee in October 2015.

5.2.4 The higher level of rental income received as a result of the proposed rents policy will help to ensure that retained Right-to-Buy receipts can be fully utilised by the Council to provide more affordable homes. Modelling shows that if the Council did not adopt the policy then there is a risk that £3.8m of retained Right- to-Buy Receipts would remain unspent and would have to be returned to the Government plus interest of 4%.

## 5.3 Legal and Constitutional References



5.3.1 The Localism Act 2011 introduced self-financing (or self-funding) for council housing. The national subsidy system has been abolished and a new funding regime introduced giving local authorities more autonomy to set Council rents.

5.3.2 Section 24 of the Housing Act 1985 gives a local housing authority the power to set rents, making “such reasonable charges as they may determine for the tenancy or occupation of their houses’ subject to certain considerations and to review the rents from time to time and adjust them as circumstances require.

5.3.2 Under Section 102 of the Housing Act 1985 the Council is obliged to serve a statutory notice of variation on council tenants if it wishes to change the rent charged (or other terms of the tenancy). This will be done at the appropriate time subject to the decision of this committee.

5.3.2 The Council’s Constitution (Responsibly for Functions, Annex A) sets out the responsibilities of the Housing Committee which includes “to work with Barnet Homes, RSLs and social housing providers to ensure the optimum provision of housing and associated facilities for those who require social housing” as well as considering housing strategy and policies .

#### **5.4 Risk Management**

5.4.1 There is a risk that higher rents will result in an increase in rent arrears and bad debts. This will be mitigated by reviewing the level of resources needed by Barnet Homes for rent collection and support and advice services for tenants.

5.4.2 There is a risk that the Council will be challenged for adopting a rent policy that does not follow the Government’s guidance on rents for social housing. However, the guidance assumes that the majority of council rents are already at target rent whilst our analysis shows that this is not the case in Barnet. The Council will continue to consult with the Government and Greater London Authority prior to finalising the policy.

#### **5.5 Equalities and Diversity**

5.5.1 Pursuant to Section 149 of the Equality Act 2010 (“the Act”), the Council has a duty to have ‘due regard’ to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act, advancing equality of opportunity between persons with a protected characteristic and those without and foster good relations between persons with protected characteristics and those without.

5.5.2 The protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, region or belief, sex and sexual orientation.

5.5.3 A full equalities impact assessment has been completed. This assessment will be revised following the outcome of the consultation. So far the assessment has identified that the draft rents policy will have an overall positive impact on all sections of Barnet’s community, This is because there is a high demand for

affordable housing in the borough and providing more home will enable the Council to allocate homes to more households in housing need.

5.5.2 Given the fact that older people over the age of 60 claiming no housing benefit, Black tenants claiming no housing benefit and lone parent families have been identified as groups that may be adversely affected by increased rents the following actions will be required to ensure that tenancy sustainment for these groups is maximised including.:

- Barnet Homes will review the Successful Tenancies Strategy and Flexible Tenancies Toolkit to ensure that tenants at risk are identified early on.
- Additional targeted support for working age tenants to access training and employment to reduce reliance on housing benefit.
- Review strategy for rent collection and rent arrears recovery.

5.5.3 It is proposed that rents for existing tenants, who signed up expecting their rent to be set according to the government guidance on rents for social housing are increased to the target rent level. For nearly half of the existing tenants this will mean that their rent will increase by less than £5 per week. The policy proposes that the rent increase is capped at £10 per week to ensure that existing tenants are not unfairly affected and can manage their tenancy effectively. With £10 capped rises continuing until the target rent is reached.

## 5.6 Consultation and Engagement

5.6.1 The Council will undertake a 10 week public consultation on the draft rents policy. This will include a Citizen's Panel postal survey, online survey on the engage space website and a meeting with tenants and leaseholders on the Barnet Homes Performance and Advisory Group. The feedback on the consultation and any changes that are required to the draft policy will be reported back to the Housing Committee in October 2015.

## 6. BACKGROUND PAPERS

6.1 Relevant previous decisions are listed in the table below.

Item	Decision	Link
Policy and Resources Committee, 17 February 2015 on recommendation of Housing Committee. 2 February 2015	Approved rent increase of Consumer Prices Index (CPI) plus 1% for council dwellings as set out in paragraph 1.5 and to recommend for adoption from April 2015	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=7865&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&amp;MId=7865&amp;Ver=4</a> <a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&amp;MId=7937&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=699&amp;MId=7937&amp;Ver=4</a>
Cabinet, 25 February 2014-	Approved proposed increases in council	<a href="http://barnet.moderngov.co.uk/documents/s13295/Budget%20report%2">http://barnet.moderngov.co.uk/documents/s13295/Budget%20report%2</a>

Business Planning 2014/15- 2015/16	dwelling rents and service charges, and the proposed increase in council garage rents, all effective from 1 April 2014	<a href="#">0Feb%20Cab%20v5.pdf</a>
Cabinet Resources Committee, 25 February 2013	Approved proposed increases in council dwelling rents and service charges, and the proposed increase in council garage rents, all effective from 1 April 2013	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&amp;MId=6758&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&amp;MId=6758&amp;Ver=4</a>
Cabinet, 25 February 2013 – Business Planning 2013/14 – 2015/16	Approved the Business Planning document for the Council’s business plan 2014/15 including the Housing Revenue Account (HRA) Business Plan.	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=120&amp;MId=6751&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=120&amp;MId=6751&amp;Ver=4</a>
Cabinet Resources Committee, 24 June 2013	Approved a programme for Barnet Homes to build 41 new affordable dwellings on behalf of the Council.	<a href="http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&amp;MId=7457&amp;Ver=4">http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&amp;MId=7457&amp;Ver=4</a>



## Appendix 1

### Barnet Council – Draft Rents Policy June 2015

#### 1. Introduction

The Council has identified the need for more homes that people can afford in its Housing Strategy. This draft rents policy aims to help meet this need by raising additional income to build more Council Homes at affordable rents than could otherwise be provided.

The Council also recognises the benefit of providing homes at a lower rent to households on low incomes, but will seek to take a more targeted approach that takes into account our other key housing policies, including our Housing Allocations Scheme and Tenancy Strategy.

#### 2. Local Priorities

The Council's wider objectives are set out in the Corporate Plan and seek ensure that Barnet is a place:

- Of opportunity, where people can further their quality of life.
- Where responsibility is shared, fairly.
- Where people are helped to help themselves, recognising that prevention is better than cure.
- Where services are delivered efficiently to get value for money for the taxpayer.

The Council's approach to rent setting reflects these objectives by seeking to provide more affordable homes as a platform for helping people to help themselves, and to help prevent homelessness. In addition, this policy seeks to provide a clearer and fairer approach to rent setting.

The Council's draft Housing Strategy has identified the following objectives:

- Increasing the housing supply
- Delivery of homes that people can afford
- Sustaining the quality of the private rented sector
- Tackling homelessness
- Providing housing related support to vulnerable people
- Providing high quality services

This rents policy will contribute to these objectives, by increasing the money available to invest in building new affordable homes, including some supported housing for vulnerable people.

The Council's Tenancy Strategy recognises the role of council housing in providing an opportunity for people who have been made homeless to get their lives back on track with the aim of helping households becoming more independent in the longer term. The Council's rent policy will support this approach by providing lower affordable rents for the first five years of a flexible tenancy.

#### 3. National and Regional Context

The current national rent policy for rented homes distinguishes between rents for new affordable homes and those of existing properties and with different approaches for housing association and council tenants.

New homes built by housing associations receive a level of subsidy which means that affordable rents of up to 80% of average private sector rents should be charged to cover the difference between the building costs and the amount of grant received.

For existing housing association homes built before 2012, rents will generally increase by CPI<sup>1</sup> + 1% each year, although some properties may be let at the higher affordable level when they become empty if the additional money raised is used to build new homes.

For council homes, the Government recommends that rents are also increased by CPI + 1% each year, although if Councils build new homes using money received from Right to Buy sales, these should be charged at affordable rents of up to 80% of market rents.

The Mayor of London is responsible for the affordable housing programme in the Capital, and has taken a slightly different approach within the context of national policy, seeking rents either capped at 50% or discounted to 80% of private sector market rents, with the latter not available to households who are not working.

Prior to this approach described above, there was a national policy of convergence between council and housing association rents, and councils and housing associations are still expected to let their homes at formula or target rents determined by the convergence policy as they become empty.

This draft policy aims to ensure that a more consistent approach is taken to rent setting for homeless households rehoused by the council regardless of tenure, and that aligns with our Tenancy Strategy.

#### 4. Current Position

As illustrated in table 2 below, council rents are currently significantly below those charged for new affordable homes (i.e. 65% of average private sector rents) and average rents in the private rented sector:

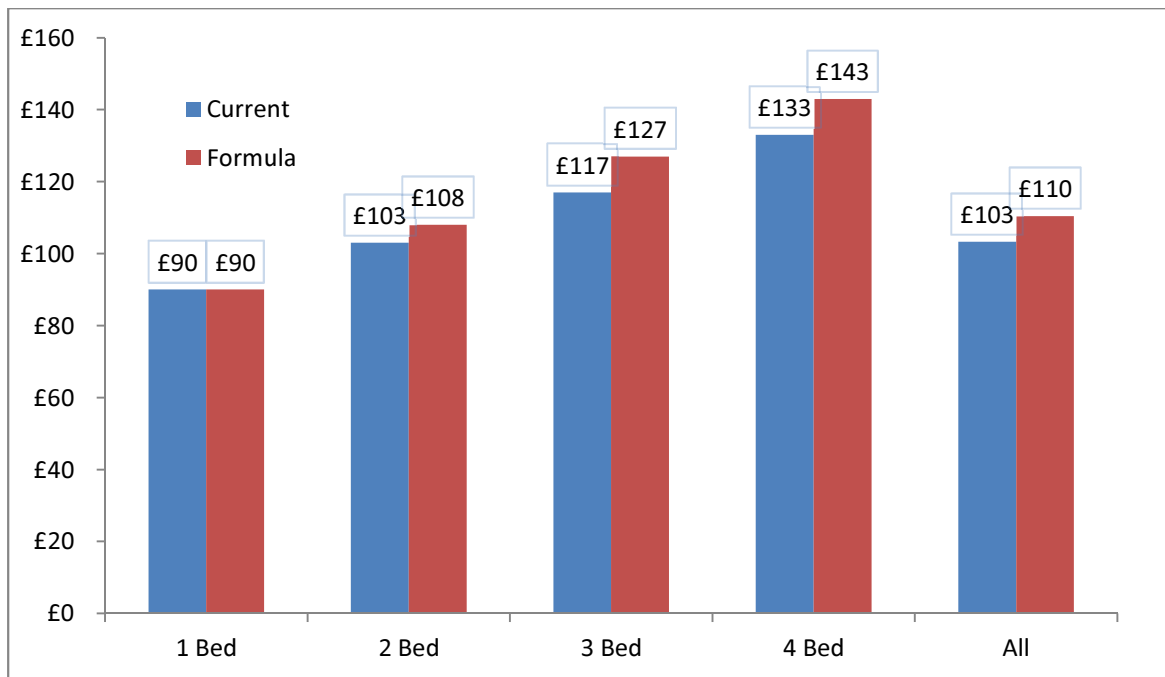
Beds	1	2	3	4+
Council	£90	£103	£117	£133
Housing Association <sup>2</sup>	£117	£127	£143	£155-171
Private Sector	£237	£307	£402	£762
Affordable @65% of Private Sector Average	£154	£200	£261	£495
Local Housing Allowance	£185	£242	£303	£374

**Table 1 – Average Rents in Barnet + Lowest Local Housing Allowance Levels**

In addition, in Barnet council rents have not achieved full convergence with the formula rents described in section 2 above and as set out in Chart 1 below:

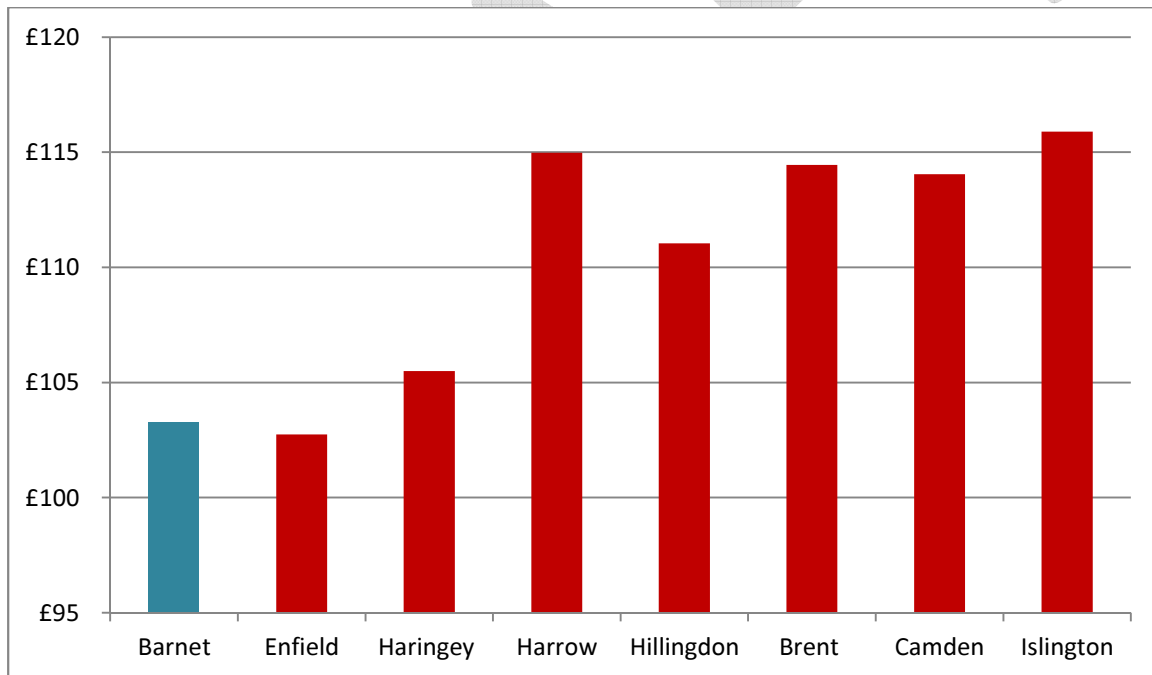
<sup>1</sup> Consumer Price Index

<sup>2</sup> Average Housing Association Rents for existing stock



**Chart 1-** Actual Average Rents and Target Rents – Barnet Council Homes April 2015

Barnet Council rents are also lower than those in all but one neighbouring borough as shown in Chart 2:



**Chart 2-** Average Council Rents in North London April 2015

## 5. Policy for Barnet Council Rents

As shown in section 4 above, council rents in Barnet are currently lower than all other forms of renting in the borough and lower than council rents in most neighbouring local authorities. There is scope, therefore, for taking an approach which will raise additional revenue for building new homes. The Council has developed this policy taking into account National and Regional Policies described in section 3 above, as well as its own local policies including the Corporate Plan, Housing Strategy, Tenancy Strategy and Housing Allocations Scheme. Key principles that underpin the Council’s rents policy are as follows:

- Any new properties that the Council builds should be subject to affordable rents in line with national and regional rent policy.
- New tenants housed through the Council's allocations scheme will be charged an affordable rent. The Council considers that this approach is fairer as many housing association properties are already let at affordable rents
- Existing tenants should be moved to target rents as soon as possible, as these rents will be in line with national policy guideline
- Rents charged by the Council should not exceed Local Housing Allowance levels
- The additional income raised will be invested in building new affordable homes.

These principles will be applied as follows:

**New Homes** – All newly built council homes will be let at affordable rents of 65% of the average market rent. The methodology for calculation of affordable rents is set out in section 5 below.

**New Tenants** – New tenants who benefit from a lifetime tenancy will be charged an affordable rent of 65% of the average market rent. New tenants who are granted a five year flexible tenancy will be charged an affordable rent of 50% of average market rent which will increase to 65% of the average market rent<sup>3</sup> if the tenancy is renewed after five years in line with the tenancy strategy. This approach recognises that there is a benefit to being granted a lifetime tenancy which should be reflected in a higher rent, whilst also offering households facing the personal upheaval associated with homelessness a lower rent period in which to get back on their feet, and, if they are not already in work, to find employment.

Younger people under the age of 25 who are granted a two year flexible tenancy will be charged an affordable rent of 50% of average market rent. If their tenancy is extended for another two year period, the rent will continue at 50% of average market rent, if their tenancy is extended for a further five years because they are over 25, the rent will be increased to 65% of the average market rent.

Once rents have been set for a property, they will be increased by CPI +1% every April, with no change applied if CPI + 1% is negative. This will provide tenants with more certainty about future rent increases and protection from potentially higher rent increases in the private rented sector.

**Existing Tenants** – the council recognises that existing tenants would be significantly impacted by increasing rents to affordable levels in line with national and regional policy on rents for new affordable homes. In view of this, the Council will move all existing rents to the target level that was formulated to move council rents to convergence with housing association rents.

Where the existing weekly rent is more than £10 below the target rent, the increase in rent will be capped at £10 a week each year until the target rent is reached. Where a rent is already above the target rent, no rent increase will apply.

Some council rents are already at target level and from April 2016 an increase of CPI+1% only will be applied where this is the case.

Future rent increases beyond 2016 will be set at CPI+1% every April, with no change applied if CPI+1% is negative.

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<sup>3</sup> Where a rent is increased to 65% this will be based on rent levels in the private rented sector at the time.



**Tenants transferring to another council property-** where a tenant is transferred to another council property, the rent in their new home will depend on the rent they pay in their existing home. If they are paying a target rent, then they will pay the target rent for their new home, whilst tenants paying an affordable rent will pay an affordable rent for their new home in the event that they are transferred.

The Council is currently building new council homes, and all tenants who are housed in these properties will be required to pay an affordable rent based on 65% of average private sector rents, reflecting the additional value associated with these brand new properties.

**Local Housing Allowance (LHA)** – LHA determines how much rent will be taking into account when housing benefit is calculated. The Council will not charge rents which exceed LHA.

## 6. Regeneration Estates

The Council is currently implementing a programme of regeneration of several of its largest council estates, including Grahame Park, West Hendon, Dollis Valley, and Stonegrove/Spur Road. The Whitefields Estate is also being redeveloped as part of the Brent Cross/Cricklewood project.

For existing secure tenants on the regeneration estates, there are already guarantees which mean that if they are rehoused in one of the new homes being provided they will benefit from a target rent regardless of whether they remain a council tenant or become a tenant of a housing association.

A significant number of properties on the Regeneration Estates have been let on as temporary accommodation on a non-secure tenancy. For existing non-secure tenants, rents will be moved to target rent levels from April 2016 where rents currently fall below this. For new non-secure tenants, affordable rents will be charged based on 50% of average private sector rents at the time of letting, with increase of CPI + 1% applied in April each year thereafter.

## 7. Methodology for Setting Affordable Rents

Affordable rents for individual properties will be determined by 4 elements. These are set out below and are illustrated with worked examples in **Appendix 1**:

**Step 1** The latest figures for private sector rents from the Valuation Office Agency which include average rents at a borough wide level and by bedroom size. The most up to date figures are set out in table 3 below:

Size	Average Weekly Rent
Room	£123.46
Studio	£179.77
1 Bed	£237.23
2 Bed	£307.15
3 Bed	£402.00
4 Bed +	£762.69
All	£337.15

**Table 3-** Valuation Office Agency (VOA) Rents Sept 2014

**Step 2** An adjustment based on the type of property to take account of the relative values of flats and houses, and whether a garage is included. The adjustments proposed are shown in table 4 below:

Property Type	Adjustment
Hostel	-30%
Sheltered	-25%
Flat	-20%
Flat and Garage	-15%
Maisonette	-15%
Bungalow	5%
House	7%
House and Garage	10%

**Table 4** – Adjustments for property type

The Council will carry out local market research to establish the actual rent differentials between different types of property in the borough before this policy is finalised.

**Step 3** An adjustment based on the existing valuations used to determine the formula rent which will reflect variances in property values at a more local level. 20% of the rent will be influenced by the difference between the valuations for each property when compared to the average valuation for that property type. For new properties built by the council a new valuation of the property will be made.

**Step 4** An adjustment of either 65% or 50% to the figure arrived at in Step 3 will be applied dependant on whether the tenancy is for a new property(65%), lifetime tenancy ( 65%) or a flexible tenancy in an existing council home (50%), or a flexible tenancy granted to a young person under the age of 25 years ( 50%).

**Step 5** No rents will be higher than Local Housing Allowance (LHA) levels for the area that the property is in. The current LHA levels are shown in table 5 below:

Broad Market Rental Area	LHA April 2015				
	Room	1 Bed	2 Bed	3 Bed	4 Bed
Inner North London Golders Green, Temple Fortune, Cricklewood, Hampstead Garden Suburb and parts of East Finchley	£97.83	£260.64	£302.33	£354.46	£417.02
North West London Edgware, Burnt Oak, Colindale and West Hendon	£87.40	£185.81	£242.33	£303.00	£374.40
Outer North London High Barnet, Friern Barnet, Mill Hill, Hendon, Finchley, and parts of East Finchley	£90.64	£199.68	£255.34	£315.12	£388.65

**Table 5** – LHA levels in Barnet

Examples of how affordable rents will be calculated are shown at appendix 1

## 8. Implementation

This policy will be implemented as soon as practicable subject to approval by the Council's Policy and Resources Committee, which will consider the final draft in autumn 2015.

## Appendix 1 - Worked Examples of Affordable Rents

### Example 1- 2 Bedroom Flat let on a flexible tenancy Inner NW London LHA area

- Step 1 Valuation Office Agency average rent = £307.15  
Step 2 Adjustment for property type= minus 20% = 245.72  
Step 3 Adjustment for valuation –  
a) Valuation for property = 80,000  
b) Avg. Valuation for all 2 bed council flats = 65,314  
c) Calculate a) as a % of b) less 1<sup>4</sup>= plus 22%  
d) Calculate 20% of rent at Step 2 = £49.14  
e) Multiply d) by c) = £10.81  
f) Add e) to rent at Step 2 = £256.53  
Step 4 Adjustment of 50% to rent at f) for affordability on flexible tenancy = £128.27  
Step 5 Check against LH £255.34 – in this case rent at Step 4 is lower than LHA  
Therefore net weekly rent = **£128.27**

### Example 2 –4 Bedroom House let on a lifetime tenancy NW London LHA area

- Step 1 Valuation Office Agency average rent = £762  
Step 2 Adjustment for property type= plus 7% = £815.34  
Step 3 Adjustment for valuation –  
a) Valuation for property = 99,975  
b) Avg. Valuation for all 4 bed council houses = 106,378  
c) Calculate a) as a % of b) less 1= minus 7%  
d) Calculate 20% of rent at Step 2 = £163.01  
e) Multiply d) by c) = minus £11.41  
f) Add e) to rent at Step 2 = £803.93  
Step 4 Adjustment of 65% to rent at f) for affordability on lifetime tenancy = £522.55  
Step 5 Check against LHA £388.65 – in this case rent at Step 4 is higher than LHA  
Therefore net weekly rent = **£388.65**

### Example 3 – 1 Bedroom newly build flat let on a flexible or lifetime tenancy Outer NW London area

- Step 1 Valuation Office Agency average rent = £237  
Step 2 Adjustment for property type= minus 20% = £189.78  
Step 3 Adjustment for valuation –  
a) Valuation for property = 75,000  
b) Avg. Valuation for all 1 bed council flats = 56,000  
c) Calculate a) as a % of b) less 1= plus 33%  
d) Calculate 20% of rent at Step 2 = £37.96  
e) Multiply d) by c) = plus £12.53  
f) Add e) to rent at Step 2 = £202.31  
Step 4 Adjustment of 65% to rent at f) for new build property = £131.50  
Step 5 Check against LHA £199.68 – in this case rent at Step 4 is lower than LHA  
Therefore net weekly rent = **£131.50**

<sup>4</sup> i.e. (£80,000 divided by £65,314 = 122% ) less 1 = plus 22%

## Glossary

**Affordable housing:** Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

**Affordable Rent Housing:** is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the average local market rent (including service charges, where applicable).

**Flexible tenancy:** a form of secure tenancy which lasts for a fixed—term period of 2 or 5 years. The tenancy may be extended for a further term. Also known as fixed-term tenancies. Given that most flexible tenancies also have an introductory first year these tenancies actually last for 3 or 6 years.

**Greater London Authority (GLA):** A strategic body constituted under the Greater London Authority Act 1999, consisting of the Mayor of London, the London Assembly and staff, which has responsibility for producing regional policy in a number of areas, including transport, economic development, planning, housing and the environment for London.

**Housing Revenue Account (HRA):** This is the Council's landlord's account, which shows all of a Local Authority's income and expenditure arising from its role as the owner of housing. The account is 'ring fenced'; that is, no transfer can be made between it and the rest of the Council's accounts, the 'General Fund'. Other powers and duties of a Housing authority, for example the duty to the homeless, the 'enabling' role in promoting Housing Association activity in the area, and grants for private sector housing are General Fund activities.

**Lifetime tenancy:** a form of secure tenancy which lasts for the life of the tenant. Includes a tenancy agreement which sets out certain rights, including the right to buy

**Local Housing Allowance (LHA):** This is a simplified housing benefit system for people on benefits or low incomes who rent from private landlords. LHA is based on the number of rooms people are allowed, not how much rent is charged. The number of rooms allowed depends on who lives with the tenant.

**Local Tenancy Strategy:** sets out the type of tenancy a new tenant may be allocated, such as a non-secure tenancy, a fixed-term flexible tenancy (of 2 or 5 years) or a lifetime tenancy. Fixed term and lifetime tenancies are secure tenancies under the law and confer certain

**Registered Social Landlord (RSL):** - A social housing organisation that is registered with the Homes & Communities Agency and is often referred to as a housing association.

**Registered Providers:** Registered Provider landlords are independent non-profit making housing associations aiming to provide affordable homes for people in housing need. Registered Providers are also known as Housing Associations.

**Rent Policy:** Sets out how rents on council homes are determined.

**Social Rented Housing:** is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which target rents are determined.

**Target rent:** rent set by formula which takes into account the value of the property and the number of bedrooms. Target rents are currently increased by Consumer Prices Index inflation plus 1%.

## Appendix 2- Equality Impact Analysis (EIA) Resident/Service User

Please refer to the guidance and initial Equality Impact Analysis before completing this form.

<b>1. Details of function, policy, procedure or service:</b>							
Title of what is being assessed: Rent Setting Policy							
Is it a new or revised function, policy, procedure or service? New policy							
Department and Section: Re/ Barnet Council/ Barnet Homes							
Date assessment completed: April 2015							
<b>2. Names and roles of people completing this assessment:</b>							
Lead officer	Chloe Horner						
Stakeholder groups	Barnet Homes, tenants and residents, advice agencies and community groups.						
Representative from internal stakeholders	Cath Shaw						
Representative from external stakeholders	Derek Rust						
Delivery Unit Equalities Network rep	Lesley Holland						
Performance Management rep	N/a						
HR rep (for employment related issues)	N/a						
<b>3. Full description of function, policy, procedure or service:</b>							
<p>The policy proposes that from April 2016 council dwelling rents for new homes/tenancies will be set at 65% of local average market rents or the equivalent LHA rate, whichever is lower. This will increase the average rent by £97.07 per week based on an average rent in 2015 of £103.27.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: black; color: white;"> <th style="text-align: left;">Rental Basis</th> <th style="text-align: left;">Average Rent</th> </tr> </thead> <tbody> <tr> <td>Current rent @ April 2015</td> <td>£103.27</td> </tr> <tr> <td>Proposed rent from April 2016</td> <td>£214.46</td> </tr> </tbody> </table> <p>The increased rental income will be used by the council to increase the supply of affordable homes and bring council rents more in line with rents charged by housing associations and private landlords.</p>		Rental Basis	Average Rent	Current rent @ April 2015	£103.27	Proposed rent from April 2016	£214.46
Rental Basis	Average Rent						
Current rent @ April 2015	£103.27						
Proposed rent from April 2016	£214.46						

**How are the equality strands affected?** Please detail the effects on each equality strand, and any mitigating action you have taken so far. Please include any relevant data. If you do not have relevant data please explain why.

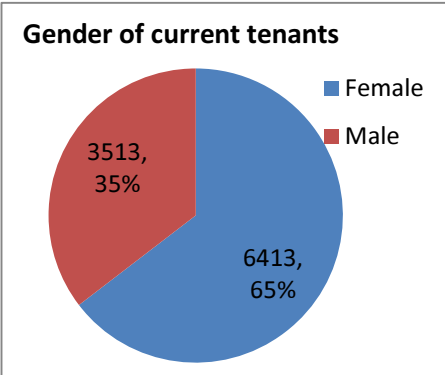
Equality Strand	Affected?	Please explain how affected	What action has been taken already to mitigate this? What further action is planned to mitigate this?												
1. Age	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p style="text-align: center;"><b>Age of current tenants</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Age of current tenants</caption> <thead> <tr> <th>Age Group</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>18-39</td> <td>2189</td> <td>25%</td> </tr> <tr> <td>40-59</td> <td>3942</td> <td>44%</td> </tr> <tr> <td>60+</td> <td>2749</td> <td>31%</td> </tr> </tbody> </table> <p><b>31% of current tenants<sup>1</sup> are aged 60+.</b> 53% of them are on full housing benefit (HB) (1,461), 26% on partial HB (714) and 21% on no HB (574). 65% market rent is likely to result in more people aged 60+ relying on full HB as they are less likely to be able to increase their income through work beyond retirement age.</p> <p><b>44% of current tenants are aged 40 to 59.</b> 32% of them are on full HB (1,273), 28% on partial HB (1,100) and 40% on no HB (1,570). <b>25% of current tenants are aged 18 to 39.</b> 43% of them are on full HB (932), 22% are on partial HB (487) and 35% on no HB (770). Fewer tenants aged 18 to 59 are likely to be claiming no housing benefit if rents are increased to 65% market.</p> <p><b>Young people (18 to 25) who are leaving care</b> do not need to make a community contribution (e.g.: training/employment) to be placed in band 2 of the housing allocations scheme. These new council tenants will be reliant on full housing benefit to pay their rent.</p> <p>Increasing rents may act as a disincentive for working age tenants to work, or if they already have a job to increase their earnings.</p>	Age Group	Count	Percentage	18-39	2189	25%	40-59	3942	44%	60+	2749	31%	<p>Analysis has shown that for tenants on income support housing benefit should cover the increased rent. For families in 3 or 4 beds there is a risk that 65% of market rent will bring some families into the Overall Benefit Cap.</p> <p>Analysis has shown that housing benefit should cover the increased rent for tenants who are working at the national minimum wage level or below. It suggests that workers will still benefit from taking a higher paid job up to the point where housing benefit is no longer payable.</p> <p>Young people aged 18 to 25 who are allocated fixed-term tenancies are assisted into training and employment which will improve their ability to sustain their tenancy.</p> <p>Given the emphasis in the housing allocations scheme to applicants making a community contribution banded households who are housed in council are more likely to be working than has been the case before. This will improve their ability to sustain a tenancy.</p> <p>There will need to be more work by Barnet Homes on tenancy sustainment and training and employment support if 65% market rents are not going to lead to increased rent arrears and increased risk of eviction and homelessness.</p> <p>New homes will be delivered by the increased rents and this will have a positive impact on all ages as more people in need will have access to council housing.</p>
Age Group	Count	Percentage													
18-39	2189	25%													
40-59	3942	44%													
60+	2749	31%													
2. Disability	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	6% of the Barnet population <sup>2</sup> had a disability or longstanding illness that limits their day-to-day activities in some way.	All new homes delivered must meet the Lifetime Homes Standard and 10% must be fully wheelchair accessible to increase the supply of												

<sup>1</sup> Barnet Homes management information

<sup>2</sup> 2011 National Census, Office for National Statistics

		<p>Disability is a key factor in determining housing need and access to council housing so disabled people are disproportionately represented in the Barnet Homes tenant population compared to the borough as a whole.</p> <p>As the number of older people increases- as is expected in the population projections described above, there could be increasing age related disability in the population as a whole in the future.</p> <p>Disabled tenants may be more likely to be benefit recipients if they are unable to work.</p>	<p>homes suitable for disabled applicants.</p> <p>New homes will be delivered by the increased rents and this will have a positive impact on disabled people as more people in need will have access to council housing.</p> <p>Housing benefit will usually cover the increased rent for tenants who cannot work because of severe disability and therefore are claiming disability living allowance or personal independence payments. Tenants claiming employment and support allowance or incapacity benefit may be drawn into the benefit cap if they live in large properties.</p>															
3. Gender reassignment	Yes / No <input checked="" type="checkbox"/> / <input type="checkbox"/>	There is limited data on the incidence in Barnet and it is not possible to ascertain the specific impact on this group.																
4. Pregnancy and maternity	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p>Given the fact that 65% (6,413) of council tenanted households are headed up by females it is likely that pregnancy and maternity will be issues for some households at some stage during their tenancy.</p> <p>Lone parents may be unable to go out to work without access to affordable childcare and therefore reliant on more benefit to pay the rent.</p>	<p>New homes will be delivered by the increased rents and this will increase access to council housing.</p> <p>There will need to be more work by Barnet Homes on tenancy sustainment and training and employment support if 65% market rents are not going to lead to increased rent arrears and increased risk of eviction and homelessness.</p>															
5. Race / Ethnicity	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p><b>Ethnicity of current tenants</b></p> <table border="1"> <caption>Ethnicity of current tenants</caption> <thead> <tr> <th>Ethnicity</th> <th>Count</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>White</td> <td>4640</td> <td>60%</td> </tr> <tr> <td>Black</td> <td>1544</td> <td>20%</td> </tr> <tr> <td>Other</td> <td>973</td> <td>12%</td> </tr> <tr> <td>Asian</td> <td>617</td> <td>8%</td> </tr> </tbody> </table> <p>The biggest ethnicity after White is Black with 1,544 tenants.</p> <p><b>60% of council tenants are White.</b> 42% of them (1,965) claim full housing benefit (HB), 25% claim partial HB (1,180) and 31% claim no HB (1,495).</p> <p><b>20% of council tenants are Black.</b> 38% are on full HB (586), 25% are on partial HB (382) and 37% claim no HB (576). The largest sub-group of Black ethnicity amongst council tenants is Black African, followed by Black Caribbean, Black Other and Black British. 38% of Black African tenants claim no HB, 39% of Black Caribbean tenants claim no HB.</p>	Ethnicity	Count	Percentage	White	4640	60%	Black	1544	20%	Other	973	12%	Asian	617	8%	<p>There may be a disproportionate impact on Black tenants [particularly Afro- Caribbean and African] if council rents are increased. 37.3 % Black tenants receive no HB and may be impacted adversely compared to 3.2% White and 23.2% Asian receiving no HB respectively.</p> <p>Low-income working households receiving no housing benefit are at risk of being drawn into the benefits system by increasing rents to 65% market.</p> <p>Evidence shows that BME groups are more likely to be users of council's housing services so homes will be delivered by the increased rents and this will have a positive impact on BME groups as more people in need will have access to council housing.</p>
Ethnicity	Count	Percentage																
White	4640	60%																
Black	1544	20%																
Other	973	12%																
Asian	617	8%																



<p><b>6. Religion or belief</b></p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p>The most common religious beliefs <sup>3</sup> in Barnet are Christianity (41.2%), followed by Judaism (15.2%), Islam (10.3%), No religion (8.4%), Hinduism (6.2%), Buddhism (1.3%), Other (1.1%), and Sikhism (0.4%).</p> <p>Of the Barnet Homes tenants were a religion is recorded 36% are Christian and 9.9% are Muslim.</p> <p>The ONS report<sup>4</sup> on religion (2013) states that the Jewish population have the highest level of employment, and that Muslims have the lowest level of employment. Muslims also have a significantly lower level of economic activity than other religions at 55%; the main reasons for this inactivity being because they were looking after the home and family (31%), or because they were students (30%).</p>	<p>Muslim tenants may be more likely to be on housing benefit as they have a lower level of economic activity. Increasing council rents could make them more dependent on welfare and reduce incentives to find work.</p> <p>There will need to be more work by Barnet Homes on tenancy sustainment and training and employment support if 65% market rents are not going to lead to increased rent arrears and increased risk of eviction and homelessness.</p>
<p><b>7. Gender / sex</b></p>	<p>Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/></p>	<p><b>Gender of current tenants</b></p>  <p>According to the 2013 GLA projections, 48.9% (179,580) of the population in 2015 are male, and 51.1% (187,685) are female.</p> <p>64.6% of current tenants are headed by females<sup>5</sup>. 37% (2,432) of female tenants receive full housing benefit (HB), 27% receive partial HB (1,726) and 35% receive no HB (2,255). 43% (1,526) of male tenants receive full HB, 23% receive partial HB (826) and 33% receive no HB (1,161).</p>	<p>Proportionally there are more male headed household tenants claiming full housing benefit (HB) than female headed household tenants, 43% to 38%.</p> <p>Proportionally there are more female headed household working tenants claiming no HB than male headed household tenants, 35% to 33%.</p> <p>Better access to childcare will enable female tenants to take on more hours for work.</p> <p>Otherwise 65% rents may result in more tenants claiming full HB.</p>
<p><b>8. Sexual orientation</b></p>	<p>Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/></p>	<p>ONS Integrated Household Survey January to December 2013<sup>6</sup> revealed that 1.6% of the adult population identified themselves as gay, lesbian or bisexual. However there is insufficient data on the sexual orientation of council tenants to ascertain the specific impact on this group.</p>	
<p><b>9. Marital</b></p>	<p>Yes <input type="checkbox"/> /</p>	<p>47% of Barnet households are married, 27% are single, 5% are separated, 12% are divorced and 8% are widowed<sup>7</sup>. The main impact in terms of the rents policy is</p>	

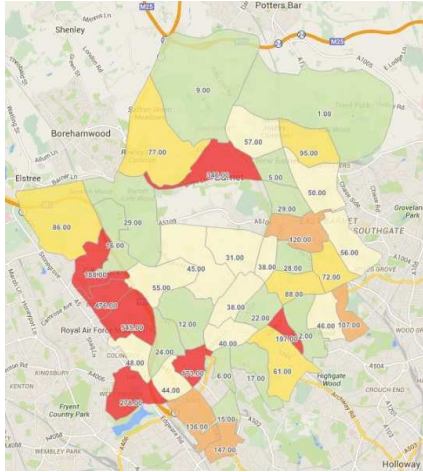
<sup>3</sup> Census 2011

<sup>4</sup> Full Story: What does the Census tell us about religion in 2011? <http://www.ons.gov.uk/ons/rel/census/2011-census/detailed-characteristics-for-local-authorities-in-england-and-wales/rpt---religion.html>

<sup>5</sup> Barnet Homes management information system 2015

<sup>6</sup> <http://www.ons.gov.uk/ons/rel/integrated-household-survey/integrated-household-survey/january-to-december-2013/sty-facts-about-lgb-community-in-the-uk.html>



Status	No <input checked="" type="checkbox"/>	the affordability of 65% rents on a separated household although there is insufficient data on tenants on which to make any firm conclusions.
<b>10. Other key groups?</b>		All of these groups could be council tenants and affected by increased rents.
Carers	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	<p>The red colour in the map below shows the postcode areas with the highest number of council tenants on full housing benefit and this correlates with the areas of highest deprivation in the borough.</p> 
People with mental health issues	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	
Some families and lone parents	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	
People with a low income	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	
Unemployed people	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	
Young people not in employment education or training	Yes <input checked="" type="checkbox"/> / No <input type="checkbox"/>	
		<p>Analysis has shown that housing benefit should cover the increased rent for tenants who are working at the national minimum wage level or below. It suggests that workers will still benefit from taking a higher paid job up to the point where housing benefit is no longer payable.</p> <p>Increasing the rent on council homes in these areas could result in more tenants becoming dependent on welfare and for some households lead to Barnet Homes taking court action against non-payment of rent.</p> <p>There will need to be more work by Barnet Homes on tenancy sustainment and training and employment support if 65% market rents are not going to lead to increased rent arrears and increased risk of eviction and homelessness.</p>

<p><b>4. What will be the impact of delivery of any proposals on satisfaction ratings amongst different groups of residents?</b></p>
<p>The Residents Perception Survey 2013 found an increase in concern from residents about lack of affordable housing and homelessness (with Barnet residents more concerned about the former compared to the London average). The purpose of 65% market rents is to build more affordable housing so this should increase satisfaction amongst residents as a whole. In the last four years, overall tenants' satisfaction with the services provided by council tenants has risen by 8.5%. It currently stands at 81.1%. Given the fact that council tenants are more diverse than residents in the borough as a whole, increased affordable housing supply is likely to increase satisfaction amongst a diverse group of residents.</p>
<p><b>5. How does the proposal enhance Barnet's reputation as a good place to work and live?</b></p>
<p>As above there is a high demand for affordable housing in the borough and increasing rents will enable the council to build more affordable homes and meet more demand. This will enhance Barnet's reputation as good place to live as long as there is support available to help tenants with 65% market rents to sustain their tenancies. This will be done by reviewing the Barnet Homes Successful Tenancies Strategy to ensure that there is sufficient support for tenants to enter into training and /or work and reduce their dependence on housing benefit.</p>

**6. How will members of Barnet's diverse communities feel more confident about the council and the manner in which it conducts its business?**

There is a high demand for housing in the borough and the decision to increase rents to 65% market is based on the requirement to build more affordable homes in order to better meet the demand for housing. Although the broad principle of increasing rents has been consulted upon as part of the overall housing strategy, the council will consult further with tenants during Summer 2015 and will be clear about the rationale for increasing the rents and what tenants can expect in return. This will enable tenants to be more confident about the council and the manner in which it conducts its business.

**7. Please outline what measures and methods have been designed to monitor the application of the policy or service, the achievement of intended outcomes and the identification of any unintended or adverse impact? Include information about the groups of people affected by this proposal. Include how frequently the monitoring will be conducted and who will be made aware of the analysis and outcomes? This should include key decision makers. Include these measures in the Equality Improvement Plan (section 16)**

The key areas that have been identified include older people over the age of 60 claiming no housing benefit, Black tenants claiming no housing benefit and lone parent families. It will be necessary for Barnet Homes to review its tenancy sustainment policies in light of a decision to increase council rents and the increased risk of tenancy failure from these groups.

**8. How will the new proposals enable the council to promote good relations between different communities? Include whether proposals bring different groups of people together, does the proposal have the potential to lead to resentment between different groups of people and how might you be able to compensate for perceptions of differential treatment or whether implications are explained.**

Council dwelling rents are currently 30% of average market rents and many housing association tenants are now charged "Affordable Rents" which can be charged at up to 80% of average market rents. Increasing the rents charged on council homes brings rents for council tenants in line with the rents charged to tenants of housing associations and also more in line with tenants living in the private sector. Bringing greater equity between tenants in different sectors will help to promote good relations between different communities.

**9. How have employees and residents with different needs been consulted on the anticipated impact of this proposal? How have any comments influenced the final proposal? Please include information about any prior consultation on the proposal been undertaken, and any dissatisfaction with it from a particular section of the community. Please refer to Table 2**

Increasing council rents to 80% market was included in the Housing Strategy consultation. Comments were mainly against the proposal. The key concerns raised included:

- PRS rents in Barnet have become unaffordable for many working families.
- Increasing council rents will substantially increase the housing benefits bill and mean more households are affected by the overall benefits cap.
- Council tenants, given local allocation policies, are already those most in need of assistance. Pegging council rents to the private sector may increase welfare dependency.
- This proposal may push families who may just be managing without claiming housing benefit onto reliance on housing benefit.
- It is likely to drive Right To Buy sales as the individual business case for those who can afford to buy will buy rather than pay higher rents thus reducing affordable housing supply
- The strategy is silent on whether tenants will see any specific improvements in service, or a revised service offer as a result of the rents increase.

There was some recognition from one respondent that there is room to increase council rents above their current level and that increased rental income can assist the council in developing more affordable homes.

## Overall Assessment

10. Overall impact			
Positive Impact <input checked="" type="checkbox"/>	Negative Impact or Impact Not Known <sup>8</sup> <input type="checkbox"/>	No Impact <input type="checkbox"/>	
11. Scale of Impact			
Positive impact:  Minimal <input type="checkbox"/> Significant <input checked="" type="checkbox"/>	Negative Impact or Impact Not Known  Minimal <input checked="" type="checkbox"/> Significant <input type="checkbox"/>		
12. Outcome			
No change to decision  <input checked="" type="checkbox"/>	Adjustment needed to decision  <input type="checkbox"/>	Continue with decision <i>(despite adverse impact / missed opportunity)</i>  <input type="checkbox"/>	If significant negative impact - Stop / rethink  <input type="checkbox"/>

<sup>8</sup> 'Impact Not Known' – tick this box if there is no up-to-date data or information to show the effects or outcomes of the function, policy, procedure or service on all of the equality strands.

**13. Please give full explanation for how the overall assessment and outcome was decided.**

As there is a high demand for affordable housing in the borough, increasing council rents to 65% market/LHA in order to build more homes is considered to have an overall positive outcome for residents as there will be more affordable homes available for the council to allocate to more households in housing need.

Given the fact that older people over the age of 60 claiming no housing benefit, Black tenants claiming no housing benefit and lone parent families have been identified as groups that may be adversely affected by increased rents the following actions will be required to ensure that tenancy sustainment for these groups is maximised including.:

- Barnet Homes will review the Successful Tenancies Strategy and Flexible Tenancies Toolkit to ensure that tenants at risk are identified early on.
- Additional targeted support for working age tenants to access training and employment to reduce reliance on housing benefit.
- Review strategy for rent collection and rent arrears recovery.

It is proposed that rents for existing tenants, who signed up expecting their rent to be a traditional social rent, are increased to the target rent level in April 2016. For nearly half of the existing tenants this will mean that their rent will increase by less than £5 per week. The policy proposes that the rent increase is capped at £10 per week to ensure that existing tenants are not unfairly affected and can manage their tenancy effectively.



AGENDA ITEM 9	
	<h2>Housing Committee</h2> <h3>29<sup>th</sup> June 2015</h3>
<b>Title</b>	Commissioning and Delivery of Housing Services and the Management of the Barnet Housing Stock
<b>Report of</b>	Cath Shaw Commissioning Director, Growth & Development
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Appendix 1 - Provisional Heads of Terms for new 10 year Management Agreement
<b>Officer Contact Details</b>	Jo Williams, Interim Housing Adviser, Commissioning Group <a href="mailto:Jo.williams@barnet.gov.uk">Jo.williams@barnet.gov.uk</a> Telephone 0208 359 3165

### Summary

Following the report to Committee on 2<sup>nd</sup> February 2015, this paper provides a summary of the recently concluded challenge process for Barnet Homes. The aim of the review was to ensure that the organisation remains fit for purpose and that value for money housing services are provided that support the Council's objectives.

Approval is sought for the provisional Heads of Terms for a new 10 year management agreement, on expiry of the member agreed 2015/16 Delivery Plan, commencing 1<sup>st</sup> April 2016.

### Recommendations

1. **The Committee note the outcome of the review of housing services, provided by Barnet Homes and agree the provisional Heads of Terms for a new 10 year management agreement, commencing 1<sup>st</sup> April 2016**
2. **That authority for developing and finalising the Heads of Terms is delegated to the Commissioning Director, Growth and Development in consultation with the Chair of the Housing Committee**

**3. The authority for developing and agreeing the new 10 year management agreement with Barnet Homes is delegated to the Commissioning Director, Growth and Development in consultation with the Chair of the Housing Committee**

**4. The authority is delegated to the Commissioning Director, Growth and Development, in conjunction with the Chair of the Housing Committee and thereafter, in consultation with HB Public Law, to authorise sealing of the Management Agreement**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The draft Housing Strategy (finalised Strategy presented as separate report to this Committee meeting) approved for consultation in October 2014, committed the Council to work with The Barnet Group to review the current housing management arrangements, both to assess value for money and to explore options for the future delivery of services to meet the Council's strategic needs.
- 1.2 The Policy and Resources Committee in February 2014 also approved officers to liaise and consult with The Barnet Group and Barnet Homes on the creation of longer term management arrangements for the Council's 15,000 council homes, approving the extension of the original management agreement for one year with the development of a Delivery Plan for 2015/16.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Council created Barnet Homes, as an Arm's Length Management Organisation (ALMO), to manage the Council's housing stock and deliver the Decent Homes Programme in 2004. The original management agreement for the delivery of housing services expired in March 2014. It is no longer fit for purpose as it does not reflect the commissioning model adopted by the Council and was created, primarily, to deliver the Government's Decent Homes programme. This was completed in 2011.
- 2.2 There is no longer a national prescribed process for the review of housing options or decision making in relation to ALMOs. However, a well performing, value for money ALMO enables the Council, as the shareholder, to have control over how it meets its housing responsibilities with direct accountability to the Council by the ALMO. It also enables the Council to put in place robust arrangements for the future delivery of its housing priorities aligned to its Housing Strategy.
- 2.3 The value of the management agreement over a 10 year life span will be in the region of £296m. This comprises c£260m from the Housing Revenue Account and c£36m for the housing options (homelessness) service, financed through the General Fund. The latter is a statutory council service which Barnet have commissioned Barnet Homes to deliver. In addition, a budget is agreed on a periodic basis for capital works to the Council's homes to support



the asset management strategy, with a varying annual expenditure averaging c£25m.

- 2.4 There will also be the opportunity for Barnet Homes to receive additional income through the development of new homes for affordable rent.
- 2.5 In preparation for the development of a new management agreement, as set out in the February 2015 report to Housing Committee, a comprehensive evaluation of the housing service, delivered through Barnet Homes, has been completed. This has incorporated an analysis of performance, including benchmarking of services against other providers; evidencing key strategy, policy and operating processes and documents; a review of governance; a financial appraisal and a series of challenge workshops with council officers and external housing specialists.
- 2.6 The review confirmed that services provided by Barnet Homes are overall of a good quality and provide value for money. High levels of tenant satisfaction are being achieved (81%) and it has good support from residents and councillors alike.
- 2.7 The provisional Heads of Terms for the new 10 year management agreement are attached as appendix 1. Where the challenge process identified service improvements and/or enhancements, they have either been agreed for delivery within this financial year, or are captured as a developmental outcome and/or performance target within the new management agreement.
- 2.8 Once members have agreed the provisional Heads of Terms they will be translated into a full legal management agreement/contract during the period July to October 2015.
- 2.9 The management agreement will need to be approved by the Barnet Homes Board. The Board have only had a limited opportunity to comment on the provisional Heads of Terms so far, although senior management within Barnet Homes have been engaged throughout. However, there is still a substantial piece of work to do in preparing the detailed content of the agreement and they will need to be fully involved in this process over the coming months.
- 2.10 One of the key changes from the previous arrangement is that the new management agreement will have a greater commercial focus and be clearly linked to performance indicators and outcomes. Whilst the Council is the shareholder of The Barnet Group and Barnet Homes, it is appropriate that Barnet Homes, with its own Board and business and financial plans, should operate with as much independence as possible, within the legal constraints of a Council / ALMO relationship (which necessitates overall local authority control). This also fits with the Council's commissioning model.

2.11 Key provisions within the new management agreement can be summarised as follows:

- a) Recommended savings package from the HRA over four years of £2.85m as opposed to £4.2m (see 1.6 below and separate attached report)
- b) The Council will provide Barnet Homes with the opportunity to act as development manager for all new properties for affordable rent on existing HRA land, with the exception of mixed tenure developments
- c) A new subsidiary of Barnet Homes, referred to hereafter as BH (RP) will be established as a Registered Provider for the purpose of developing those homes where it is agreed between the Council and Barnet Homes that they should be owned by BH (RP). In such cases the Council will provide a loan to Barnet Homes to undertake the development at a rate compliant with State Aid regulations
- d) The ownership of each new development site will be agreed as part of the Outline Business Case for the development. In deciding whether to offer developments to BH (RP), the Council will take account of:
  - the need to spend Right to Buy receipts in accordance with Government guidance/regulation
  - the available HRA headroom
  - General Fund borrowing capacity
  - the potential additional contribution that could be made by BH to mitigating homelessness costs if they were to own the development
  - the performance of BH (RP)
  - such other factors as may be relevant at that time
- e) Subject to LBB making available to BH (RP) land and borrowing capacity to build affordable housing owned by BH (RP), BH will subsidise an element of the running costs of the homelessness service. For each 50 units built up to a maximum of 500 units-BH will contribute £100,000 per annum. Any units over and above 500 in total will generate a further contribution of £1,500 per unit per year. This return is separate to any on lending benefit or General Fund reduction received. The parties can by mutual agreement decide to vary the amount of the contribution, or to direct the investment to other priorities.
- f) Barnet Homes' contribution to the cost of providing the Housing Options service will take effect from the point at which homes are programmed for completion, as per the programme plan agreed between LBB and BH.
- g) Barnet Homes will be paid a development agency fee of between 2% and 4% for all new properties the Council commissions them to build. The exact

percentage will be dependent on the individual scheme and agreed in writing in advance.

- h) Barnet Homes to operate as independently as possible within the constraints of Teckal and ALMO status (with the requirement for it to be a local authority controlled company)
- i) Development of shareholder agreements between the Council and The Barnet Group and between The Barnet Group and Barnet Homes
- j) The Barnet Group Board Chair to continue to be appointed by the Council against an agreed role profile and subject to a personal review and appraisal process
- k) Council members to be allocated two seats on TBG Board, who will be appointed at Annual Council, taking into account any particular skills or experience sought by the Board.
- l) Council Officer/s to have the right to attend all Board/s in a non-voting capacity
- m) The Council to be party to the recruitment of all Board Chairs and ratify all Board appointments
- n) Chairs of The Barnet Group and its subsidiaries, including Barnet Homes and BH (RP) to be members of the Strategic Partnership Board along with the Chief Executive of The Barnet Group, Chairs of relevant Council committees and relevant Council Chief Officers. The Strategic Partnership Board will meet twice yearly or more frequently if the Board agrees.
- o) The Barnet Group/Barnet Homes to undertake a skills audit bi-annually to ensure that the composition and membership of the Board is sufficient to provide robustness in understanding and decision making and to meet its obligations
- p) Level of delegated responsibility between the Council, the Barnet Group and Barnet Homes to be reviewed in order for the Council to have assurance in the security of its investments and to comply with HCA Governance Standards
- q) Barnet Homes may develop and set its own business strategy for any services not directly commissioned by the Council and have flexibility in the utilisation of its finances and any surpluses, notwithstanding it's commitment, as set out in e) above, as long as it fits with the overall agreed aims and objectives of the organisation and has been approved through the Council's annual business plan process
- r) BH will need to develop an Investment Strategy for approval by the Council's Policy and Resources Committee in February 2016 and will operate an open book approach to accounting with LBB. They must also agree any financial borrowing in advance

- s) Council permission will need to be sought to make any changes to the group structure or for any mergers and acquisitions, although the Barnet Group may create subsidiaries or incorporate smaller organisations in to the organisation that do not pose a risk to the Council without the need for approval
- t) Funding will be via a fixed management fee, adjusted to take account of the reducing number of tenanted properties over the next five year and the agreed level of efficiency saving. There will be a midpoint (5 year) review to project forward stock numbers over the subsequent five years and re-assess funding accordingly. A full review will be undertaken in year 9 to include determination of whether the agreement should be renewed or the Council wishes to exercise its right to put in place alternative means of providing all or some of the services
- u) It should be noted that the Housing Option Service, funded through the General Fund, constitutes a statutory responsibility for the Council and as a demand led service is liable to fluctuation. Barnet Homes, can, therefore seek in year changes in funding, based upon presentation of appropriate justification and evidence, subject to its commitment in e) having been met
- v) Barnet Homes will be required to create and recruit to a new role of Financial Director
- w) Barnet Homes will contract with the Council for the supply of specific services, through service level agreements (SLAs). As these SLAs reflect commitments between the Council and third party suppliers, Barnet Homes is committed to acquiring these services, through the Council, for the duration of the management agreement, unless expressly agreed otherwise.
- x) BH will undertake activities in accordance with the Community Development Strategy aimed at improving outcomes for tenants, promoting the sustainability of tenancies and reducing rent arrears.
- y) Responsibility for tenancy fraud will transfer back to the Council's Corporate Anti-Fraud Team (CAFT)
- z) Changes or variations to the management agreement will be managed through a prescribed change control and variation process. Changes and/or variations may be effected if there is a:
  - a. Change in law or statutory responsibilities
  - b. Change in stock numbers – to be determined through a midpoint review
  - c. Change in service provision through service re-design or any other substantial changes
  - d. Likely or proposed change in performance indicators or outcomes

- aa) The Council will have step-in rights under the terms of the management agreement for part or all of the services. There is also the option for Council to terminate the management agreement with 12 months' notice

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Committee's decision to continue to commission the Council's housing service through Barnet Homes have meant that alternatives, such as outsourcing and bringing the service in-house, have been discounted.
- 3.2 The review of Barnet Homes considered how services should be provided over the forthcoming years and the key decisions are set out in 2.10. As part of this process a number of options for delivery were considered and rejected. The two primary ones are set out in 3.3 and 3.4 below.
- 3.3 The review looked at the degree of control the Council should have in terms of the governance and management of Barnet Homes. It concluded that Council should not seek to be a 'hand on' shareholder but allow Barnet Homes as much autonomy as permissible to meet the requirements of Teckal and operating as an ALMO, to ensure that the Council benefits from the experience of the Barnet Homes and The Barnet Group Boards. This will be regulated through putting in place Shareholder Agreements between the parties.
- 3.4 The review also determined that Barnet Homes' role in terms of new development should be focused on development management for properties for affordable rent in single-tenure developments. It was felt that Barnet Homes had limited capacity and experience to deliver across mixed tenure sites, or to develop products for sale, at this point in time.

### **4. POST DECISION IMPLEMENTATION**

- 4.1 Subject to Committee approval, a new 10 year management agreement will be drawn up during the period July to October 2015, with appropriate legal input, reflecting the provisional Heads of Terms stated in this report. The new management agreement will need to be approved by the Barnet Homes Board.
- 4.2 The management agreement and the achievement of objectives and targets contained within it will be monitored through a formal performance management framework, as outlined in the provisional Heads of Terms.
- 4.3 Officers will seek approval for the new 10 year management agreement from the Homes and Communities Agency (HCA), the social housing regulator, acting on behalf of the Secretary of State, as required under Section 27 of the Housing Act.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

- 5.2 As a not-for-profit company, fully owned by the Council, Barnet Homes provides the benefit of management concentrated on housing services; a commitment to resident involvement; strong links with the local area; a fixed geographical focus, and close partnership working with the Council and other stakeholders.
- 5.3 Barnet Homes has a successful track record of delivering improvements to the housing stock and housing services and of both increasing performance outcomes and customer satisfaction. Barnet Homes and the Barnet Group are in a pivotal position to manage and deliver services to contribute to the Council's strategic objectives.
- 5.3 The inclusion of the housing options service within the management agreement has enabled the provision of a more holistic and customer-focused housing service for those who are most in need, as well as support for young people and households to become more independent. A key element of the Council's Corporate Plan is to support families and individuals that need it.
- 5.5 Barnet Homes is involved in complementary policy agendas. Community development work is an important part of the housing portfolio, for example. Activities such as implementation of Welfare Reforms, work to promote digital inclusion, and support for 'Love Burnt Oak' contribute to better outcomes for tenants, more sustainable tenancies and reduced rent arrears and have an overall impact on other service areas within the Council and the local economy.
- 5.6 Barnet Homes are able to directly contribute the Council's priority to build more housing – and at a lower cost to the Council than could be expected through the open market. This opportunity is maximised within the management agreement, in line with the Housing Strategy, which provides Barnet Homes with the opportunity to deliver new homes for affordable rent on HRA land.
- 5.7 In addition, Barnet Homes have committed to re-investing surpluses generated through the development of new homes for affordable rent in to the Housing Options service to offset overspends on the General Fund.
- 5.8 Challenges include the need to continue to deliver efficiencies and value for money within a balanced Housing Revenue Account; to maintain and improve existing services; to support General Fund savings – in the face of increasing demand for Housing Options services - and to continue to foster the capacity and skills within the ALMO, over the life of the management agreement, to deliver the Council's housing priorities.
- 5.4 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**
- 5.4.1 Barnet Homes currently receive just under £27m from the HRA and £3.6m from the General Fund, annually, for their management and operational costs. These costs are within the Council's budget. Barnet Homes had been tasked with reducing costs by £4.2m from the HRA and £300k from the General Fund

over a five year period. Within this financial year they have delivered £240k efficiencies with the HRA and the full £300k from the General Fund. Council officers, as set out in a separate report to this Committee, are recommending that the overall HRA saving target is reduced to £2.85m and this is included as the target within the new management agreement, for delivery over a four year period.

- 5.4.2 Increases to cover inflation for the HRA management fee will be applied annually, if applicable, with agreement by both organisations. The management agreement will also provide the opportunity to increase funding, if the Council commissions additional services through Barnet Homes over the 10 year period, or to decrease funding if it decides to withdraw or revise any services (subject to notice periods), or if the funding regime for housing is changed through Government intervention or legislation. There will also be a midpoint review to make any necessary funding revisions as a result of a forecasted change in stock numbers.

## **5.5 Legal and Constitutional References**

- 5.5.1 The Local Authority has duties to assist and accommodate certain homeless applicants under Part VII Housing Act 1996. It also has a duty to allocate properties under its allocations scheme (either into social housing or in to the private sector) under Part VI of The Act and to manage its social housing stock as a landlord. Such responsibilities are delegated to The Barnet Group.
- 5.5.2 The Constitution, Annexe A, Responsibility for Functions – Membership and Terms of Reference of Committees and Partnership Boards - sets out the responsibilities of the Housing Committee. It includes responsibility for Housing Strategy (incorporating homelessness strategy), work with Barnet Homes, Registered Providers and other social housing providers to ensure the optimum provisions of housing and associated facilities for those who require social housing and to approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources.

## **5.6 Risk Management**

- 5.6.1 A formal agreement needs to be in place for the delivery of housing services which must be approved by the Homes and Communities Agency (HCA), the social housing regulator, acting on behalf of the Secretary of State, as required under Section 27 of the Housing Act. There is a risk that the HCA will not approve the management agreement but this this is extremely unlikely.
- 5.6.2 There is a risk that Barnet Homes fail to meet delivery expectations and do not achieve the performance indicators and outcomes set out within the management agreement and / or they do not manage their income and expenditure effectively within the agreed budget envelope.
- 5.6.3 This risk is particularly pertinent to the Housing Options service, funded through the General Fund, as it constitutes a statutory Council responsibility. It is a demand led service and liable to fluctuation: Homelessness is rising

significantly across the country and particularly in London. Barnet Homes are able, therefore, to seek in year increases in funding based upon presentation of appropriate justification and evidence. However, agreed performance targets, delivery plans and preventative measures are in place to curtail any additional expenditure requirements as much as possible, including Barnet Homes' commitment to re-invest surpluses on new affordable housing development as stated in 2.11 e) to offset General Fund expenditure.

5.6.4 All risks will be mitigated through a robust governance framework and performance management framework.

## **5.7 Equalities and Diversity**

5.7.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty, which requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people from different groups
- Foster good relations between people from different groups

5.7.2 The Barnet Group has an equalities strategy in place which fully supports the Council's equalities aims and principles. Equalities Impact Assessments are undertaken as and when required.

## **5.8 Consultation and Engagement**

5.8.1 Consultation has been undertaken with Barnet Homes' management team with regard to the provisional Heads of Terms and with the Board at their meeting of 24<sup>th</sup> June 2015. Further consultation and negotiation will be required as part of the detailed development of the management agreement between July and October 2015.

5.8.2 Consultation was undertaken with tenants and leaseholder in autumn 2013 on the renewal of the management agreement by Aux Insight on behalf of the Council. This identified priorities for Barnet Homes. Consultation was also undertaken as part of the development of the Housing Strategy.

5.8.3 In developing the detailed management agreement a specific engagement and communication exercise with tenants and leaseholders is planned for late summer / early autumn.



## **6. BACKGROUND PAPERS**

- 6.1 Barnet Homes Management Agreement 2004
- 6.2 The Council's Housing Strategy 2015 – 2020
- 6.3 Housing Committee 2<sup>nd</sup> February 2015: The commissioning and delivery of housing services and the management of the Barnet Housing stock
- 6.4 Cabinet resources Committee February 2014: Management Agreement with the Barnet Group
- 6.5 December 2013 report on consultation on the Renewal of the Management Agreement undertaken by Aux Insight on behalf of the Council

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## HEADS OF TERMS

### MANAGEMENT AGREEMENT BETWEEN LONDON BOROUGH OF BARNET AND BARNET HOMES

#### STATUS OF HEADS OF TERMS

This document sets out in overview the key conditions and stipulations that will be included within the new 10 year management agreement, effective 1st April 2016 (**Agreement**). The Agreement will be a legally binding contract between the two parties.

#### 1 PARTIES

- 1.1 London Borough of Barnet (**LBB**)
- 1.2 Barnet Homes (**BH**)

#### 2 TERM

- 2.1 10 years commencing on 1<sup>st</sup> April 2016 and expiring on 31<sup>st</sup> March 2026
- 2.2 The Agreement will have an optional break provision at the end of the 5<sup>th</sup> year. LBB may terminate the Agreement or any element of the Services at the break point providing a minimum of 12 months' notice. No claims in respect of compensation shall apply in respect of this process.

#### 3 EXCLUSIVITY

BH will have the exclusive rights to deliver the Services, with the exception of new housing development, subject to it complying with the conditions set out in the Agreement.

#### 4 PERFORMING THE SERVICES

- 4.1 BH shall perform the Services (more particularly set out on Schedule 1) in accordance with Good Industry Practice.
- 4.2 In performing the Services BH shall:
  - 4.2.1 provide the Services to LBB in accordance with the Specification
  - 4.2.2 fulfil LBB's statutory, legislative and contractual obligations in relation to housing
  - 4.2.3 comply with all relevant LBB policies and strategies
  - 4.2.4 warn LBB of any matter of which it is aware and believes is likely to prejudice the quality or purpose of the Services
  - 4.2.5 ensure that in performing the Services it meets and satisfies the performance levels set out in the Specification

## APPENDIX 1

- 4.2.6 ensure high standards of governance are developed and maintained
  - 4.2.7 liaise and work in partnership with partner agencies and stakeholders operating within the Agreement and more widely as appropriate
  - 4.2.8 maximise value for money and efficiency and ensure resources are directed towards delivering excellent services for tenants and leaseholders
  - 4.2.9 promote innovation and the development of new models of procurement and service delivery
  - 4.2.10 comply with relevant European and British Standards, building regulations, good industry practice and health and safety legislation
  - 4.2.11 promote equality and diversity
  - 4.2.12 perform its obligations under, and observe and enforce all of the provisions of, the key sub-contracts to which it is a party
  - 4.2.13 manage any third party contract, act in accordance with the Managing Agent Protocol and do nothing that which would put LBB in breach of its obligations.
- 4.3 Whilst it is performing the Services BH will:
- 4.3.1 register for the National Housing Federation (**NHF**) Excellence in Governance Code
  - 4.3.2 comply with the Homes and Community Agency (**HCA**) economic and consumer regulatory standards
  - 4.3.3 operate a Corporate Governance Framework setting out roles and responsibilities with a regular review of Articles and Rules to ensure that they meet the requirements of the framework
  - 4.3.4 undertake a skills audit at least every other year to ensure that the composition and membership of the Board is sufficient to provide robustness in understanding and decision making and to meet BH's obligations
  - 4.3.5 represent LBB's interests at appropriate housing networks, forums, partnerships and working groups both locally, regionally and nationally providing timely reporting back to LBB's Commissioning team as appropriate
- 4.4 In addition, the following actions have been agreed for completion during 2015/16:

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- (a) development of shareholder agreements between LBB and The Barnet Group and between The Barnet Group and BH<sup>1</sup>
- (b) report for January 2016 committee cycle on composition and membership of the Boards. review level of delegated responsibility between LBB and BH and The Barnet Group in order for LBB to have assurance in the security of its investments and to comply with HCA Governance Standards

## 5 BUDGETARY MANAGEMENT AND SERVICE PLANNING

### 5.1 Budget Management

- 5.1.1 BH will have the flexibility to manage their finances as they see fit, in line with LBB approved business and investment strategies.
- 5.1.2 BH will by 31<sup>st</sup> December each year submit a financial plan for the Services divided by Housing Revenue Account (**HRA**) and General Fund (**GF**) for each key business activity with clear lines of income and expenditure for the forthcoming financial year for LBB approval
- 5.1.3 BH will agree with LBB a Treasury Management Policy
- 5.1.4 TBG/BH will supply a copy of audited accounts no later than 30th June each year
- 5.1.5 BH will agree any bad debts and write-offs annually through LBB's Policy and Resources Committee
- 5.1.6 BH will agree any financial borrowing in advance with LBB, with a presumption that unsecured loans will not be acceptable, unless in exceptional and pre-agreed circumstances and with a limit on gearing for secured loans
- 5.1.7 BH will operate an open book approach to accounting and permit designated Council officers access
- 5.1.8 BH will ensure the availability of financial plans and modelling underpinning current operations, decision making and requests for further resources. Assumptions with the financial planning or modelling will be made explicit and sensitivity testing carried out as required or as requested
- 5.1.9 BH will provide timely information for updating the HRA business plan model to LBB's finance team

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<sup>1</sup> In addition to the Agreement and with the purpose of ensuring that BH passes the test set for falling within the Teckal exemption (in particular the requirement for LBB to exercise a sufficient degree of control over the activities of BH), it will be necessary for shareholders agreements to be put in place between LBB and Barnet Group, and Barnet Group and BH. The purpose of these shareholders agreements will be twofold: firstly, to set out certain 'Reserved Matters' which will need to be approved by LBB (such as the formation by BH of further subsidiaries or the entry into finance agreements), and secondly, to provide a forum for dispute resolution purposes.

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- 5.1.10 BH will maximise third party and other external funding opportunities
- 5.1.11 BH will ensure evidence of value for money is factored into all key decisions taken by the Board.
- 5.1.12 Proposed utilisation of surpluses will be set out in BH's annual business plan for agreement through the business planning approval process.
- 5.1.13 Contract with LBB for the specific services listed below, through service level agreements (**SLAs**). As these SLAs include contractual obligations between LBB and third party suppliers, BH is committed to acquiring these services through LBB for the duration of this management agreement, unless expressly agreed otherwise with LBB. Where charges are levied for services, these will be paid by BH from the management fees.
- (a) CCTV
  - (b) Abandoned vehicles
  - (c) Grounds maintenance cyclical works
  - (d) Tree works
  - (e) Transport (provision and management of fleet)
  - (f) Accommodation (office and facilities management)
  - (g) Legal (provision through HB law)
  - (h) IT
  - (i) Payroll
  - (j) Income and cashiers
  - (k) Customer service
  - (l) HR (eg staff counselling service and employee relations advice)
- 5.1.14 In addition, the following actions have been agreed for completion during 2015/16:
- (a) Develop an Investment Strategy for approval by LBB's Policy and Resources Committee in February 2016
  - (b) Review of budgetary control system and cost code structure, agreed with LBB, to enable ease and accuracy of financial monitoring.
  - (c) LBB will identify and provide a named Relationship Manager for liaison and quality assurance of SLAs with BH
- 5.1.15 Potential development of further SLAs for:

## APPENDIX 1

- (a) Provision of Housing Benefit services
- (b) Provision of services relating to customer payments
- (c) Site assembly briefs (Development)
- (d) Tenancy Fraud (CAFT)
- (e) Out of Hours Call Centre
- (f) Emergency Planning
- (g) Planning Consultancy (Development)
- (h) Building Control
- (i) Highways Consultancy
- (j) H&S/CDM Consultancy

### 5.2 Annual Service / Business Plan

- 5.2.1 Develop a rolling five year business plan for TBG/BH/RP subsidiary for approval annually by LBB annually
  - 5.2.2 Submit an annual delivery and commitments plan with targets and outcomes for agreement no later than 31st December for the forthcoming financial year
  - 5.2.3 Any new business cases submitted to follow LBB's framework including benefits realisation that can be monitored and measured
  - 5.2.4 Completion of Equalities Impact Assessments (**EIAs**) for all new services or key service changes that affect residents and / or service users
  - 5.2.5 Maintain an equalities and diversity policy and undertake regular monitoring through data collection on service usage, customer feedback and performance to inform service planning
- 5.3 In addition, the following actions have been agreed for completion during 2015/16:
- 5.3.1 Develop and agree vision and business objectives with LBB through the business planning approval cycle, aligned to greater devolved independence
  - 5.3.2 Development and implementation of a project management framework, including clear benefit realisation methodology and measures

### 5.4 Budget Control

If LBB requires a budget adjustment it will notify BH in writing, setting out the level of reduction or increase and BH will be expected to respond

## APPENDIX 1

within 30 days, setting out an outline proposal in order to achieve the decrease or increase in funding including an impact analysis. If the budget adjustment is negative the proposal should address, in order of priority:

- (a) efficiency gains
- (b) adjustments to performance indicators and performance levels
- (c) relief from compliance with its obligations under the management agreement

5.4.2 LBB will respond within 30 days advising of its preferred option and BH will then have a further 15 days in which to provide a detailed proposal for execution.

5.4.3 As soon as practicable both parties shall discuss and agree any issues and an implementation date.

## 6 FUNDING

### 6.1 Housing Revenue Account (HRA)

6.1.1 Funding is via a fixed management fee, adjusted to take account of reducing number of tenanted and leasehold properties over time and a £2.6m efficiency saving over the first four years of the Agreement. The fee is inclusive of the annual payment for management of the capital works programme and all repairs. Funding for the HRA elements of the service is as follows:

- (a) Year 1 2016/17 £26,611,000
- (b) Year 2 2017/18 £25,788,000
- (c) Year 3 2018/19 £25,369,000,
- (d) Year 4 2019/20 & Year 5 2020/21 £24,515,000

6.1.2 A review will be undertaken during year 5 to determine the management fee for year 6 onwards based on the number of tenanted and leasehold properties at that time and projected forward for the next five year period.

6.1.3 A full review will be undertaken during year 9 of the agreement to include a determination of whether the Agreement should be renewed or whether LBB wishes to exercise its right to put in place an alternative means of providing some or all of the Services.

6.1.4 The management fee will be payable by invoice in 12 equal instalments with any balancing payment in the twelfth month. Invoices should be submitted on or around 15<sup>th</sup> of each month via LBB's contract manager for immediate payment..



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- 6.1.5 Inflation, in line with CPI (as at September of each year), will be applied to the management fee on an annual basis, if applicable. If, however, CPI is minus 2 or lower in any given year, LBB reserves the right to review - and possibly reduce, the management fee.
- 6.1.6 The management fee will be all inclusive: BH will be expected to manage their business without requesting further HRA funding from LBB, unless there is an agreed change to a Service that has a financial impact. This would be managed through a formal change request or a longer term variation to the Agreement

### 6.2 Housing General Fund (HGF)

- 6.2.1 The HGF provides the majority of funding for the Housing Option Service.
- 6.2.2 The Housing Option Service constitutes a statutory responsibility of LBB, who have chosen to commission it through BH. The funding for this service is set at £3,568,986,000 per annum, less the agreed contribution by Barnet Homes, as set out in 6.3.8. However, as a demand led service it is liable to fluctuation and BH can seek in year changes in funding based upon presentation of appropriate justification and evidence.
- 6.2.3 Funding will be payable by invoice in 12 equal instalments with any balancing payment in the twelfth month. Invoices should be submitted on or around 15<sup>th</sup> of each month via LBB's contract manager and will be for immediate payment.
- 6.2.4 Any variation to the funding levels in year will be managed through the change control and variation process. This should be accompanied by a business case setting out the reasons for the request with appropriate justification and evidence. Agreed performance targets, delivery plans and preventative measures will be in place, designed to curtail any additional expenditure requirements.

### 6.3 Housing Development

- 6.3.1 Save in respect of mixed tenure developments, LBB will provide BH with the opportunity to act as development manager for all new properties for affordable rent on existing HRA land.
- 6.3.2 Within the first five years of this Agreement, LBB will take all reasonable steps to provide BH with the opportunity to provide development management services for a minimum of 400 (with a target of 500) new homes for affordable rent by 2021. This undertaking will be reviewed year in 5 to determine projections and outputs for years 6 through to 10 of the Agreement
- 6.3.3 BH will manage all new properties developed pursuant to this clause 6.3.
- 6.3.4 A new subsidiary of BH, referred to hereafter as BH (RP) will be established as a Registered Provider for the purpose of developing those homes where it is agreed between LBB and BH that they should be owned

## APPENDIX 1

by BH (RP). In such cases LBB will provide a loan to Barnet Homes to undertake the development at a rate compliant with State Aid regulations.

6.3.5 The ownership of each new development site will be agreed as part of the Outline Business Case for the development. In deciding whether to offer developments to BH (RP), LBB will take account of:

- the need to spend Right to Buy receipts in accordance with Government [guidance/regulation],
- the available HRA headroom
- General Fund borrowing capacity
- the potential additional contribution that could be made by BH to mitigating homelessness costs if they were to own the development
- the performance of BH(RP)
- such other factors as may be relevant at the time

6.3.6 The Chair of BH (RP) will be appointed by the BH Board in conjunction with a representative of the Council and be a member of both the BH and TBG Boards. There is no expectation that the Chair of TBG and BH will also be the Chair of BH (RP).

6.3.7 BH (RP) will undertake to set rents for any homes it might own with due regard to LBB's rent policy

6.3.8 Subject to LBB making available to BH (RP) land and borrowing capacity to build affordable housing owned by BH (RP), BH will subsidise an element of the running costs of the homelessness (Housing Options) service. For each 50 properties built, up to a maximum of 500 properties, BH will contribute £100,000 per annum. Any properties in excess of a total of 500 will generate a further contribution by BH of £1,500 per annum. This return is separate to any on lending benefit or General Fund reduction LBB may benefit from. The parties can, by mutual agreement, decide to vary the amount of the contribution, or direct the investment to other jointly agreed priorities.

6.3.9 BH's contribution to the cost of providing the Housing Options service, as set out in 6.3.8 will take effect from the point at which homes are programmed for completion, as per the programme plan agreed between LBB and BH.

6.3.10 For the avoidance of doubt, the costs of managing stock owned by BH (RP) will not be included in the management fee paid by LBB to BH.

6.3.11 Unless explicitly agreed otherwise, BH will also act as the client for and manage all affordable housing developments across mixed tenure sites where LBB expects to own the affordable rented stock.

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6.3.12 BH will be paid a development agency fee of between 2% and 4% for all new properties LBB commissions them to build. The exact % will be dependent on the individual scheme and will be agreed in writing in advance.

### 6.3.13 Capital (Major) Works

- (a) The capital (major) works budget will be agreed as part of the LBB's annual budget setting process. BH will submit the proposed programme of works and budget for approval in the first instance to the Commissioning Director, Growth and Development and subsequently for formal approval by the Policy and Resources Committee.
- (b) Once approved LBB will provide a monthly payment, in advance, based on the forecasted spend
- (c) BH will invoice on a monthly basis, in arrears to reflect the actual expenditure, providing appropriate evidence of costs incurred and highlighting key areas of slippage
- (d) Payment will be adjusted each month by LBB based on year end projections with an actual year and reconciliation in month 12 to provide a balancing sum based on the actual programme delivered.
- (e) The delivery of works and overall spend and performance against the annual delivery plan will be monitored through the Performance Management Framework
- (f) BH will be required to maintain a full audit and evidence trail relating to the annual delivery programme

## 6.4 Cost Reimbursement

6.4.1 BH can recover costs on a £ for £ basis from LBB for:

- (a) Legal, security, removal and other relevant costs (excluding staffing) relating to estate regeneration activity
- (b) Landlord Cash Incentives
- (c) Nightly purchases for Temporary Accommodation
- (d) Private Sector Landlord payments
- (e) Home Loss and Disturbance payments
- (f) Legal costs incurred to deliver the Housing Options Service and compensation payments to tenants for cases from pre-transfer
- (g) Non-resident landlord tax deduction from the PSL payments

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- 6.4.2 All invoices relating to cost reimbursement should be raised against a purchase order and be submitted with evidence that BH have already directly paid the expenses being claimed

### 6.5 Discretionary Funding

Throughout the term of the Agreement, projects and additional activities will be identified to support the delivery of the housing service, aligned to BH's business aims and objectives. These will be agreed through the annual business planning process and / or by the change control process, where opportunities are agreed for implementation in year. Current discretionary activities and funding at the point of preparing this Agreement are:

**Working People, Working Places Programme at Burnt Oak** - £138,989  
European Social Fund for one year 2016/17 only TBC.

- 6.5.1 **Universal Credit** – Funding to provide digital and personal budget support for Universal Credit may be agreed on an annual basis and is not guaranteed within the Agreement. £40,870 to confirm whether agreed for 2016/17?

- 6.5.2 **Welfare Reform** – In addition to payment within the management fee for two Welfare Benefit Advisers, funding to administer the benefit cap, provide advice on welfare reforms and support people to find work may be agreed on an annual basis and is not guaranteed within the Agreement. £277,756 to confirm whether agreed for 2016/17?

**Note – the three activities above are awaiting confirmation of continuation of funding beyond this financial year**

- 6.5.3 **Estate Regeneration** – Up to £102,650 will be paid through the HRA management fee for the year's 2016/17 and 2017/18 only. This funding provides for the decanting of approximately 570 households from the Grahame Park estate during this period.

- 6.5.4 **Right to Buy** - £40,000 payable at the commencement of each financial year and then £750 per completed Right to Buy Sale

- 6.5.5 Invoices for all of the above should be submitted quarterly along with an agreed monitoring report and evidence of expenditure to LBB's Contract Manager at the end of each quarter.

### 6.6 Financial Surpluses

Any financial surpluses generated can be utilised at BH Board's direction so far as they fit with the remit of the organisation and its stated aims and objectives

### 6.7 VAT

- 6.5.6 All payments by either party will be exclusive of VAT at the prevailing rate.

## 7 GOVERNANCE

### 7.1 Governance Arrangements

- 7.1.1 BH to operate as a fully independent management organisation within The Barnet Group (TBG), with minimal 'interference' from LBB but within the acceptable legal framework for Arm's Length Management Organisations (ALMOs), consistent with the requirement that it be a "locally authority controlled company".
- 7.1.2 BH/TBG Board Chair to continue to be appointed by LBB against an agreed role profile and be subject to LBB's personal review/ appraisal process
- 7.1.3 Senior LBB officer/s to have the right to attend Board/s in a non-voting capacity
- 7.1.4 LBB members to be allocated two seats on TBG Board, who will be appointed at Annual Council, taking into account any particular skills or experience sought by the Board
- 7.1.5 LBB to be party to the recruitment of all Board Chairs and to ratify all Board appointments
- 7.1.6 LBB to provide an introductory session for new Board appointees within the overall induction process
- 7.1.7 BH may develop and set its own business strategy for any services not directly commissioned by LBB
- 7.1.8 LBB permission to be sought to make any changes to the group structure or for any mergers and acquisitions, although Barnet Group may create subsidiaries or incorporate smaller organisations in to the organisation that do not pose a risk to LBB without the need for approval
- 7.1.9 Annual review and agreement of specific delegated functions in related to decision making to be undertaken
- 7.1.10 Formal bi-annual meeting to take place between LBB and Chairs and key personnel of TBG/BH/RP
- 7.1.11 Chairs of TBG and its subsidiaries including BH and BH (RP) to be members of the Strategic Partnership Board along with, the Chief Executive of TBG, Chairs of relevant LBB Committees, and the relevant LBB Chief Officers. The Strategic Partnership Board to meet twice-yearly or more frequently if the Board so agrees.

## 7.2 Contract Governance

- 7.2.1 The Agreement will require the long term co-operation of both parties to deliver a successful outcome. Each party agrees to co-operate with the other party and relevant third party contractors in good faith with the intent that there will be a seamless interface between the provision of services and LBB's other operations and services.

## 7.3 Management of the Agreement

- 7.3.1 Both parties shall appoint a Contract/Partnership Manager for the purposes of the Agreement and ensure s/he is available for consultation at all reasonable times.

## 8 PERFORMANCE MANAGEMENT

- 8.1 BH will have in place a performance management framework, setting out how wider performance, including the performance indicators as part of this Agreement, will be managed with a view to continuously improving service delivery, taking in to account available resources. The performance management frameworks should be reviewed and agreed by the Board annually.
- 8.2 BH will ensure arrangements are in place for tenants and leaseholders to scrutinise performance and hold the organisation and LBB to account. Relevant information about performance should be included within the published Annual Report.
- 8.3 LBB reserves the right, where it believes fraudulent, misleading or erroneous information to be provided, to change or increase its level of performance monitoring.
- 8.4 LBB may also choose at any time to monitor or inspect the performance or compliance of any Service or request that BH make changes to a Service
- 8.5 BH will also be required to:
- 8.5.1 agree a Delivery Plan, a suite of performance indicators and other outputs no later than 31st December for each financial year, categorised according to LBB's 'SCOT' framework – Strategic, Critical, Operational, Transactional
- 8.5.2 respond with corrective actions and timescales to any outputs or matters arising from performance meetings no later than 10 working days following the meeting

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8.6 In addition, the following actions have been agreed for completion during 2015/16:

8.6.1 review the current change control and Agreement variation processes.

## 9 BENCHMARKING AND MARKET TESTING

9.1 BH will be a member of an appropriate Benchmarking Club and undertake an annual benchmarking exercise for all key business activities, where possible, at its own cost.

9.2 Each benchmarking exercise will ascertain the relative quality and competitiveness of the Services against other similar housing providers.

9.3 The outcomes from the benchmarking will be reported through the Performance Management Framework and result in an action plan, where deemed necessary for inclusion in the forthcoming financial year's business plan.

## 10 EMPLOYMENT AND PENSIONS

### 10.1 Staff

BH will:

10.1.1 ensure that it has sufficient trained and competent staff to carry out its obligations under the Agreement and that staffing and skills levels will be maintained throughout the contract term, unless agreed with LBB

10.1.2 continue to develop an organisational, management and staffing structure that possesses the requisite skills and experience to deliver a high quality, value for money Services

10.1.3 ensure appropriate relevant checks are undertaken on both direct and in direct staff carrying out duties as set out in the agreement with specific reference to safeguarding legislation and guidance

10.1.4 not discriminate, directly or indirectly, by way of victimisation or harassment, against any person on grounds of race, age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, sex or sexual orientation, contrary to any applicable provisions of the Equality Act 2010

10.1.5 consistent with good employer practice, ensure that its employees have appropriate representation (whether through trade unions or otherwise)

10.1.6 support LBB in complying with its Public Sector Equality Duty

10.1.7 comply with the requirements of TUPE

10.1.8 Consult LBB on the appointment of the Chief Executive

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- 10.1.9 Appoint, during 2015/16, a Finance Director; and maintain that post through the life of the Management Agreement

### 10.2 Pensions

- 10.2.1 This clause 10.2 applies only to those staff employed under Local Government Terms and Conditions.
- 10.2.2 Adherence with Local Government Pension Scheme Regulations and actuarial reporting requirements
- 10.2.3 Employer contribution rates set in accordance with actuarial requirements
- 10.2.4 LBB to meet the potential liability, calculated under Financial Reporting Standard 17 (Retirement Benefits), up to the point at which staff groups transferred to BH under TUPE rules. BH is responsible for any liability, or change in liability, from that point forward.
- 10.2.5 Adherence to LBB's requirements as administering authority for the London Borough of Barnet Pension Fund

## 11 CHANGE CONTROL AND VARIATIONS

- 11.1 Changes or variations to the Agreement will be managed through a prescribed change control and variation process. Changes and/or variations may be effected if there is a:
  - 11.1.1 change in law or statutory responsibilities
  - 11.1.2 change in stock numbers – to be determined through a midpoint review of the Agreement as set out in 6.1.2
  - 11.1.3 change in service provision through service re-design or any other substantial change.
  - 11.1.4 likely or proposed change in performance indicators or outcomes
- 11.2 Either party may raise a change request through their nominated Contract Managers and will respond within 20 working days of receipt. Change requests will be approved by the Strategic Review Group. These may referred to the Partnership Group by BH if it is not satisfied with the decision made by the Strategic Review Group, stating their reasons why their dispute the decision. The Partnership Group will respond within 20 working days of receipt of the disputed change request and their decision will be final.

## 12 DISPUTE RESOLUTION

- 12.1 Any disputes should be raised in the first instance with either parties respective Contract Manager who shall have 15 working days in which to resolve the issue.
- 12.2 If the issue remains unresolved after this period, or BH are not satisfied with the outcome, the dispute may be referred to the Strategic Review Group setting out



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the reason/s why. The Strategic review Group will have 20 working days from receipt to respond to the dispute.

- 12.3 If the dispute is still unresolved it can be escalated to the Partnership Group, who will have a further 20 working days to respond. The decision of the Partnership Group will be final.

### 13 STEP-IN

- 13.1 Without prejudice to any other rights or remedies LBB may have under the Agreement, if LBB reasonably believes that it needs to take action in connection with the services following BH failure to rectify a serious breach of the Agreement which:

- 13.1.1 Causes LBB any un-agreed financial loss exceeding £250,000
- 13.1.2 Results in a significant decrease in customer satisfaction or other key performance outcome
- 13.1.3 Causes material interruption to the provision of the Services exceeding three months
- 13.1.4 Constitutes a serious health and safety risk
- 13.1.5 Results in a conflict of interest
- 13.1.6 Constitutes a substantial or repeated act of fraud or a prohibited act

OR

- 13.1.7 BH fails to:
- (a) Comply with a direction, judgement or order made by a relevant authority or any other body with whose jurisdiction LBB or BH is required to comply
  - (b) Comply with a material provision of any corporate centric policies
  - (c) Discharge a statutory duty
  - (d) Respond adequately to the outcome of a statutory inspection
  - (e) Respond adequately to notices issued under clause 14

LBB shall be entitled to exercise its right to Step In.

- 13.2 The right of Step-In may include measures to address any aspect of the performance of the services and the introduction of management intervention in to a discrete or whole part of the service. It could also mean relieving BH of some or all of its obligations under the agreement and withholding payment / requiring reimbursement to undertake rectifications and / or make alternative service provision.

## 14 REMEDIAL ACTION, TERMINATION AND EXIT ARRANGEMENTS

### 14.1 Remedial Action

- 14.1.1 If a breach has continued for more than 10 working days, or occurred more than three times in a three month period, then LBB could serve notice on BH specifying that it is a formal warning notice; giving reasonable details of the breach; stating the details of the breach and advising that if it continues may result in a termination.
- 14.1.2 If following this warning notice the breach continues beyond 10 working days or two times in a three month period, LBB may serve a persistent breach final warning notice. This will state that if the breach continues or reoccurs for more than 10 working days or two times within a three month period, the Agreement may, in part or whole, be terminated.

### 14.2 Termination

- 14.2.1 On part or whole termination, BH shall transfer its right, title and interest in and to the assets to LBB or as directed by LBB, This includes all documents, records, books, data and information, electronic and paper based, in the possession, power or custody of BH. BH will also assign to LBB or anybody nominated by LBB the benefit of all contracts and it may have with third parties in relation to the Services

### 14.3 Exit Arrangements

- 14.3.1 During the final six months of the Agreement or during the notice period of a part or whole termination, if earlier and for three months thereafter, BH shall fully co-operate with the transfer of responsibility for the services with LBB.

## 15 LIABILITY

- 15.1.1 LBB shall not be liable to BH whether in contract, tort or otherwise for any loss damage or injury, however caused, arising out of, or in connection with the provision by BH of Services, or use of premises or equipment, save in relation to any deliberate or negligent act or omission of LBB, or any of its employees, in the course of their employment.
- 15.1.2 LBB will also not be responsible for any indirect or inconsequential loss, whatsoever, irrespective of the cause or causes.

### 15.1 Internal Controls

- 15.1.2 BH will adhere to LBB's Counter Fraud Framework, with all instances of suspected or reported fraud immediately passed through to CAFT, who have the overarching responsibility for all matters relating to frauds that are perpetrated both internally and externally including all aspects of Tenancy Fraud investigation.

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- 15.1.3 BH shall comply with relevant governance standards to be nominated by LBB (acting reasonably)
- 15.1.4 BH will develop and maintain appropriate risk register and reporting mechanisms to reflect the high financial values of the management agreement and the delivery obligations of BH
- 15.1.5 BH will ensure the risk register and audit plan and outcomes are presented and discussed by the Board/s annually, as a minimum
- 15.1.6 BH will ensure appropriate levels of insurance are be in place, including employers and public liability insurance
- 15.1.7 BH will establish and maintain an effective scheme of delegation including standing orders and financial regulations
- 15.1.8 BH will ensure policies and procedures are developed and maintained for all key activities of the business and regularly updated to meet all statutory and legislative requirements. These will be available for inspection at any time
- 15.1.9 BH will ensure that Procurement Strategy is compliant with EU Directive 2014/24/EU on public procurement, the Public Contracts Regulations 2015 and any applicable guidance issued by the Cabinet Office or Crown Commercial Service. BH's Procurement Policy should be an accessible document and published on BH's website

### 15.2 Audit

- 15.2.1 BH will provide LBB with open book / audit rights across TBG, including all contracts
- 15.2.2 BH will adhere to LBB's Assurance Protocol
- 15.2.3 BH will agree an annual audit plan with an escalation of issues classified as critical or important reported to LBB
- 15.2.4 BH will ensure timely provision of a copy of the external auditor's annual report
- 15.2.5 LBB reserves the right to request, acting reasonably, an audit of any areas of concern relating to part or all of its services. The cost of such audit will be borne by BH.

### 15.3 Public Relations and Publicity

- 15.3.1 BH may respond to press and media enquiries relating to operational housing activity only. All matters relating to housing policy or strategy, or that may be considered highly political or sensitive, should be referred to LBB.

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- 15.3.2 BH will be responsible for alerting LBB to any issues that may receive significant local or national attention or that is likely to be high profile.

### 15.4 Force Majeure

- 15.4.1 Neither party shall be entitled to bring a claim for a breach of obligations under the agreement, or incur any liability to the other party for any losses or damages incurred, to the extent that a force majeure event occurs and it is prevented from carrying obligations by that event.

### 15.5 Restrictions

- 15.5.1 BH shall not be permitted to assign, underlet, charge, sell, bargain or otherwise deal in any way with the benefit of the agreement in whole or part, except with the prior written authority of LBB.
- 15.5.2 Nothing in the Agreement, however, shall prevent BH from providing or procuring the provision of services from a sub-contractor of sound economic and financial standing with the appropriate technical and professional abilities as long as it is in accordance with the Public Contracts Regulations 2015.

### 15.6 Quality Management

BH will be responsible for ensuring the quality of the Services and is expected to appoint suitably qualified personnel to undertake this role, where appropriate. Any key issues relating to quality management and assurance should be highlighted through the monthly performance review meeting and monitored through the risk management framework. This will be subject to regular audit.

### 15.7 Inquiries, Investigations and Inspections

BH will fully operate with any inquiry, investigation or inspection which in any way concerns, affects or relates to the services, or any sum claimed or charged in relation to the Agreement. The terms of any sub-contractors should include the same provisions.

### 15.8 Information Management

- 15.8.1 BH will ensure data is held and managed in compliance with the Data Protection Act and any other relevant legislation. Both parties will use all reasonable endeavours to share information, subject to any obligation in confidentiality and in accordance with an Information Sharing Protocol and Agreement. The same will apply in relation to all sub-contractors.
- 15.8.2 BH will acknowledge that all data is the property of LBB and LBB reserves all Intellectual Property Rights
- 15.8.3 BH shall comply with LBB's Information Security Policy and any other such policies relating to the security and confidentiality of data and information

## 15.9 Records Management

- 15.9.1 BH will maintain full records for the duration of the contract and will be required to transfer these to LBB on termination of the operation of the business.
- 15.9.2 BH will have a records management and retention policy agreed with LBB

## 15.10 Health, Safety and Welfare

- 15.10.1 BH will:
- (a) Ensure the health and safety of its employees and comply with the requirements of all legislation and codes of practice relating to health, safety and fire
  - (b) Have a written health and safety policy which must be at least equivalent to LBB's policy
  - (c) Maintain and implement business continuity and emergency plans and ensure they are regularly tested
  - (d) Inform the Contract Manager immediately of any fatality and, within 24 hours, of any major injury, reportable disease or reportable dangerous occurrence: Provide the Contract Manager with an annual report on the previous year's health and safety performance for the subsequent 12 month period
  - (e) Ensure that all equipment is installed, used and maintained to meet statutory requirements, appropriate British, European or International standards and manufacturers' recommendations

## SCHEDULE 1 – SERVICES

### 1 Overview of Services to be provided by BH

- 1.1 BH will provide the following housing and housing related services for LBB's 15,000 tenanted and leasehold properties (as at 2015) in support of LBB's Housing and Tenancy Strategies in accordance with the terms of this Agreement.
- 1.1.1 Housing Options (Statutory Council Duty) – homelessness advice, prevention, supply and housing solutions, including management of temporary and emergency accommodation and privately leased homes, allocations and lettings
  - 1.1.2 Aids and Adaptations in council owned homes
  - 1.1.3 Tenancy Management including income collection (rents and arrears) and anti-social behaviour
  - 1.1.4 Neighbourhood and Estate Management including the management of the decanting of secure and non-secure tenants and other occupants to support LBB's regeneration plans
  - 1.1.5 Leasehold, Freehold and Shared Ownership Management
  - 1.1.6 Voids and Empty Property Management
  - 1.1.7 Asset Management including cyclical and major works
  - 1.1.8 Repairs and Maintenance
  - 1.1.9 Community Development and Resident Engagement
  - 1.1.10 Sheltered and Older People's Housing
  - 1.1.11 Floating Support
  - 1.1.12 Assist Scheme
  - 1.1.13 Leading and responding to Welfare Reform and Universal Credit implementation
  - 1.1.14 Management of other housing assets: Garages and other buildings on housing estates, estate offices, tenant resource facilities, meeting rooms, un-adopted roads, paths, playgrounds, gardens and amenity areas on HRA land
  - 1.1.15 Right to Buy (RTB) Sales
  - 1.1.16 Housing Development
  - 1.1.17 Housing Strategies

1.1.18 Customer Care, Complaints, Member Enquiries, Environmental Information Regulations and Freedom of Information requests

**1.2 Housing Options**

LBB has a statutory responsibility to provide housing advice and assistance to residents who are threatened with homelessness and to those who have a recognised housing need through LBB's Allocations Policy.

LBB has opted to commission this service through BH, details of which include, but are not limited to:

BH will at all times:

- Maintain a supply and demand model to enable forecasting
- Provide housing advice/options on homelessness prevention and housing solutions, signposting and referrals to other services
- Make and issue full written decisions for all applications made under the Housing Act 1996 part VI and VII
- Provide an on call emergency out of hours advice and assistance service to those who are homeless or threatened with immediate homelessness
- Provide housing advice and assistance to residents who are threatened with homelessness due to domestic violence
- Create, in conjunction with LBB and implement an Allocations Scheme and provide access to accommodation to eligible customers under this scheme
- Take account of an applicant's medical circumstances when making decisions about what, if any, housing duties are owed and what constitutes a reasonable housing offer
- Provide accommodation to customers owed a duty under Part VI and VII of the Housing Act 1996
- Provide accommodation under discretionary powers, where no statutory duty is owed
- Conduct statutory reviews and appeals
- Assess and administer Discretionary Housing Payments. Liaise with Council's Housing Benefit team to maximise budget draw down
- Provide and manage a homelessness prevention fund
- Provide a signposting and referral service to Outreach Barnet, adult social care, MASH and other key partners in the Borough
- Provide a Sanctuary Scheme for victims of domestic violence
- Support the prevention of youth homelessness and provide support to young people to remain in their families
- Provide a youth mediation service
- Procure and manage temporary accommodation, including a private sector and rental and leasing portfolios, housing association direct lettings, nightly purchased and hostels
- Provide a Private Sector Leasing service (**PSL**) with a full management service for private sector landlords and registered providers and properties secured through the Hardship Acquisition Buyback Scheme, delivered and maintained to a published set of standards

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- Provide manage and administer emergency and interim temporary accommodation to meet daily demand.
- Provide and manage a private lettings service (Let2Barnet) to enable households to access private rented sector properties
- Collect rental income and maximise housing benefit contributions
- Implement robust plans to reduce the use of temporary accommodation and costs to LBB's General Fund
- Ensure that safeguarding responsibilities are fully met
- Manage and implement a scheme to address under occupation of council homes within the Borough
- Manage and implement a range of housing mobility schemes including mutual exchange, Home Finder, Home Moves and Seaside and Country, or their successors over the period of this agreement
- Develop and agree with LBB an annual Homelessness Strategy
- Implement LBB's Tenancy Strategy
- Develop and implement a Tenancy Sustainment Strategy
- Provide, in conjunction with the Adults and Communities team specialist housing advice and support to vulnerable customers moving out of supported accommodation and residential care.
- Undertake appropriate administration, including 'Tell us Once and Notify
- Provide specific support services, such as furniture storage
- Manage the private landlords forum and landlord accreditation to improve private rented sector standards
- Support LBB's Safer Communities Strategy including exercising discretion under homelessness legislation to provide emergency accommodation for high risk offenders
- Work with LBB's Environmental Health Service to help bring empty properties back in to use and provide low cost temporary accommodation in the borough
- Monitor and work to minimise the number of rough sleepers in the borough

In addition the following actions have been agreed for completion during 2015/16:

- Undertake a peer review of the Housing Options Service

### 1.3 Aids and Adaptations

BH will at all times:

- Provide an aids and adaptations service in council homes to tenants who are eligible
- Support residents to remain in their home living independent lives though adapting housing when appropriate to do so.
- Use the opportunity of completing the adaptations to undertake other minor works that will better ensure a 'life-time' home
- Adequately manage the housing stock in a legally compliant manner giving due regard for all relevant legalisation.



- Ensure LBB receives value for money by utilising the synergies that the adaptations service has with the rest of BH to provide increased levels of performance without any increasing expenditure.
- Ensure the components installed are of good quality to ensure that on-going maintenance is minimised and affordable
- Minimise the removal of adaptations from properties
- Optimise the housing stock to create more accessible homes through development and property extensions/loft conversions
- Maintain a register of adapted properties
- Manage the performance of all external contractors employed to provide aids and adaptations effectively, ensuring that they provide an excellent standard of care to residents and value for money to LBB
- Provide customers with an excellent standard of customer care and be responsive to their individual needs, ensuring that the currently high levels of customer satisfaction are maintained

### 1.4 Tenancy Management

BH will at all times:

- Implement LBB's Tenancy Strategy and ensure that tenants are fully aware of their rights and responsibilities as part of their Tenancy Agreement
- Develop and implement a range of published policies, procedures and service standards setting out the approach to tenancy management to ensure tenancies are well managed and tenants receive high standards of service
- Carry out new tenant visits within a maximum period of eight weeks after sign up to ensure new tenants are aware of their obligations and rent responsibilities and to promote and support sustainable tenancies
- Manage introductory tenancies, ensuring tenancy conditions are kept throughout the introductory period, appropriate action is taken when required and the tenancy agreement is updated at the end of the successful introductory period.
- Manage change of tenancy including joint tenancies, sub-letting, succession and assignment of tenancies
- Manage flexible tenancies, ensuring tenancy conditions are kept throughout the introductory and fixed term periods, appropriate enforcement action is taken when required and carry out the review and renewal processes. Encourage and support flexible tenants to prepare for independence in order for them to move on to other housing options.
- Develop strategies to deal with hard to let properties including carrying out exit surveys for departing tenants, following up refusals, local lettings plans, stock rationalisation plans and initiatives to tackle anti-social behaviour
- Take action to investigate all reports of tenancy misuse, including pre-tenancy checks on mutual exchanges, reporting any suspected cases of tenancy fraud to LBB's CAFT team and working with them to take enforcement action where required
- Work with partners and council colleagues to support complex families and vulnerable people, with due regard to safeguarding frameworks and policies, ensuring appropriate signposting and referral
- Promote tenancy sustainability and prevent homelessness, whenever possible

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- Support LBB in the calculation and administration of changes to rent and other charges. Undertake rent administration on behalf of all council tenancies, notifying tenants of any changes within an agreed timetable.
- Provide clear information to tenants on how rents and other charges are set and changes to payments or charges, when necessary. Provide regular rent statements on request.
- Provide a variety of methods for payment of rent and other charges to maximise rent and service charge collection
- Collect rents and all other charges, such as, communal heating, garage rents and service charges and carry out arrears recovery, taking legal action when required
- Ensure tenants are provided with advice and assistance in relation to welfare benefits, including housing benefit verification, assistance with completing housing benefit forms. Promote specialist money advice and support, liaising with specialist agencies as appropriate
- Provide realistic payment plans to tenants in arrears and monitor compliance with these
- Tackle anti-social behaviour and promote a culture of respect and consideration for others across all tenures. Make full and appropriate use of available tools and powers, adopting a positive, pro-active and partnership based approach, taking firm action and supporting people experiencing harassment, domestic violence or neighbourhood nuisance
- Publish an anti-social behaviour policy setting out the standards tenants can expect in relation to anti-social behaviour and BH goes about meeting these
- Meet with anti-social and hate crime complainants in a timely manner in accordance with published standards. Develop a tailored action plan for each case outlining investigation and remedial actions, keeping complainants informed throughout and setting clear and agreed timescales with a named contact officer.
- Make appropriate use of mediation where this may be the best way to resolve neighbour problems
- Where appropriate, work with other agencies to ensure that appropriate support is provided to perpetrators to help them to change their behaviour
- Work closely with police, council officers and other partner agencies to take a collaborative and co-ordinated approach to prevention and enforcement and to tackle the underlying causes of anti-social behaviour
- Take legal action regarding injunctions, evictions and repossessions with due regard to relevant law and good practice
- Seek feedback and satisfaction with closed anti-social behaviour cases and follow up where a complainant is not satisfied with the resolution, monitoring overall performance and related service improvements
- Publish an annual report on actions taken to tackle anti-social behaviour, hate crime, domestic abuse and safeguarding with numerical data relating to number of cases, actions taken and outcomes and a narrative on where improvement is needed and how this will be achieved

## 1.5 Neighbourhood and Estate Management

BH will at all times:

- Work in partnership with other agencies, where appropriate, to provide an integrated neighbourhood management service irrespective of tenure, ensuring neighbourhoods are kept clean and safe, as practicable as possible and neighbourhood problems are identified and dealt with in a timely and effective manner and in accordance with all relevant performance outcomes. This will include working on developing common standards and joint approaches to solving local issues, supporting regeneration and improving the quality of life and life chances for local people
- Ensure, wherever possible, that local people are involved and engaged in identifying and resolving problems in their area, including carrying out estate walkabouts and ensuring actions and outcomes from these are monitored, dealt with in a timely manner and fed back to residents
- Undertake regular estate inspections, adopting a 'see it, own it' culture as part of their daily work, reporting neighbourhood management issues and referring on where these do not relate to their own areas of responsibility
- Provide a grounds maintenance service and ensure, as reasonably practicable, that housing land is kept neat, tidy, free of litter and debris and in a usable condition and trees are both maintained and protected to appropriate standards
- Take appropriate action with regard to tenants and leaseholders who do not look after their gardens or who otherwise spoil the appearance of estates and take enforcement action where necessary
- Deliver an estates works programme: Ensure, as is reasonably practicable that external communal areas of properties are well managed, clean, tidy and free from hazards, including the maintenance and replacement, when necessary, of fencing, gates, pathways, boundary treatments, furniture, trees and planting
- Ensure, where reasonably practicable that properties with communal area are kept safe and secure including ensuring the effective operation of lighting, secure door entry systems (where installed), and CCTV (where installed) and relevant signage in place, undertaking effective related servicing, repairs and replacement
- Provide cleaning and caretaking services to properties with communal areas in accordance with published standards
- Provide adequate facilities for the removal of domestic and bulky refuse and ensure bin rooms, chutes and hoppers are well managed, clean and tidy
- Remove graffiti and prioritise the removal of hate and offensive graffiti
- Resolve pest control issues to internal and external communal areas
- Work with residents and partner organisations to deal with parking issues and problems, ensuring action is taken to resolve disputes, wherever possible, in cases of unauthorised parking and abandoned vehicles: Manage estate based controlled parking schemes
- Manage garages, including any waiting lists and undertake repairs and maintenance and collection of garage rents
- Undertake regular customer satisfaction monitoring of neighbourhood and environmental management

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- Contribute to and support LBB's regeneration plans, managing agreed decant and rehousing plans: Ensure records are maintained of costs incurred through staffing, home loss payments, resident removal costs, attendance at regeneration meetings and any other associated costs and can be accounted for separately from general housing management works for ease of monitoring and evaluation.

### 1.6 Leasehold, Freehold and Shared Ownership Management

BH will at all times:

- Comply with all leaseholder obligations in relation to management and management of blocks
- Ensure leaseholders adhere to their lease conditions, taking enforcement action as required
- Undertake statutory section 20 consultation for works in excess of £250 ensuring all legal requirements are complied with
- Produce will accurate and timely annual service charge bills and statements for all leaseholders and shared ownership properties, for both day to day maintenance and major works and deal with all resulting enquiries
- Administer extended payment options scheme
- Produce and collect estate management service charges from freeholders, where applicable
- Collect and undertake arrears recovery relating to service charge bills, debt advice referrals, financial interviews and when applicable, take legal action
- Respond and deal with Deed of Variation and consent for alterations, lease extensions, enfranchisement and land purchase requests
- Prepare and issue pre-assignment packs for open market sales
- Deal with matters relating to breaches of lease, including site visits, correspondence and legal referrals, when necessary
- Carry out new leaseholder interviews
- Ensure appropriate fee structure in place for commercial services to leaseholders, including Let2Barnet, repairs and gas servicing
- Arrange payment advice surgeries for major works, and service charge surgeries to take place when the actual statements are submitted each September
- Prepare cases and represent LBB at Mediations, First Tier Tribunals, Upper Tier Tribunals and in court, as required

### 1.7 Voids and Empty Property Management

BH will at all times:

- Ensure properties are empty for the minimum amount of time by identifying voids at the earliest opportunity and inspecting in a timely manner
- Carry out re-let works including repairs, maintenance and major works, if necessary
- Develop and maintain a consistent void and lettings standard to maintain high levels of customer satisfaction.

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- Minimise financial loss arising from deliberate damages by ensuring that outgoing tenants are aware of the recharging policy
- Re-charge works where they are found to be in excess of regular wear and tear to departed tenants, where possible
- Keep external areas, including gardens tidy, as is reasonably practicable
- Ensure gas and electric safety checks are completed before any new tenancy commences
- Ensure an Energy Performance Certificate (**EPC**) is available for prospective tenants; Maintain a database of EPCs
- Undertake post works inspections for quality assurance
- Keep void properties safe and secure by most appropriate and cost effective means
- Manage and rectify any security breaches, when they arise: Deal promptly with incidents of vandalism, squatting and illegal occupation, taking legal action, as necessary
- Re-let properties, drawing up viewing short lists, carrying out pre-let viewings and offering void properties to rehousing applicants during the re-let period, where feasible
- Sign up new tenants and provide an information welcome pack
- Minimise the number of abandoned properties by enforcing the requirements of tenancy agreements and encouraging tenants to comply with notice periods
- Monitor the key stages of the overall void process to ensure top quartile performance
- Comply with the DCLG's requirements to provide statistical information on new lets and tenants under CORE (**Continuous Recording**)
- Undertake a customer satisfaction survey on completion of lettings: Monitor levels of satisfaction to identify and where appropriate investigate, areas of concern and drive service improvements

### 1.8 Repairs and Maintenance

BH will at all times:

- Manage repairs service to ensure broadly in line with good practice ratio of 70/30% planned to reactive repairs
- Carry out inspections on properties to diagnose repairs
- Deliver a responsive repairs service, including emergency and out of hours, with the aim of achieving 'a right first time fix' and in accordance with agreed performance targets
- Effectively procure and manage contractors to achieve best value for money, undertaking an annual contract review process a monthly performance review and a quarterly strategic review of delivery
- Put in place appropriate arrangements to ensure all repair and maintenance operatives are suitably trained and qualified and where applicable, accredited by the relevant industry body
- Ensure appropriate arrangements in place to enable tenants and leaseholders to easily report repairs, with a choice of reporting mechanisms and have work done at a convenient time, safely and to a good standard
- Offer an appointment system in accordance with published service standards

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- Undertake a programme of post repair inspections to ensure quality assurance
- Manage and monitor any rechargeable repairs and recover costs
- Manage the right to improve and any tenant alteration requests
- Effectively manage legal disrepair cases, including acting on behalf of LBB. (Through settlement or defending, as determined by BH with appropriate legal advice)
- Ensure Landlord Gas Safety Record servicing is carried out in accordance with relevant legislation, industry standards and good practice and repairs or replacement are effectively carried, as necessary to maintain 100% compliance of Barnet's housing stock.
- Ensure all servicing is carried out in accordance with relevant legislation, industry standards and good practice and repairs or replacement are effectively carried
- Manage no access (gas repair) referrals and take appropriate legal action, if required
- Undertake periodic testing and servicing of equipment and installed adaptations
- Manage and maintain communal heating and hot water systems (including Grahame Park): Ensure appropriate payment, billing and collection processes are in place
- Ensure emergency rotas and out of hours cover is in place
- Manage public liability and any other insurance claims to a satisfactory conclusion
- Undertake a customer satisfaction survey on completion of repair: Monitor levels of satisfaction to identify and where appropriate investigate, areas of concern and drive service improvements

### Risk & Compliance

- Maintain an asbestos register and an asbestos management plan
- Undertake fire risk assessments to communal areas and carry out actions arising from them

### Mechanical & Electrical

- Test and service Fire/Smoke Alarms, detection systems, emergency lighting installations, smoke vents and the like to communal areas, sheltered blocks and hostels (where fitted).
- Test and service fire and smoke alarms to domestic dwellings (Tenanted units only) where fitted.
- Test and service Lifts and carry out all repairs. Attend to entrapments.
- Inspect and test fixed wiring within communal areas and to tenanted units only.
- Inspect lightning protection systems (where fitted)
- Inspect and carry out testing of water services when applicable
- Carry out Legionella testing
- Maintain Service ducts
- Maintain communal integrated reception systems where installed

## 1.9 Asset Management

BH will at all times:

- Maintain a prioritised asset management strategy including cyclical maintenance and lifecycle replacement works, with input from residents, for continuous rolling 30 year period, updated annually and agreed with LBB
- Undertake surveys to determine scope of works, engaging with residents about proposed works and policies, offering choices, where appropriate and advising of a named liaison officer at least two weeks before the start of the works
- Plan and package works to minimise disruption, utilise access arrangements most effectively and provide maximum value for money
- Procure and contract manage works in line with applicable public procurement legislation, ensuring an appropriate inspection regime to ensure quality
- Utilise local contractors and suppliers when feasible, setting employment and training targets for employment for apprentices and young people
- Project manage work on site
- Where practicable make use of energy efficiency materials and undertake planned works in a manner to assist residents in lowering fuel costs and lowering communal fuel costs when applicable.
- Maximise energy efficiency materials and measures to help reduce fuel poverty
- Ensure, as far as is practicable that spending reflects tenants' priorities and they are made aware of how value for money has been secured and tested
- Undertake customer satisfaction survey on completion of works and use to identify further service improvements
- Maintain an appropriate asset management database with accurate stock condition data
- Maintain all retained properties to minimum Decent Homes Standard and in a safe condition, addressing health and safety defects as a priority and preventing homes falling into disrepair
- Submit an annual asset management and expenditure plan
- Undertake a review of stock viability modelling and NPV analysis at least twice during the period of the Agreement, to make best use of assets and propose potential development to LBB
- Provide a monthly budget and performance report by xxx each month
- Provide annual progress statement by 30<sup>th</sup> June for the preceding year against the overarching asset management strategy
- Comply with all statutory maintenance, risk and health and safety obligations as a landlord
- Maintain an asset register relating to all HRA properties, land and other assets

In addition, the following actions have been agreed for completion during 2015/16:

- Defined Barnet Homes Standard to be agreed with tenants that reasonably meets their aspirations
- Agree process for agreeing capital funding for asset management strategy on an annual rolling basis

## 1.10 Community Development / Resident Engagement

BH will at all times:

- Provide tenants, leaseholders and other residents (where appropriate) opportunities for consultation and involvement across the housing service
- Encourage tenants, leaseholders, residents (where applicable) and users of the Housing Options service to give feedback and help improve the services, using a range of accessible and innovative methods
- Adhere to the HCA consumer standards and ensure tenants and leaseholders are able to participate in, influence and scrutinise strategic and operational decision making and performance: Publish an annual report on the outcomes from resident scrutiny.
- Develop and maintain an accessible Community Development Strategy, including a tenant and leaseholder engagement plan and a communications plan for estate regeneration activities
- Undertake activities in accordance with the Community Development Strategy aimed at improving outcomes for tenants, promoting the sustainability of tenancies, or reducing rent arrears.
- Establish, develop and support groups to take a lead in making improvements in their community
- Maximise the use of community assets
- Identify external funding and grant income to support community development and agreed priorities
- Encourage and co-ordinate training and employment support
- Ensure effective mechanisms for understanding tenants needs and priorities to inform service developments and improvements
- Ensure robust consultation and communication, that meets statutory requirements, where applicable, is undertaken in relation to all significant organisational changes and works programmes, keeping ward members informed
- Provide support to tenants and residents groups and other relevant consultation groups, panels and forums, encouraging the formation of new groups, where appropriate
- Undertake a range of activities to measure customer satisfaction including, but not limited to exit interviews, mystery shopping and questionnaires or surveys following receipt of a service
- Undertake a recognised (STAR or similar) biennial survey of tenant opinion and use to inform development and improvement plans, KPIs and other outputs
- Publish an Annual Report for tenants and leaseholders no later than six months after each financial year end
- Develop and maintain an up to date website that is accessible to all members of the community
- Ensure effective plans are in place to encourage participation and feedback from those parts of the community that are underrepresented or harder to reach



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- Develop and maintain a customer profile database including diversity information such as language, disability, cultural needs and language to enable monitoring
- Promote equality and diversity, challenging discrimination and ensuring tenants, leaseholders and residents are treated with respect and dignity
- Carry out Equality Impact Assessments on significant service changes and new policies to ensure the needs of all service users have been considered and to prevent discrimination
- Seek at all times to increase overall levels of customer satisfaction
- Ensure under section under 27B of the Housing Act 1985 arrangements are in place for dealing effectively with any proposals from tenant groups to form a Tenants Management Organisation (**TMOs**). If any proposal leads to the successful establishment of a TMO within the Borough, LBB reserve the right to vary this agreement to reflect such change.

In addition, the following actions are agreed for completion in 2015/16:

- Develop a new community development and resident engagement strategy
- Develop a process for measuring social value and outcomes from investment in community projects
- Review youth provision to look at securing funding for services post 2016, with particular reference to existing four youth clubs

### 1.11 Sheltered and Older People's Housing

BH will at all times:

- Deliver a comprehensive Sheltered Housing Service with support options to meet a growing demand for an increasingly elderly population
- Review sheltered housing provision in line with LBB Commissioning Strategy for Older People to ensure fit for purpose and delivered as efficiently and effectively as possible
- Provide a 'home for life' in secure communities of Sheltered, ShelteredPlus or Extra Care housing for older people, offering flexible support that enables service users to lead improved and more independent lives for longer, including the use of assistive technology
- Monitor and understand the demand versus supply of specialist housing stock
- Ensure that all Sheltered Housing staff are Dementia Friends
- Integrate the Care and Support Bill, personalisation and implementing reforms.
- Ensure the early recognition and treatment of illness preventing the need for hospital admissions or shorter hospital stays
- Combat loneliness and social isolation by using communal lounges and gardens, providing opportunities and activities for residents to easily and safely interact socially
- Provide clear information to tenants regarding any changes or developments which may affect them and keep them updated and involved local activities and events
- Understand housing's role in health and wellbeing of the growing older population by working in partnership with agencies such as AgeUK Barnet, Community Barnet, local voluntary and community groups, Barnet CAB, GP's and local Mental Health.

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- Provide a Sheltered PLUS service at Gadsbury Close and intensive enhanced housing management to these properties including premises control, general and individualised risk assessment and effective management.
- Provide health and safety checks, including FRA and Legionella, on all sheltered site

### 1.12 Floating Support

BH will at all times:

- Provide a comprehensive and flexible service through a clear understanding of vulnerable client's needs to help them sustain their tenancies and live independently. This will include working directly and with a range of agencies, advice centres and support groups to help people achieve a better level of health and wellbeing; gain training, employment or volunteering opportunities; increase independence; maintain their home; maximise their income and the benefits that may be available to them and any other issues that support the aims and objectives of the service
- Deliver services within an integrated housing health and social environment
- Enable and empower vulnerable services to sustain tenancies and prevent homelessness, whenever possible, increasing opportunities for meaningful contributions to the community: Support them to achieve agreed, realistic and achievable goals and targets as part of planned, holistic, individual assessments and a support plan with a named contact officer.
- Work with partners and LBB to support complex families and vulnerable people, with due regard to safeguarding frameworks and policies, ensuring appropriate support, signposting and referral
- Support residents to settle back at home after a long period of hospitalisation
- Work with colleagues and other agencies to ensure that appropriate support is provided both to people experiencing harassment or neighbourhood nuisance and to the perpetrators of anti-social behaviour to help them to change their behaviour

### 1.13 Assist Scheme

BH will at all times:

- Provide the community alarm centre
- Purchase, provide and install, stage 1 Telecare equipment
- Manage the decommissioning and recycling of stage 1 Telecare equipment
- Ensure reactive repairs are maintained in line with the agreed targets
- Provide a preventative maintenance service in line with agreed targets
- Manage the 24/7 emergency and non-emergency call services ensuring call answering targets are met
- Provide a key safe installation service
- Manage the 24/7 emergency mobile response service to provide basic first aid, welfare checks and access for the emergency services for registered providers and individuals and meets agreed targets
- Manage the floating support and scheme cover for registered providers requiring daily visits for vulnerable service users.
- Provide a carer's emergency plan service to provide a safety net for carers

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- Provide 24/7 lone worker monitoring service
- Develop and maintain industry standard policies and procedures
- Notify the LBB of any material health and safety incidents
- Ensure accurate billing and full service charge recovery
- Work in partnership with other professionals to ensure that LBB's enablement strategy is promoted
- Work in partnership with emergency services to provide support for vulnerable tenants.
- Ensure Assist staff are aware of their responsibility for safeguarding, including signposting and referral

### 1.14 Leading and responding to Welfare Reform and Universal Credit Implementation

BH will at all times:

- Provide assistance and advice in relation to:
  - a) Claiming relevant benefits
  - b) Digital inclusion
  - c) Personal budgeting
  - d) Making effective claims for Discretionary Housing Payments (DHP) and other relevant funds
  - e) DLA/PIP assessments
  - f) Employment and training advice, linking to other provision in the borough
  - g) Benefit and employment support for young tenants (under 25s), and any other groups that may be disproportionately affected by reforms.
  - h) Supporting tenants impacted by welfare reform to move to more affordable accommodation
- To fulfil these obligations BH will work effectively with key partners and agencies such as, LBB's Housing Benefit Service, Job Centre Plus, voluntary organisations and Citizens Advice Bureau

TBC:

- *Provide digital and personal budget support to residents impacted by the introduction of Universal Credit – funding dependant TBC by Rachel Williamson*
- *Lead Welfare Reform Taskforce, administering the benefit cap, providing advice on welfare reforms and supporting people to find work to minimise homelessness – based on additional funding TBC by Rachel Williamson*
- *Deliver the Work People, Working Places Programme in Burnt Oak – one year contract for 2016/17 TBC by Rachel Williamson*

### 1.15 Management of Other Housing Assets

BH will at all times:

#### Garages

- Manage and maintain the garage stock (c1200)

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- Manage the letting policy and tenancy conditions, i.e. what the garages can be used to store
- Manage and maintain the waiting list for garages
- Administer the lettings and tenancies of the garages Implement garage rent charge policy as set by LBB, ensuring effective billing and rent recovery
- Undertake a regular review of garage sites, particularly where demand is low, to ascertain if better use could be made of the amenity

### Grahame Park estate office

- Manage and maintain the Grahame Park estate office until such time as the building is demolished for the regeneration programme
- Seek revenue making opportunities through hiring out space to local partners and community groups
- Ensure the HRA public realm is maintained for visitors

Community Centres (The Concourse, Grahame Park, Marsh Drive, West Hendon, Cheshire Hall, Hendon, and such new centres as may from time to time be agreed between LBB and BH)

- Manage the hire of these facilities to individuals, community groups and others as appropriate and monitor condition following a hire period
- Collect hire charges and discounts as set by LBB.
- Carry out Health and Safety checks

### Playgrounds

- Annually assess the condition and safety of playgrounds on HRA land
- Carry out necessary repairs and maintenance to ensure they are safe and in good working condition

### Un-adopted roads and areas

- Roads/paths/car parks which are within the curtilage of HRA land are BH' responsibility to repair and maintain. BH will engage with LBB Highways to ascertain ownership if the land ownership is unclear.

## **1.16 Right To Buy Sales**

BH will at all times:

- Respond to and deal with RTB enquiries within statutory timescales
- Process applications within the statutory deadlines
- Determine entitlement and work with CAFT to prevent the fraudulent loss of housing stock
- Obtain valuations for the property and prepare and serve S125 offer notices packs
- Deal with property valuation challenges – District Valuer determinations
- Manage appeals, when necessary, including at the First Tier Tribunal, from the Housing Ombudsman and from the Secretary of State via the DCLG
- Administer and calculate discount through the relevant provider, i.e. the Sequel Servicer database

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- Carry out pre-sales interviews
- Prepare packs for legal advisors for conveyancing and deal with administration of the sale in conjunction with the tenant's solicitor and BH legal advisors
- Make decisions in relation to areas where discretion can be applied within the statutory process i.e. extending S140 and S141 periods, allowing slippage in relation to the completion date where the situations demands.
- Provide an annual return (numerical, financial, property type, age, number of bedrooms) relating to properties purchased under Right to Buy
- Manage the sales process

### 1.17 Housing Development Management Services (including Shared Ownership)

BH will at all times:

- Prepare business cases for the development of sites, in accordance with the LBB business case model or such other model as may be agreed between BH and LBB.
- Programme manage development sites, including identifying the key outputs, performance targets and standards
- Identify suitable development opportunities on HRA land
- Appraise development opportunities to establish their suitability for housing development
- Undertake a thorough financial analysis of development opportunities on HRA land and existing housing stock including the use of Net Present Value
- Appoint legal advisors to prepare title reports and undertake due diligence on development sites.
- Oversee the preparation of planning applications to secure planning approval.
- Appoint consultants to provide effective contracts administration and site supervision to ensure cost, quality and programme targets are met
- Engage with statutory bodies to ensure deliverability and viability
- Financially appraise projects and prepare project budgets
- Bid for grant funding to support development opportunities, if and when appropriate
- Prepare reports, including Committee reports, for LBB approval in an agreed format
- Appoint and manage the design team and a wider professional team as necessary
- Manage the design process including compliance with internal procedures (e.g. design guide), GLA requirements and the London Design Guide and appropriate agreed best practice in the delivery of specialist housing, such as extra care
- Establish and continually review a design brief for housing for social rent and shared ownership to ensure high quality developments are delivered
- Undertake resident and stakeholder consultation
- Manage the planning process
- Manage the procurement process, seeking to achieve best value
- Ensure financial management of the development programme
- Work in collaboration with LBB within agreed governance structures, to deliver the development programme including risk management and key financial outputs such as RTB expenditure
- Manage the handover and defects liability period
- Manage local, Member, statutory and VIP consultation
- Manage site publicity and communications

## APPENDIX 1

- Act as the client on all shared ownership properties developed by LBB
- Assess the suitability of sites for shared ownership, producing financial appraisals and assessing affordability levels, producing design briefs and acting as the client during the development and construction process.

### 1.18 Housing Strategies

BH will at all times:

- Provide timely input into LBB's housing related strategies, making recommendations for change, as appropriate, including but not limited to: Corporate Plan; Commissioning Plans; Housing Strategy; Tenancy Strategy; Local Plan (including affordable housing supplementary planning document)
- Contribute to the Housing Allocations Scheme and Placement Policy in accordance with the process agreed in 2015/16.
- Ownership of relevant objectives and outcomes with annual report to Commissioning Director, Growth and Development or such other relevant Chief Officer as requested by LBB on progress and interventions within two months of the end of the financial year
- Maintain an evidence base to support the overarching Housing Strategy
- Support LBB's Commissioning Directors, Commercial Director, or such other relevant Chief Officers as requested by LBB, and their teams in delivering LBB's corporate objectives
- Identify issues and opportunities in the services managed and draft responses to national and regional government consultations for agreement with LBB

### 1.19 Customer Care, Complaints, Member Enquiries, Environmental Information Regulations and Freedom of Information requests

BH will at all times:

- Publish and deliver against a set of customer service standards for reporting through the Performance Management Framework and the Annual Report
- Provide access to and keep tenants and leaseholders informed about the services it provides, providing high quality and 'tenant friendly' communications
- Resolve enquiries across the full range of services at the first point of contact, where possible or will agree an extended deadline where queries cannot be resolved immediately, aiming to minimise the number of 'avoidable contacts'.
- Publish a complaints policy and information on how to make a complaint, in line with LBB's response timescales and escalation process
- Adhere to LBB's timescales for responding to Complaints, Member Enquiries and Freedom of Information requests and information under the Environmental Information Regulations
- Respond to complaints in accordance with published timescales
- Deal with enquiries and complaints through the Ombudsman within prescribed timescales
- Maintain a complaints 'learning log' to demonstrate improvements and changes are made as a consequence of complaints
- Respond to petitions on time
- Deal with members (VIP) enquiries in a timely fashion

**SCHEDULE 2– PERFORMANCE MANAGEMENT FRAMEWORK**

The Parties confirm that the following performance management process will be incorporated into the Agreement.

**Council Governance**

	<b>Attendees</b>	<b>Frequency</b>	<b>Nature</b>	<b>Escalation / Reporting Route</b>
<b>Performance and Contract Management</b>	<p><b>Members:</b>  <a href="http://barnet.moderngov.co.uk/mgCommitteeDetails.aspx?ID=693">http://barnet.moderngov.co.uk/mgCommitteeDetails.aspx?ID=693</a>  <b>BH:</b> Senior representative (as requested)  <b>LBB:</b> Chief Operating Officer, Customer Services and Commercial Director</p>	<i>Quarterly</i>	Public scrutiny of the performance of LBB with opportunity to discuss performance challenges with relevant directors (as required)	Referrals to other committees, including Housing and Policy and Resources (as required)
<b>Challenge Session</b>	<p><b>Members:</b> Chair and Deputy Chair of committee  <b>BH:</b> Senior representative (as requested)</p>	<i>Quarterly</i>	Detailed scrutiny of BH performance ahead of Performance and Contract Management Committee	None
<b>Delivery Board</b>	<p><b>BH:</b> Senior representative  <b>LBB:</b> Chief Operating Officer and other Delivery Unit Directors</p>	<i>Quarterly</i>	Council wide scrutiny	Intervention levels are agreed by this Board. This will include potential for special measures.
<b>Housing Strategic Partnership Board</b>	<p><b>BH:</b> Chief Executive, other senior representatives  <b>LBB:</b> Commissioning Director, Growth and Development, other relevant commissioners, representatives of</p>		Monitoring progress with delivery of the Commissioning Plan and Housing Strategy	SCB if required.

APPENDIX 1

	Attendees	Frequency	Nature	Escalation / Reporting Route
	LBB finance, commercial and other relevant teams. Senior Re representative responsible for regulation of private rented sector, and other relevant senior Re officers.			

Contract Governance

	Attendees	Frequency	Nature	Escalation / Reporting Route
<b>Performance Review meetings</b>	<b>BH:</b> Operations and Finance Managers <b>LBB:</b> Contract Manager; CSG Finance Manager; Re Strategy Manager	<i>Monthly</i>	Scrutiny of performance against management agreement and budgets	Commercial Director Performance and Contract Monitoring Committee Strategic Review Group
<b>Strategic Review Group</b>	<b>BH:</b> Executive Officers <b>LBB:</b> Commissioning Director; Contract Manager; Partnership Relationship Manager	<i>Quarterly</i>	Reviews overall objectives, priorities, outcomes and performance; agrees change control requests and variations; resolves disagreements	Commercial Director  Partnership Group
<b>TBG Partnership Group</b>	<b>The Barnet Group:</b> Board Members; Executive Team <b>LBB:</b> Strategic Directors; Adults; Growth and Development; Commercial and Customer Services	<i>Bi-Annually</i>	Agree key objectives and strategic direction; considers growth and new opportunities; reviews progress against business plan; resolves strategic disputes	Policy and Resources Committee



**Additional Governance**

	<b>Attendees</b>	<b>Frequency</b>	<b>Nature</b>	<b>Escalation / Reporting Route</b>
<b>BH Scrutiny</b>	The Barnet Group Board and BH Performance Advisory Group	Monthly or as required	Internal and external scrutiny of performance and budgets.	Council nominated board members
<b>Development Programmes</b>	Development Pipeline Programme Board. BH Development Team	Monthly or as required	Performance review of individual development sites and projects	As per programme governance

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	AGENDA ITEM 10 <b>Housing Committee</b>  <b>29<sup>th</sup> June 2015</b>											
	<table border="1"> <tr> <td style="text-align: right;"><b>Title</b></td> <td><b>Barnet Homes Housing Revenue Account (HRA) Efficiency Savings</b></td> </tr> <tr> <td style="text-align: right;"><b>Report of</b></td> <td>Cath Shaw, Commissioning Director, Growth and Development</td> </tr> <tr> <td style="text-align: right;"><b>Wards</b></td> <td>All</td> </tr> <tr> <td style="text-align: right;"><b>Status</b></td> <td>Public</td> </tr> <tr> <td style="text-align: right;"><b>Enclosures</b></td> <td>None</td> </tr> <tr> <td style="text-align: right;"><b>Officer Contact Details</b></td> <td>Jo Williams, Interim Housing Adviser, Commissioning Group  <a href="mailto:Jo.williams@barnet.gov.uk">Jo.williams@barnet.gov.uk</a>                      Telephone 0208 359 3165</td> </tr> </table>	<b>Title</b>	<b>Barnet Homes Housing Revenue Account (HRA) Efficiency Savings</b>	<b>Report of</b>	Cath Shaw, Commissioning Director, Growth and Development	<b>Wards</b>	All	<b>Status</b>	Public	<b>Enclosures</b>	None	<b>Officer Contact Details</b>
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<b>Enclosures</b>	None											
<b>Officer Contact Details</b>	Jo Williams, Interim Housing Adviser, Commissioning Group <a href="mailto:Jo.williams@barnet.gov.uk">Jo.williams@barnet.gov.uk</a> Telephone 0208 359 3165											

<b>Summary</b>
To appraise the Housing Committee of savings options considered from the Housing Revenue Account (HRA) and to be delivered by Barnet Homes

<b>Recommendations</b>
<ol style="list-style-type: none"> <li><b>The Housing Committee approve a package of efficiency savings from the Housing Revenue Account (HRA) of £2.85m, as opposed to £4.2m, to be delivered through Barnet Homes</b></li> </ol>

**1. WHY THIS REPORT IS NEEDED**

In December 2014 the Policy and Resources Committee set a savings target from the Housing Revenue Account (HRA), through Barnet Homes, of £4.2m. This was part of the process for agreeing the Medium Term Financial Strategy

(MTFS) for the Council. Following the review of Barnet Homes, council officers are recommending a reduced efficiency savings package of £2.85m.

## 2. REASONS FOR RECOMMENDATIONS

- 2.1 The recently concluded review of Barnet Homes, reported in a separate paper to this Committee, included analysing how the delivery of the savings through efficiencies could be accomplished and the remodelling of the HRA financial plan.

The challenge sessions dedicated to housing management activities and finances focused, in particular, on efficiencies and Barnet Homes were requested to illustrate the likely impact of a range of savings options.

The original HRA savings, approved by Policy and Resource Committee, were proposed as follows:

Opportunity Area	Broad Examples of Savings	Savings
Service Reviews	Review of support services, direct services and reductions through regeneration and management review	£1.965m
Efficiency	Review of contracts, service level agreements, use of graduates and 'all systems go' business case	£1.024m
Growth and Income	Income from new build, new business, higher external fees and PRS management	£0.839m
Reducing Demand, Promoting Independence	Review of landlord and tenant contract and implementation of portals reducing demand on services	£0.371m
<b>TOTAL</b>		<b>£4.199m</b>

- 2.2 Three options were presented at the challenge sessions that were held as part of the review process for delivery over a four year period; including a £0.24million saving already delivered in 2015/16:

- Option 1: £2.85 million efficiencies with limited impact on services
- Option 2: £4.2 million efficiencies with substantial impact to services
- Option 3: £6.5 million efficiencies with severe impact to services

- 2.3 Option 3 was immediately ruled out as the impact on customer facing services could not be tolerated and would result in a significant reduction in tenant satisfaction and weakening of service provision that would not be sustainable.

Option 2 was then considered in some detail, but again it was deemed that the level of service reduction would have too great an impact on what is currently a high quality service, would not be in line with Council objectives and would impact on customer satisfaction.

Option 1 was considered to be an achievable savings and efficiencies package that could be delivered without compromising the service substantially, noting that this still represents more than a 10% saving on the current budget.

- 2.4 The efficiencies were also considered in the context of the reapportionment of costs through recharges to the business delivery units, as agreed through the Council's new commissioning model. This has resulted in approximately 10% of Barnet Homes' budget ring-fenced to costs through a range of Service Level Agreements (SLAs) and thus a lower level of variable income against which to make savings.

- 2.5 The proposed savings can be summarised against the original savings target as follows:

<b>Opportunity Area</b>	<b>Original Savings</b>	<b>Proposed Savings</b>
Service Reviews	£1.965m	£1.839m
Efficiency	£1.024m	£0.937m
Growth and Income	£0.839m	£0
Reducing Demand, Promoting Independence	£0.371m	£0.077m
<b>TOTAL</b>	<b>£4.199m</b>	<b>£2.853m</b>

- 2.6 Service Reviews

The original proposed savings from service reviews were from the community engagement, income collection and estate and caretaking services. However, it was felt the full range of reductions in these areas would have a severe impact on service standards and customer satisfaction, particularly income collection which is becoming increasingly difficult due to welfare reforms and the impending implementation of Universal Credit.

The savings will be achieved, primarily, through management and repairs savings due to forecasted stock losses through estate regeneration and right to buy sales, along with a number of carefully planned on going value for money service reviews.

## 2.7 Efficiency

The reduced saving of £0.087m is due to a lower level of anticipated savings for service level agreements. It will be predominately delivered through procurement and enhancing the value of existing contract arrangements; reduced accommodation costs due to less floor space at Barnet House and new ways of working through more effective use of IT.

## 2.9 Growth and Income

The review of Barnet Homes considered whether there was scope to increase their income in respect of:

- Fee income for development agent work for new build properties
- Additional income from new businesses, including the Private Rented Sector (PRS Management)
- Higher fees and charges
- Reduction in emergency and temporary accommodation costs as a result of new build homes

2.10 Whilst the Council's review team felt there may be some future opportunities in these areas, agreeing savings at this point in time was considered to be too high risk, as the additional income relating to the these activities cannot be relied upon.

Given the current climate it was also felt prudent not to increase external fees in the short-term as this would include increasing parking fees on estates and introducing parking fees on new build schemes.

Growth and income activities will be kept under review as part of the performance monitoring regime to maximise possible future efficiency prospects.

## 2.11 Reducing Demand, Promoting Independence

A reduction of £0.294m is proposed against the original savings target as a number of efficiency drivers were considered but ruled out because of the detrimental impact to service standards, particularly on repairs and maintenance. The reductions originally proposed included reducing service standards through customer access channels and increasing repairs times.

The savings will now be delivered, in the main, through stopping some of the 'non-essential' works provided by Barnet Homes, such as re-glazing and discretionary decoration vouchers, as well as the re-prioritisation of certain types of non-urgent repairs. These efficiencies can be delivered without a significant reduction in customer satisfaction or impact on service standards.

## 2.12 Potential Impact to the HRA Business Plan

The difference between the proposed saving of £4.2m and the recommended saving of £2.85m is £1.35m. Whilst this will have a minor negative impact, the HRA Business Plan currently has £29.5m of borrowing headroom, with forecasted reserves in five years (after allowing for a £3m minimum balance and taking into account the reducing savings package) of c£60m. The HRA is, therefore, in a healthy financial position and there are no long-term viability issues.

## 3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 An increased savings package of £6.5m (option 3) and the original proposed savings package of £4.2m (option 2) were considered and rejected as set out in section 2 of the report.

## 4. POST DECISION IMPLEMENTATION

- 4.1 The delivery of the efficiency savings will be monitored through both the Council's performance management framework and through Barnet Homes' annual business and financial plan.

## 5. IMPLICATIONS OF DECISION

### 5.1 Corporate Priorities and Performance

- 5.1.1 The savings are aligned to corporate saving priorities.

### 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The recommended package of savings is considered to provide the greatest value for money for the Council.
- 5.2.2 The savings represent a reduction in the management fee that is currently charged to the HRA. The HRA is a ring fenced account and is not part of the MTFs savings for the Council.

### 5.3 Legal and Constitutional References

- 5.3.1 The Constitution, Annexe A, Responsibility for Functions – Membership and Terms of Reference of Committees and Partnership Boards - sets out the responsibilities of the Housing Committee. It includes responsibility for Housing Strategy (incorporating homelessness strategy), work with Barnet Homes, Registered Providers and other social housing providers to ensure the optimum provisions of housing and associated facilities for those who require social housing and to approve any non-statutory plan or strategy within the remit of the Committee that is not reserved to Full Council or Policy and Resources Committee.

## 5.4 Risk Management

An efficiency savings package of £2.85m presents little risk to the Council, whereas options 2 and 3, described in section of this report, will provide a much greater risk to the Council in terms of achievability, customer satisfaction and reputation.

## 5.5 Equalities and Diversity

5.5.1 There are no equalities and diversity considerations for the recommended savings package. However, options 2 and 3 would have equality and diversity impacts and individual equality impact assessments would need to be carried out in relation to each significant service change.

## 5.6 Consultation and Engagement

5.6.1 None applicable

## 6. BACKGROUND PAPERS

- Housing Committee, 2 February 2015: The commissioning and delivery of housing services and the management of the Barnet housing stock:
- <https://barnet.moderngov.co.uk/documents/s20709/Management%20Agreement.pdf>
- Cabinet Resources Committee February 2014: Management Agreement with The Barnet Group:
- Housing Committee 27th October 2014: Draft Housing Strategy



	AGENDA ITEM 11
	<b>Housing Committee</b> <b>29 June 2015</b>
<b>Title</b>	<b>Review of Local Tenancy Strategy</b>
<b>Report of</b>	Commissioning Director, Growth & Development
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Appendix 1- Review of Local Tenancy Strategy Appendix 2- Revised Local Tenancy Strategy
<b>Officer Contact Details</b>	Cath Shaw, <a href="mailto:cath.shaw@barnet.gov.uk">cath.shaw@barnet.gov.uk</a> , 020 8359 4716 Paul Shipway, <a href="mailto:paul.shipway@barnet.gov.uk">paul.shipway@barnet.gov.uk</a> , 020 8359 4924 Chloe Horner, <a href="mailto:chloe.horner@barnet.gov.uk">chloe.horner@barnet.gov.uk</a> , 020 8359 4775

**Summary**

Barnet Council’s Local Tenancy Strategy sets out the circumstances in which the Council will offer fixed term tenancies and the criteria it will use to review whether to extend these at the end of their term, as well as the circumstances in which secure lifetime tenancies will continue to be granted. The Strategy has been operational since July 2012 and following a review there are two changes required to bring it up-to-date. These are to clarify the mechanism of uprating income levels and changes to disability benefits with the introduction of Personal Independence Payments. The Housing Committee is asked to approve these minor changes.

**Recommendations**

**That the Committee approve the changes to the Local Tenancy Strategy as set out at paragraph 1.7**

## 1. WHY THIS REPORT IS NEEDED

- 1.1 In July 2012 Barnet Council implemented a Local Tenancy Strategy in accordance with the provisions of the Localism Act 2012.
- 1.2 The Strategy sets out the circumstances in which the Council will offer fixed-term tenancies and the criteria it will use to review whether to extend these at the end of their term, as well as the circumstances in which secure lifetime tenancies will continue to be granted.
- 1.3 The table 1 below shows the three different types of secure tenancies that are offered to different types of household. All tenants have to successfully complete a one year introductory tenancy. Then they are transferred on to a fixed-term renewable tenancy of two or five years or a traditional lifetime tenancy.

**Table 1- type of secure tenancy issued by Barnet Homes**

Protected secure tenancy	1 year introductory tenancy followed by a lifetime secure tenancy	1 year introductory tenancy followed by a fixed-term secure tenancy	
		2 year reviewable fixed-term tenancy	5 year reviewable fixed-term tenancy
Secure tenants moving to another council tenancy <sup>1</sup>	Ex-armed forces personnel medically and honourably discharged	2 year reviewable fixed-term tenancy	5 year reviewable fixed-term tenancy
	Households where the applicant, spouse or dependent child is disabled <sup>2</sup>	Single people under the age of 25 and some single people over the age of 25	Care leavers and all other tenants
	Households where the applicant or their spouse is terminally ill		

- 1.4 In addition to the tenancies listed in the table above, some housing applicants are offered non-secure tenancies on the regeneration estates.
- 1.5 The Council is seeking to achieve the following objectives in offering fixed-term tenancies:
- To ensure that the council's housing stock is used as effectively as possible to provide homes for Barnet residents in housing need;
  - To tackle under-occupation and overcrowding;
  - To help tenants take control of their lives.
- 1.6 It was agreed when the Strategy was approved by the Cabinet in 2012 that the Council would undertake a review after one year of operation. The review has been completed and is contained in Appendix 1. Barnet Homes only

<sup>1</sup> Tenancy has to have commenced before 9<sup>th</sup> July 2012

<sup>2</sup> Disabled applicants have to be in receipt of certain disability benefits

started to review the first 2 year fixed-term tenancies in February 2015, and no fixed-term tenancies have been terminated at this stage. This means that it is not yet possible to consider the overall effectiveness of the Local Tenancy Strategy in terms of using the housing stock more effectively, tackling overcrowding and under-occupation or in helping tenants to take control of their lives.

- 1.7 However, the review (Appendix 1) has recommended that the Housing Committee approve two minor changes to the Local Tenancy Strategy (Appendix 2) at this point. The changes are as follows:
- To clarify the mechanism to update the income limits above which an applicant cannot access social housing;
  - To include Personal Independence Payments in the list of disability benefits that enable a disabled applicant to obtain a lifetime secure tenancy rather than fixed-term.

## 2. REASONS FOR RECOMMENDATIONS

- 2.1 Tenant's income and capital are assessed when they apply for housing and if they earn above limits linked to median incomes they are not able to access social housing. Median incomes have increased since the Local Tenancy Strategy was introduced. The revised Local Tenancy Strategy clarifies that the figure should be adjusted annually to reflect the most recent CACI Pay Check data on average earnings.
- 2.2 Appendix 2 of the Local Tenancy Strategy contains the criteria for deciding which disabled tenants qualify for lifetime secure tenancies depending in the level of disability benefits they receive. Benefits have since been reformed and Personal Independence Payments are gradually replacing Disability Living Allowance for new and existing claimants. It is recommended that the following criteria are included.

**Table 2- changes required in Appendix 2 of Local Tenancy Strategy**

Criteria to decide type of tenancy granted to disabled applicants		Life time tenancy?
Personal independence payment- Daily Living Component	Enhanced rate plus at least one from the additional criteria table	Yes
Personal independence payment- Mobility Component	Enhanced rate plus enhanced rate Daily Living Component	Yes
Personal independence payment- either component	Standard rate only	No

- 2.3 The other main change is to make reference in the strategy to the fact that some housing applicants are given non-secure tenancies as a form of long-term temporary accommodation.

## 3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council could decide not to make these minor changes to the Local Tenancy Strategy. It would mean that the Strategy does not keep up with rising incomes and changes to disability benefits. It is not recommended that this option is taken forward as it could limit the potential to make best use of stock and therefore not encourage tenants to take more control of their lives.

#### **4 POST DECISION IMPLEMENTATION**

- 4.1 Barnet Homes will be instructed to implement the revised Local Tenancy Strategy as soon as possible. The Council will undertake a further review during 2015 into the wider objectives set out in the Strategy.

#### **5 IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Council's Corporate Plan 2015-20 includes as a strategic objective "The Council, working with local, regional and national partners, will strive to ensure that Barnet is a place of opportunity, where people can further their quality of life". Barnet is a popular place in which to live and has high demand for a limited supply of council and housing association housing. The Local Tenancy Strategy recognises that a council tenancy is usually granted at a particular crisis point in an individual's life and that over time an individual may be able to access alternative housing in the private rented sector. Fixed-term tenancies allow the Council to make more effective use of limited housing stock by ensuring it is available for people in housing need who cannot afford alternative private housing.

- 5.1.2 The Council has developed a new Housing Strategy 2015-25 to addresses the challenges of a growing population, increased housing demand, and the impact of austerity, growth and regeneration on the borough. Increased housing demand is evident with higher house prices, higher rents and increased levels of homelessness and people in emergency temporary accommodation. The strategy, to be approved at the Housing Committee meeting on 29 June 2015, contains the following housing objectives:

- Increasing the housing supply
- Delivery of homes that people can afford
- Sustaining the quality of the private rented sector
- Tackling homelessness
- Providing housing related support for vulnerable people
- Providing high quality services.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 There is a limited supply of social housing in Barnet. Applications for housing have increased along with acceptances and admissions to Temporary Accommodation. In 2014/15 there were 639 homeless acceptances and only 524 social housing units available to let. The Local Tenancy Strategy will

provide council homes in Barnet for those in most housing need, who cannot afford home ownership or high private sector rents, by making better use of the Council's housing stock.

5.2.2 There are no other specific resources issues arising out of this report.

### 5.3 Legal and Constitutional References

5.3.1 The Localism Act 2011 provides for Local Authorities to have a local tenancy strategy setting out policy in terms of fixed term tenancies.

5.3.2 The Council's Constitution (Responsibly For Functions, Annex A) sets out the responsibilities of the Housing Committee which includes "to work with Barnet Homes, RSLs and social housing providers to ensure the optimum provision of housing and associated facilities for those who require social housing".

### 5.4 Risk Management

5.4.1 The use of fixed -term tenancies could, in the long term, have a negative impact on community cohesion with tenants feeling less of a commitment to the area they are living in. This will be mitigated by offering 5 year tenancies in most cases, and providing clear guidelines in the tenancy strategy on the circumstances in which we will extend these.

5.4.2 There is also a risk that fixed-term tenants will curtail their aspirations in order to keep their home. This will be mitigated by ensuring that tenants will have access to a range of alternative accommodation, including low cost home ownership and good quality privately rented homes and access to advice about employment and training.

5.4.3 There is potential for increased administration in assessing whether a tenancy should be extended, although it is expected that the cost of this can be contained within existing resources.

### 5.5 Equalities and Diversity

5.5.1 Barnet is a diverse borough and it is essential that the Local Tenancy Strategy does not discriminate against any sections of the community. The aim has been to structure the Local Tenancy Strategy so that it is compliant with the provisions of the Localism Act 2011 and equalities objectives, whilst ensuring that scarce council housing is used to assist people at moments who cannot afford private rented sector rents but who are in housing need. When the Strategy was approved the Council ensured it has due regard to the equalities implications of the new policy and how this impacts on various diverse sections of Barnet's communities and residents through a full equalities impact assessment.

5.5.2 The review has identified that 42% (611 out of 1469) of tenancies that were granted in the first 18 months were lifetime tenancies. 71% of these were granted to tenants that have their security of tenure protected under the law. These are moving home because of a mutual exchange, transfer or a trade

down. Many of these are likely to be older people. Additionally there were 29 lifetime tenancies given to disabled applicants and 8 to applicants with a terminal illness.

5.5.3 2% (33) of tenancies have been given to young people on two year renewable terms with access to training and employment assistance. 14 of these tenants are currently working, 11 are in education or training and 8 are not currently engaging in training or employment activities.

## 5.6 Consultation and Engagement

5.6.1 There have been no specific consultation and engagement activities as part of the one year review.

## 6 BACKGROUND PAPERS

6.1 The Local Tenancy Strategy was approved by Cabinet on 4 April 2012. This included an instruction to carry out a review after one year of operation:  
<http://barnet.moderngov.co.uk/Data/Cabinet/201204041900/Agenda/Document%203.pdf>



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## Appendix 1- Tenancy strategy review

### 1. Summary of recommendations

1.1 Barnet's Local Tenancy Strategy<sup>1</sup> sets out the circumstances in which the Council will offer fixed-term tenancies and the criteria it will use to review whether to extend these at the end of their term, as well as the circumstances in which secure lifetime tenancies will continue to be granted.

1.2 There are two changes required to the strategy following a review:

- The tenancy strategy contains income limits beyond which a tenancy will not be granted. It is recommended that it is clarified that the income limits are updated annually in line with CACI Pay-check data.
- The tenancy strategy contains a list of benefits that are required by disabled people who are granted a lifetime secure tenancy rather than a fixed-term tenancy. It is recommended that Personal Independence Payments are included in the list of benefits.

### 2. Background

2.1 The Local Tenancy Strategy sets out the following objectives that the Council is seeking to achieve:

- to ensure that the Council's housing stock is used as effectively as possible to provide homes for Barnet residents in housing need;
- to tackle under-occupation and overcrowding;
- to help tenants take control of their lives.

2.2 Table 1 below shows the three different types of secure tenancy that are offered to different tenants after a successfully completed one year introductory tenancy- traditional lifetime tenancies and two or five year reviewable fixed-term tenancies.

**Table 1- types of secure tenancy issued by Barnet Homes**

Protected secure tenants	1 year introductory tenancy followed by lifetime secure tenancy	Introductory tenancy followed by a fixed-term secure tenancy	
Existing secure tenants whose tenancy commenced before 9th July 2012 moving into another council tenancy	<p>Ex- armed forces personnel who have been both medically and honourably discharged and who have also seen active service.</p> <p>Households where the applicant, their spouse or a dependent child is disabled and in receipt of certain disability benefits.</p> <p>Households where the applicant or their spouse is terminally ill</p>	<p>2 year reviewable fixed term tenancy- 3 years in total</p> <p>(For single people under the age of 25 and some single people over the age of 25)</p>	<p>5 year reviewable fixed term tenancy- 6 years in total.</p> <p>(For care leavers and all other tenants)</p>

<sup>1</sup> The Local Tenancy Strategy was approved at the Cabinet meeting on March 2012.

## Appendix 1- Tenancy strategy review

2.3 This is an initial review of the Local Tenancy Strategy considering the number of fixed term secure tenancies that have been issued and any lessons learned that can be taken forward in the review of the Council's housing strategy.

2.4 Although not part of Council's Local Tenancy Strategy, it is worth noting that the Council also let a number of tenancies to non-secure tenants who are housed in properties identified for demolition or redevelopment on 4 regeneration schemes (Grahame Park, Dollis Valley, West Hendon, Stonegrove/Spur Road).

### 3. Review against objectives

3.1 Barnet Homes has started the reviews for the fixed term tenancies due for renewal from July 2015 in December 2014. A more in-depth review will be required after July 2015 to consider whether the policy has resulted in increasing the overall turnover of stock for residents in housing need. However, the table 2 below gives an initial assessment on how far the three broad objectives have been achieved.

**Table 2- initial review against objectives**

Objectives	Assessment
<p>Ensure Council's housing stock is used as effectively as possible to provide homes for Barnet residents in housing need who are unable to secure a home for themselves in the private sector. This can be achieved if we are able to help more people move on from council housing once they are in a position to sustain an alternative solution, such as home ownership or the private rented sector.</p>	<p>This objective cannot be fully assessed at this stage as there have not been any completed tenancy reviews. However, the table at 2.1 shows the status of the reviews that are currently in progress. Other points to note are:</p> <ul style="list-style-type: none"> <li>• One of the conditions for the tenants offered a 2 year fixed term tenancy is that they become more independent through employment, education or training. Of the 33 tenants given a 2 year tenancy so far: 14 are currently working, and 8 are now paying all their rent and not receiving any housing benefits. At review these tenants may be moved into the private sector if they are earning above median earnings and there are no other housing needs that still need to be addressed through council housing.</li> <li>• 11 are currently in education or training. These tenants may be offered a further flexible tenancy if they still have a housing need that needs to be addressed.</li> <li>• 8 are currently not engaging in employment, education or training. 2 of these tenants have serious medical conditions that may result in them qualifying for a 5 year fixed term tenancy at the review stage, 1 has become a parent since her tenancy commenced and will qualify for a 5 year tenancy at review stage and the remaining 5 tenants may be required to leave their tenancy and move into the private rented sector.</li> </ul>
<p>Tackle under-occupation by giving the Council more opportunity to move people to smaller</p>	<p>One of the nine fixed-term tenants currently under review will be moved into a 1 bed as they</p>

## Appendix 1- Tenancy strategy review

Objectives	Assessment
property if they find themselves in a council property that is too big for them. This will release larger properties for those that need them, including overcrowded households.	are now under-occupying a 2 bed. However, it is still too early to make any meaningful comments regarding this as the number of the tenancies that have come up for review is less than 2% of the total fixed term tenancies granted to date.
Encourage tenants to take control of their lives by providing support when it is needed at the time of crisis, and by encouraging people to prepare for independence once their situation has improved by making it clear from the start of their tenancy that the arrangement is not necessarily a permanent one. This is particularly the case for young single people, who will be encouraged to undertake skills training or continue with their education to secure employment, and for this reason the Council will usually offer tenancies of less than five years to some young people.	Generally the granting of fixed term tenancies is contributing towards meeting our objective to support 'tenants taking control of their lives' as evidenced by a high level of participation and completion of positive community contributions for 2 year flexible tenancies.

**Table 2.1-Tenancy reviews commenced**

Start date	End date	Review commenced	Result of review
16/07/2012	15/07/2015	November 2014	Tenancy to be extended for 2 years
20/08/2012	19/08/2015	December 2014	Tenancy to be extended for 5 years
27/08/2012	26/08/2015	December 2014	Tenancy to be extended for 5 years
03/09/2012	02/09/2015	January 2015	Tenant is now under-occupying 2 bed property and will be moved into a 1 bed with a new fixed-term tenancy
10/09/2012	09/09/2015	January 2015	Tenancy to be extended for 2 years
17/09/2012	16/09/2015	January 2015	Tenancy not to be extended because tenant has arrears and antisocial behaviour issues
17/09/2012	16/09/2015	January 2015	Tenancy to be extended for 2 years
08/10/2012	07/10/2012	February 2015	Tenancy to be extended for 5 years
29/10/2012	28/10/2015	February 2015	Tenancy to be extended for 2 years

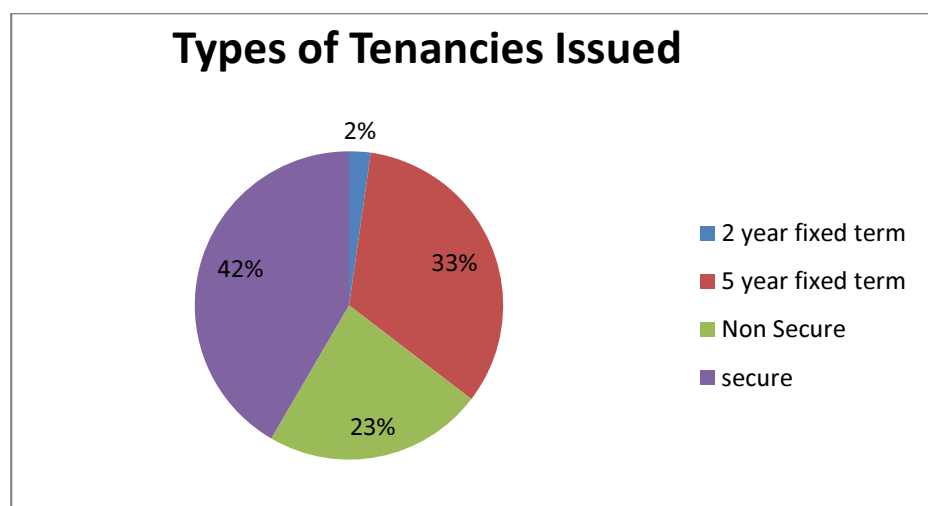
### 4. New tenancies

- 4.1 The table 3 below shows that of the 1,469 council lettings since the tenancy strategy was implemented in July 2012, 611 (42%) were lifetime tenancies, 487 (33%) were 5-year fixed term tenancies, 338 (23%) were non secure tenancies – with just 33 (2%) 2-year fixed term tenancies.

**Table 3- council tenancies issued since July 2012**

Tenancy Type	Number	%
2 year fixed term	33	2%
5 year fixed term	487	33%
Non-Secure	338	23%
Lifetime secure	611	42%
<b>TOTAL</b>	<b>1469</b>	<b>100%</b>

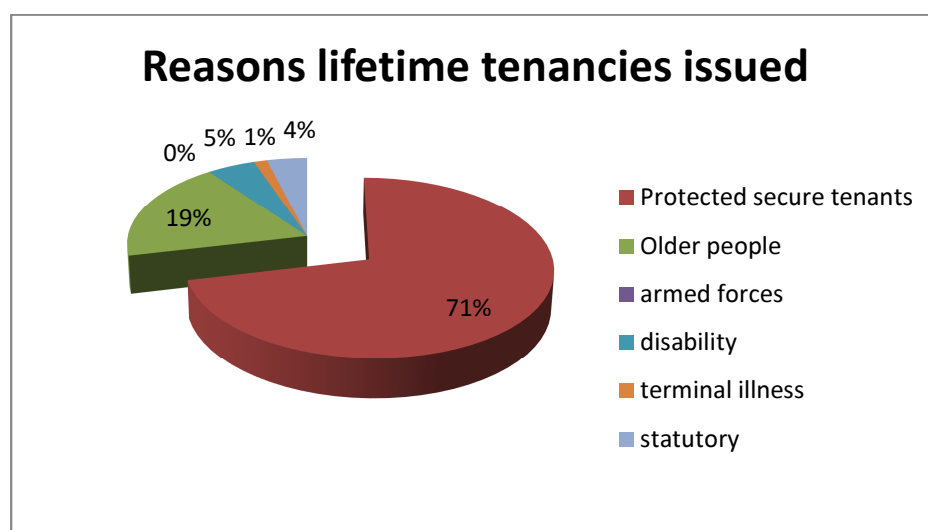
## Appendix 1- Tenancy strategy review



4.2 The table 4 below shows the reasons why lifetime secure tenancies were issued rather than fixed term tenancies. Almost three quarters (71%) of the lifetime tenancies that were issued were because the rights of the tenant were protected, i.e.: existing secure tenants with a tenancy predating 9<sup>th</sup> July 2012 moving to another council property. The second most common reason (19%) for issuing a lifetime secure tenancy was the fact that a tenant or their partner was an older person. There were comparatively few lifetime secure tenancies issued to households with a disability, terminal illness or to statutory successors.

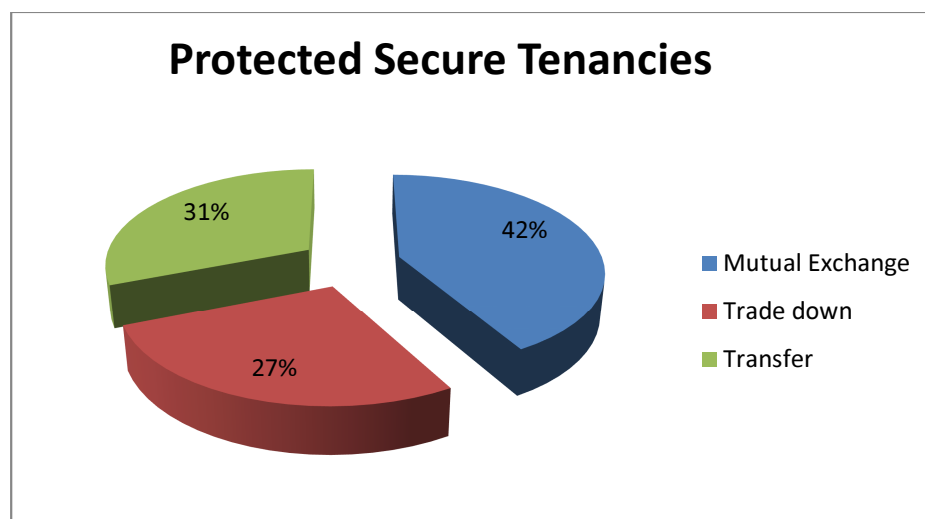
**Table 4- reasons for issuing of lifetime tenancies**

Reasons for lifetime	
Protected secure tenants	436
Older people	114
armed forces	0
disability	29
terminal illness	8
statutory	24
<b>TOTAL</b>	<b>611</b>



## Appendix 1- Tenancy strategy review

- 4.3 The subset of the 436 protected secure tenants reissued with a lifetime secure tenancy shows that 42% have moved as a mutual exchange, 31% as a transfer and 27% as a trade down.



### 4.4 Summary and recommendations

The majority of secure tenancies (71%) are granted to people who are legally entitled to this because their existing tenancy commenced prior to July 2012. The second largest group are older people (19%), who are either receiving a state pension or being housed in sheltered accommodation, whose financial circumstances are unlikely to change. The remainder (10%) are either disabled, terminally ill or statutory successors and represent a small proportion of secure tenancies being granted.

**No changes are recommended at this stage as there is little that the Council could do to reduce the number of secure tenancies being granted.**

## 5. Tenants taking control of their lives

- 5.1 Rent arrears, anti-social behaviour and lack of positive community contribution (training, education or employment) are grounds for not renewing 2-year and 5-year fixed term tenancies.
- 5.2 The table 5, below, shows that as of March 2015 the average arrears for 2 years flexible tenancies are higher than for 5 year flexible tenants, secure lifetime tenancies and non-secure tenancies. However, it is worth noting that due to the low numbers of 2 year flexible tenants it only takes one or two cases of tenants with high arrears to distort this figure which is the case in this instance, as there are currently two cases with arrears totalling £7.6K, in one of these cases we have a court possession order and the other has an outstanding HB backdate request. Without these two cases the average arrears for two year fixed term tenancies would be £430.

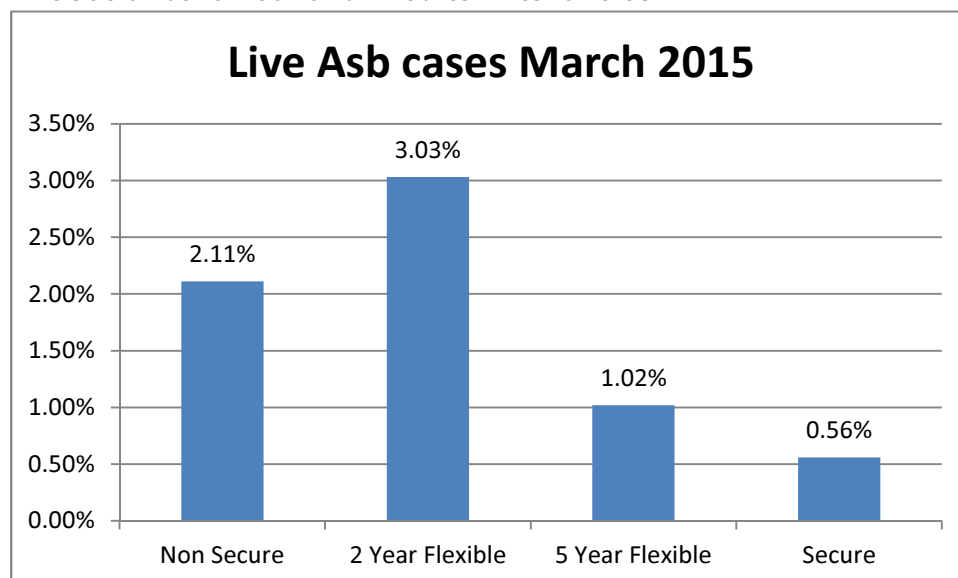
**Table 5- rent arrears and fixed-term tenancies**

Tenancy Type	No Tenancies	Accounts in Arrears	Average Arrears	% in Arrears
Non Secure	909	512	£442	56%
2 Year Flexible	33	24	£923	73%
5 Year Flexible	491	250	£398	51%
Secure	6089	2766	£465	45%

## Appendix 1- Tenancy strategy review

- 5.3 The chart below is a snapshot of the 59 current antisocial behaviour cases broken down by the tenancy type of the perpetrator. Although the total numbers are small overall, proportionally more fixed-term and non-secure tenants are subject to antisocial behaviour cases than secure tenants.

### Antisocial behaviour and fixed-term tenancies



## 6. Community Contribution

- 6.1 A requirement of the Council's Tenancy Strategy is that 2 year flexible tenants actively seek to become more independent through employment, education and training. To help tenants achieve this Barnet Homes has a dedicated Housing Officer who provides support, advice and sign posting for these young people.
- 6.2 Early indication was that this method of support was achieving successful results. The service was therefore extended to young people leaving care, because although they are granted 5 year flexible tenancies as a group they were more likely to have tenancy failure and be NEET.
- 6.3 The current levels of community contribution achieved by both these groups are shown in the table 6 below.

**Table 6- community contribution of current 2 year fixed-term tenants**

	Total Number of tenancies	Education	Training	Employment	Other	TARGET:75% (for 2 year FTs only)
<b>2 Year Flexible Tenants</b>	33	5	6	14	8	76%
<b>Care Leavers with 5 Year Flexible Tenancies</b>	21	1	7	6	7	N/A

## 7. Income Levels

## Appendix 1- Tenancy strategy review

7.1 At present the council takes into consideration an applicant's income and capital when they initially apply for housing. If their income or capital level is above a certain amount then they will not be entitled to social housing (council or housing association). This is the level of income or capital which we will also consider when we review a tenancy. If the tenant's income/capital is above these levels then their tenancy will not be renewed.

7.2 The current income levels as set out in the tenancy strategy are shown below.

**Table 7- income limits in tenancy strategy**

Household type	2011 Median earnings
Households with children	£36,200 (Source: CACI Pay-check unequivalised.)
Households without children	£30,600 (Median less 15%)

7.3 According to the latest CACI PayCheck data in June 2014<sup>2</sup> median Barnet unequivalised earnings have increased by £7,000 to £40,550. If we applied the 2014 earning levels then the threshold for housing applicants / tenancy reviews would be:

Household type	2014 Median earnings
Households with children	£40,550 (Source: CACI Pay-check unequivalised)
Households without children	£34,468 (Median less 15%)

7.4 Three cases were either cancelled or re banded due to income/assets in 2012/13 and four in 2013/14. This is an average of 0.16% of cancelled cases (not including cases that were cancelled due to being housed).

### 7.5 Summary and recommendations

Median incomes have increased in Barnet since the tenancy strategy was implemented. On review tenants will be assessed against the current median income levels.

The policy is already linked to the CACI Pay Check data but the policy should clarify the mechanism for doing this. **Recommendation that the figure should be adjusted annually to reflect the most recent CACI Pay Check data for both the Tenancy Strategy and Allocations Scheme.**

## 8. Disability benefits

8.1 Appendix 2 of the Local Tenancy Strategy contains the criteria for deciding which disabled tenants qualify for lifetime secure tenancies, depending on the level of disability benefits they receive. The table 1 of appendix 2 states that the following disabled applicants are offered a lifetime secure tenancy:

- Applicants in receipt of the middle rate Care Component of Disability Living Allowance (DLA) and two additional qualification criteria, e.g.: in receipt of Severe Disability Premium and Employment and Support Allowance;
- Applicants in receipt of the higher rate Care Component of DLA and one additional qualification criteria such as Severe Disability Premium or Employment and Support Allowance;
- Applicants in receipt of the higher rate Care Component and also the higher rate Mobility Component;
- Applicants that only have lower rates of DLA only qualify for a fixed term tenancy.

<sup>2</sup>CACI

## Appendix 1- Tenancy strategy review

8.2 DLA is in the process of being replaced for new claims by a new system of Personal Independence Payments (PIPs). Existing claimants living in Barnet will not be transferred until October 2015. The tenancy strategy needs to be amended to include PIPs.

8.3 There are two elements to PIPs, each with a standard and enhanced rate rather than lower, middle and higher rate:

- Daily living component- for people who need help with daily activities such as preparing food, taking medication, washing and dressing;
- Mobility component- for people who need help with moving around or going out.

<b>Daily living component</b>	Enhanced rate	Equal in value to highest rate of DLA Care Component
	Standard rate	Equal in value to middle rate of DLA Care component
<b>Mobility component</b>	Enhanced rate	Equal in value to higher rate of DLA mobility component
	Standard rate	Equal in value to lower rate of DLA mobility component

8.4 Table 1 in Appendix 2 needs to be changed to include the following criteria for lifetime secure tenancies:

<b>Criteria to decide type of tenancy granted to disabled applicants</b>		<b>Lifetime tenancy?</b>
Personal independence payment- Daily Living Component	Enhanced rate plus at least one from the additional criteria table (in able 2)	Yes
Personal independence payment- Mobility Component	Enhanced rate plus enhanced rate Daily Living Component	Yes
Personal independence payment-	Standard rate only across Daily Living and/or Mobility Components	No

8.5 Summary and recommendations

Personal Independence Payments (PIPs) are gradually replacing Disability Living Allowance (DLA) for new and existing claimants.

**Recommendation that the table 1 in Appendix 2 of Local Tenancy Strategy is amended to include PIPs as outlined above.**





# Appendix 2: **BARNET COUNCIL LOCAL TENANCY STRATEGY**

*Revised June 2015*

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## 1. Introduction

The Government has given providers of social housing the option to use *fixed term flexible*<sup>1</sup> tenancies which in most cases will be for a minimum of 5 years. This recognises that at the moment, council and housing association tenancies are granted to meet an immediate need, such as overcrowding or homelessness, which may change over time resulting in homes being under-occupied or occupied by tenants who could afford to buy a home or rent privately.

The Council welcomes the additional local flexibility that such tenancies will provide, and this local strategy sets out our approach to granting tenancies for council housing in Barnet. Other providers of affordable rented homes in the borough, including Housing Associations, will need to take account of our policy when granting tenancies.

## 2. Overview

The Government is introducing changes which mean it will be possible for Council's and other providers of affordable rented homes to grant a flexible tenancy. This is a move away from the current situation whereby most affordable homes are let on a secure tenancy, which is effectively for life as long as the rent is paid and other tenancy conditions complied with.

Existing council and housing association tenants will not be affected by these changes, and will continue to enjoy their existing security of tenure and other terms and conditions, including the right to buy, succession rights and the right to exchange their tenancy with another secure tenant.

From 9 July 2012, all new tenants will be granted a one year introductory tenancy. In most cases, this will be followed by a flexible tenancy for a minimum of five years, although we will continue to grant secure or lifetime tenancies to people, for example, who are of pensionable age and those with a long term disability.

Tenants granted a flexible tenancy will enjoy many of the same rights as secure tenants, including the right to buy. Appendix 1 sets out the similarities and differences between flexible and secure tenancies in more detail.

***It is also noted that Barnet Council lets properties on the regeneration estates and due to be demolished on a non-secure basis. Non-secure tenants are reassessed for their housing need when they need to move and depending on this reassessment they may in the future be allocated a tenancy according to this strategy.***

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<sup>1</sup> The expression "flexible tenancy" is used throughout this strategy

### 3. Local Context

Barnet is an attractive borough with excellent schools, attractive open spaces and good transport links. This means that the demand for housing in the borough is high, and this is reflected in high property prices. Levels of home ownership are high at about 70%, whilst private rented accommodation makes up a further 16% and social housing 14%.

Access to the private rented sector for those on low incomes and benefits has become more difficult due to changes to housing benefits that came into effect in April 2011.

The supply of affordable rented homes is therefore limited and it is important that the stock that is available is used to its full potential to provide homes for those in housing need who need assistance from the council.

### 4. Objectives

The overarching objective of our tenancy strategy is to ensure that the Council's housing stock is used as effectively as possible to provide homes for Barnet residents in housing need who are unable to secure a home for themselves in the private sector. This can be achieved if we are able to help more people move on from council housing once they are in a position to sustain an alternative solution, such as home ownership or the private rented sector.

The use of flexible tenancies also provides an opportunity to help tackle under-occupation by giving the Council more opportunity to move people to smaller accommodation if they find themselves in a council property that is too big for them. This will release larger properties for those that need them, including overcrowded households. At present, the Council can offer incentives to encourage those under-occupying properties to move, but has no powers to require people in this situation to move to a smaller home. The Council will not be obliged to renew a flexible tenancy at the end of its term, and will support tenants who are under- occupying a council property to find a more suitable alternative in this situation.

The Council will seek to encourage tenants to take control of their lives by providing support when it is needed at the time of crisis, and by encouraging people to prepare for independence once their situation has improved by making it clear from the start of their tenancy that the arrangement is not necessarily a permanent one. This is particularly the case for young single people, who will be encouraged to undertake skills training or continue with their education to secure employment, and for this reason the Council will usually offer tenancies of less than five years to some young people, as set out in section 5 below.

More information about how the Council prioritises applicants for housing can be found in our Housing Allocations Scheme.

Whilst our tenancy strategy deals with the granting of tenancies for council housing, it is important to understand that those who seek assistance from the Council may also be offered other tenures as a solution to their housing need, including properties in the private rented sector and housing association homes and these may be subject to other tenancy arrangements.

## 5. Our Policy

**5.1** This section sets out the circumstances in which we will continue to grant secure or lifetime tenancies and those in which a flexible tenancy will be used. This approach takes account of the objectives set out above and the continuing rights of existing secure tenants.

All new tenants will be granted a 12 month introductory tenancy followed by a life-time secure tenancy in the circumstances listed below:

- Secure tenants whose tenancy commenced before 9 July 2012 moving to another council property - already protected in law<sup>2</sup>;
- Older people who are in receipt of the state pension and will occupy a general needs property. Data taken from the Housing Register at March 2011, showed that the joint second highest number of people housed in social housing were the over 60s. The terms of Sheltered Housing tenancies will remain the same as they are currently and will be let as secure (life-time) tenancies;
- Ex-armed forces personnel who have been both medically and honourably discharged and who have also seen active service; to be validated by the Royal British Legion;
- Households where the applicant, their spouse or a dependant child is disabled in accordance with the criteria contained in Appendix 2. These criteria would also be applied in the event that a household member becomes disabled during the period of a flexible tenancy and, as a result, become eligible for a life-time tenancy;
- Households where the applicant or their spouse is terminally ill; this would also apply in the event that a household member becomes terminally ill during the period of a flexible tenancy and, as a result, become eligible for a life-time tenancy;

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<sup>2</sup> The Council will also fulfil any undertakings made to secure tenants on our regeneration estates, Grahame Park, West Hendon, Stonegrove/Spur Road and Dollis Valley.

In all other circumstances, a 12 month introductory tenancy followed by a flexible tenancy of five years will be granted to new council tenants from 9 July 2012, with the following exception:

- Single people under the age of 25 (excluding care leavers), for example those who have been evicted by parents, will be granted introductory tenancies of one year followed by tenancies that will be reviewed every 2 years until they reach the age of 25. This is because the Council recognises the importance of encouraging young people to take responsibility for their lives and achieve independence. In return for providing a home, the Council expects young people to take full advantage of the opportunity that this provides and actively seek to become more independent through employment, education or training, and to engage with the Council and other agencies to achieve this. It is important that when a young person is granted a tenancy they are supported and receive advice, training and skills development to help them into employment and the Housing Service will work closely with Social Services and other agencies to ensure this is provided.

However, age is not the only criteria that will be used when establishing, as part of the housing assessment, the suitability of a young person of 25 or under for a two year tenancy. Other single people over the age of 25 could be offered two year tenancies rather than five depending on their vulnerability and the outcome of the housing assessment.

Applicants who are officially ineligible or do not qualify for housing, for example foreign nationals who are subject to immigration control and other people from abroad excluded by statute or regulation and do not, therefore, have recourse to public funds, will not be housed by the Council or other social landlords and will be obliged to seek their own accommodation.

As at present, the Council will initially grant all tenants an introductory tenancy for the first year. More information about introductory tenancies can be found on the Barnet Homes website at [www.barnethomes.org](http://www.barnethomes.org) and then by clicking on the Information for Tenants tab and following the links to types of tenancies.

## 5.2 Succession

There is an automatic right for a spouse or partner of a tenant to succeed to a secure or flexible tenancy and this is called a statutory succession. In the case of life time secure tenancies only, statutory succession also includes children, parents, siblings and most other close relatives who lived at the premises for twelve months immediately before the tenant died (see Appendix 1).

This statutory right only applies to the first time that a succession occurs, but beyond this, the Council will use its discretion to allow additional successions to take place in the following circumstances:

- The person applying for succession has lived continuously in the property as their principle home for twelve months before the death of the tenant and
- They are the spouse, civil partner, a close relative of the tenant, or someone who had to live with the tenant in order to provide them with care, without which the tenant could not have maintained their tenancy and
- They would qualify for the property they have applied to succeed to under the Council's allocations policy.

Where a property is not suitable for the person applying to succeed, for example because it is too large, the council will assist them to find alternative accommodation if they qualify for help under the allocations scheme, this could include an offer of accommodation in the private rented sector.

Where a discretionary succession is agreed, the tenancy will be treated as a new tenancy under the Council's Tenancy Strategy – this means that in most cases a flexible tenancy will be granted, unless the applicant falls within a category of people who will still be granted a lifetime tenancy, for example a former member of the armed forces.

### 5.3 Tenancy Reviews

No less than 8 months before a flexible tenancy is due to end, it will be subject to a review using the criteria detailed below. If it is decided, as a result of the tenancy review, that a tenancy will not be renewed, written notice advising the tenant of such will be served. The notice will contain the reasons for the decision and, at the same time, notify the tenant of their right to appeal. Should a tenant appeal and fail to have the decision overturned, the Council will be able to seek possession of the property. Our right to possession may then be challenged on the limited grounds that the landlord has made a legal error, a material error of fact, or that possession is not proportionate in all the circumstances.

### 5.4 Review Criteria

The tenancy review criteria will reflect the continuing needs of tenants, any assets they might have accrued or inherited, attitude to work / training opportunities that might have presented themselves and pressures on social housing.

Tenancies will not normally be extended where one or more the following apply:

- Households with children with a gross income that is equivalent to the median earnings in Barnet<sup>3</sup>;
- A household with no children that has a gross income that is equivalent to the median earnings in Barnet minus 15%;<sup>4</sup>
- A tenant or a member of their household who has been convicted of a of an act of civil disturbance or other criminal activity;
- The tenant has breached the terms of their tenancy and has failed to reach or maintain an agreement with the Council to remedy this breach. For example, there are rent arrears and the tenant has not agreed or maintained an agreement to clear these;
- The property is under- occupied by one bedroom or more;
- The property has been extensively adapted but for someone with a disability who no longer lives with the tenant ( this allows the property to be released for someone who will benefit from the adaptations);
- Assets – the tenant or their spouse has assets or savings greater than the amount<sup>5</sup> stipulated in the Council’s Housing Allocations Scheme which would normally exclude someone from being granted a council tenancy.
- The tenant is a young, single person on a flexible two year tenancy who has not worked or undertaken any training or education for a period of 6 months prior to the tenancy end date.

The Council recognises that there may be circumstances in which it would be unreasonable to expect someone to move even if the above criteria applied, and may allow a tenancy to continue if:

- The tenant or a member of their household is suffering from a terminal illness;
- The tenant or a member of their household has a disability in accordance with the criteria contained in Appendix 2.
- The tenant has children attending a local school.

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<sup>3</sup> **Earnings are determined and updated annually by “CACI Paycheck Unequalised” Median Earnings data. Latest figure is i£40,550 (2014)**

<sup>4</sup> Currently median earnings in Barnet minus 15% = £34,468

<sup>5</sup> Currently £30,000



- The tenant is a foster carer and the tenancy needs to continue to enable them to fulfil this role.
- The tenant is a care leaver and still receiving support from social services because of this.
- The tenant is participating in the Intensive Family Focus programme or where children are subject to child protection plans or care proceedings

## 5.5 Termination of a flexible tenancy

When flexible tenancies are coming to an end, it is essential that the tenant is given sufficient notice so that they can seek advice about their options.

Accordingly, notice will be served 6 months before the tenancy is due to end. Well in advance of a tenancy being terminated, the Council will work proactively with the tenant who is in this situation, to assist them to explore their options for alternative housing, which could include home ownership, a privately rented home or a more suitable affordable rented home.

If the tenant refuses to move when the notice period expires, the normal eviction procedure will take effect.

## 5.6 Advice

The Housing Officers in the Housing Needs Department of the Housing Service will be able to assist tenants with a wide range of advice to help them resolve the issues arising out the termination of their tenancies. This will include signposting to other departments within the Council and to voluntary organisations that help people with their housing issues.

## 5.7 Appeals

If a flexible tenant disagrees with the decision reached by their landlord to terminate their tenancy, they may use the appeal process as follows:

- Tenants have the right to request general information about their tenancy review, including the facts that have been taken into account and the reasons for terminating their tenancies
- Tenants who disagree with a decision made under this policy should in the first instance contact their area housing officer to explain why they think that the decision is unreasonable

- Tenants will be notified whether the decision still stands and the reasons for this, usually within 48 hours
- Tenants who wish to pursue the matter further, can make a request for a formal review of the decision within 21 days. In these cases the tenant will be invited to make a written submission stating the reasons for their request for a review and the Council will seek any further information it requires, including advice from other specialist advisers. Formal reviews will be conducted by a team leader or a manager within the Council's Housing Service who has had no previous involvement in the case. The manager or team leader will notify the tenant of the outcome of the review including the reasons for their decision within 56 days
- Where a tenant wishes to appeal the termination of a tenancy and the notice period expires during the period of the appeal, the tenant will be permitted to stay in the property where this is not likely to lead to an unreasonable delay in the property being vacated.
- If the formal review upholds the decision, the tenant then has recourse to the county court
- Should the county court uphold the decision, the tenant will be obliged to leave the property

## Appendix 1 - similarities and differences between secure and flexible tenancies

	Secure	Flexible
Term	For life of tenant	Minimum term 2 years; could be longer at discretion of the Council/Landlord
Right to exchange	Secure tenants have a statutory right to exchange their tenancy with another secure tenant, which can only be refused by the landlord on certain grounds, such as rent arrears.	Same rights as secure tenants
Right to take in lodgers and to sub-let part of the property.	Secure tenants have the right to take in a lodger or sub-let part of the property, provided that they continue to use the property as their only or principle home. Sub-letting part of the property requires permission from the Council and failure to obtain this would be a breach of tenancy.	Same rights as secure tenants
Right to Repair	Secure tenants have certain rights to ensure that their landlord deals with repairs within a reasonable timescale with a right to compensation in some circumstances	Same rights as secure tenants
Rights to consultation /information	Tenants have the right to be consulted about matters affecting their rights and tenancy conditions, and information about their tenancy	Same rights as secure tenants
The Right to Buy	Secure tenants are entitled to buy their council home after they have been a social housing tenant for five years	Legislation will extend the Right to Buy to flexible tenancies on the same basis as secure tenants
Statutory Succession	There can be only be one succession of tenancy to a spouse or partner, or close relative <sup>6</sup> if that close relative has lived at the property for a continuous period of 12 months immediately before the death of the tenant	Only a spouse or partner living at the property at the time of the tenant's death may succeed

<sup>6</sup> this includes cohabiting partners, children, parents, siblings and most other close relatives, but not foster children

	Secure	Flexible
	The Government is proposing to restrict the statutory succession to spouse or partner in future, although councils will be able to extend this to other people living with the tenant if they wish to.	
Rents	Council rents will continue to be controlled through housing benefit subsidy limits, and the Government has stated that it expects to continue with the current regime of RPI + 1%.	Affordable rents (up to 80% of market rents) could be used on relets where the additional income is used to support the development of new homes, which themselves can be let at affordable rents.
Moves	<p>The Government is proposing that where an existing social tenant moves to another social rented property, they will be granted a secure tenancy.</p> <p>For new secure tenants it will be entirely at the discretion of the Council as to the form or tenure offered.</p>	The type of tenure offered where a flexible tenant is re-housed by a council will be at the local authority's discretion.

## Appendix 2

**Table 1.0. Criteria to Decide Type of Tenancy Granted to Disabled Applicants**

		Lifetime tenancy
<b>Disability Living Allowance:</b>		
<b>Care Component:</b>	Middle rate <b>plus at least two from table 2.0 below</b>	Yes
	Highest rate <b>plus at least one from table 2.0 below</b>	Yes
<b>Mobility Component:</b>	Higher rate <b>plus highest rate care component</b>	Yes
<b>Criteria to decide type of tenancy granted to disabled applicants in receipt of Personal Independence Payment</b>		Lifetime tenancy
Personal independence payment- Daily Living Component	Enhanced rate plus at least one from the additional criteria table (in table 2)	Yes
Personal independence payment- Mobility Component	Enhanced rate plus enhanced rate Daily Living Component	Yes
Personal independence payment-	Standard rate only across Daily Living and/or Mobility Components	No

**Table 2.0 Additional qualification criteria (see table 1.0 above)**

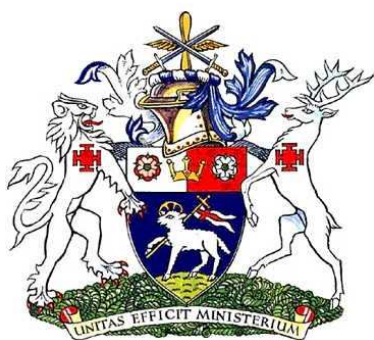
Severe Disability Premium
Enhanced Disability Premium
Disabled parking badge
Employment & Support Allowance
Incapacity Benefit_(being replaced by ESA)
Severe Disablement Allowance (being replaced by ESA)
National Insurance credits
Registered disabled with LBB
Direct Payments for an assessed period

**Table 3.0 Applicants with the following will usually qualify for a Flexible Tenancy**

Disability Living Allowance on its own or without any of the middle or higher rate components
Disability Premium
Disabled parking badge

Employment & Support Allowance
Incapacity Benefit_(being replaced by ESA)
National Insurance credits

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**Housing Committee**  
**29 June 2015**

<b>Title</b>	<b>Housing Committee Work Programme</b>
<b>Report of</b>	Commissioning Director- Growth and Development
<b>Wards</b>	All
<b>Status</b>	Public
<b>Enclosures</b>	Appendix A - Committee Work Programme October 2015 to May 2016
<b>Officer Contact Details</b>	<a href="mailto:Jan.natynczyk@barnet.gov.uk">Jan.natynczyk@barnet.gov.uk</a> , 0208 359 5129

**Summary**

The Committee is requested to consider and comment on the items included in the 2015/16 work programme

**Recommendation**

**That the Committee consider and comment on the items included in the 2015/16 work programme**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The Housing Committee Work Programme 2015/16 indicates forthcoming items of business.
- 1.2 The work programme of this Committee is intended to be a responsive tool, which will be updated on a rolling basis following each meeting, for the inclusion of areas which may arise through the course of the year.
- 1.3 The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 There are no specific recommendations in the report. The Committee is empowered to agree its priorities and determine its own schedule of work within the programme.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 N/A

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Any alterations made by the Committee to its Work Programme will be published on the Council's website.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Committee Work Programme is developed in accordance with the Council's strategic objectives and priorities as stated in the Corporate Plan 2013-16.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 None in the context of this report.

### **5.3 Legal and Constitutional References**

- 5.3.1 The Terms of Reference of the Housing Committee are set out in the Constitution, Responsibility for Functions, Annex A.



#### **5.4 Risk Management**

5.4.1 None in the context of this report.

#### **5.5 Equalities and Diversity**

5.5.1 None in the context of this report.

#### **5.6 Consultation and Engagement**

5.6.1 None in the context of this report.

### **6. BACKGROUND PAPERS**

6.1 None

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**London Borough of Barnet  
Housing Committee Work  
Programme  
October 2015 – May 2016**

Contact: [jan.natynczyk@barnet.gov.uk](mailto:jan.natynczyk@barnet.gov.uk) 0208 359 5129

<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Contributing Officer(s)</b>
19 October 2015			
Additional Licensing Scheme for HMO	To report the results of the public consultation	Commissioning Director, Growth and Development	Private Sector Housing Manager (Re)
Article 4 Direction on Houses in Multiple Occupancy	To consider a report on the process for establishing an evidence base on the impact of Houses in Multiple Occupancy (HMOs) in order to support the introduction of a borough-wide Article 4 Direction removing permitted development rights for a change of use from C3 (Dwellinghouses) to C4 (HMOs)	Commissioning Director, Growth and Development	
Fees and Charges	To agree fees and charges for recommendation to the Policy & Resources Committee	Commissioning Director, Growth and Development	Private Sector Housing Manager (Re)
Empty Properties Compulsory Purchase Orders	To compulsorily acquire underused or ineffectively used property for residential purposes where there is a compelling case in the public interest for its acquisition to meet general housing need in the area	Commissioning Director, Growth and Development	Private Sector Housing Manager (Re)
Engagement Registered Providers	A report be prepared for consideration by the Committee, with a view to more strategic engagement with Registered Providers	Commissioning Director, Growth and Development	Head of Strategy and performance, Housing Development Partnership Manager

<b>Subject</b>	<b>Decision requested</b>	<b>Report Of</b>	<b>Contributing Officer(s)</b>
Council Rents Policy	To agree final draft of the council rents policy following consultation	Commissioning Director, Growth and Development	Strategic Lead Housing
Housing Revenue Account Business Plan	To agree the council's Housing Revenue Account Business Plan	Commissioning Director, Growth and Development	Strategic Lead Housing
Business Planning: Annual Report 2014/15	To consider the Committee's Business Planning: Annual Report 2014/15	Commissioning Director, Growth and Development	Strategic Lead Housing
Commissioning Strategy	To agree the final draft of the Housing Committee Commissioning Strategy	Commissioning Director, Growth and Development	Strategic Lead Housing
<b>1 February 2016</b>			
Annual Review of Council Dwelling Rents and Service Charges for 2016/17	To approve recommendations relating to the Annual Review of Council Dwelling Rents and Service Charges for 2016/17.	Commissioning Director, Growth and Development	Director of Growth & Development, The Barnet Group

<b>Subject</b>	Empty Properties Compulsory Purchase Orders	<b>Decision requested</b>	To compulsorily acquire underused or ineffectively used property for residential purposes where there is a compelling case in the public interest for its acquisition to meet general housing need in the area	<b>Report Of</b>	Commissioning Director, Growth and Development	<b>Contributing Officer(s)</b>	Private Sector Housing Manager (Re)
11 May 2016							
<b>Subject</b>	Empty Properties Compulsory Purchase Orders	<b>Decision requested</b>	To compulsorily acquire underused or ineffectively used property for residential purposes where there is a compelling case in the public interest for its acquisition to meet general housing need in the area	<b>Report Of</b>	Commissioning Director, Growth and Development	<b>Contributing Officer(s)</b>	Private Sector Housing Manager (Re)