

Agenda item:

[No.]

CABINET

On 25th January 2011

Report Title: Out of Borough Housing Stock	
Report of: Niall Bolger, Director of Urban Environment	
Signed : _____ Date: _____	
Contact Officer : Nick Powell, Head of Housing Strategy, Development & Partnerships, Strategic and Community Housing Tel: 020 8489 4890, email: nick.powell@haringey.gov.uk	
Wards(s) affected: All	Report for: Key Decision
1. Purpose of the report	
1.1 The purpose of this report is to seek Cabinet approval to consider options for meeting the future management and investment needs of the Council's out of borough housing stock.	
2. Introduction by Cabinet Member (if necessary)	
2.1 My first priority and concern with regards to the out of borough stock relates to the 90 properties on the Waltham Cross estate. These are our only out of borough properties that are some considerable distance from Haringey, which has given rise to concerns about the effectiveness of the management of these homes and the involvement of the tenants.	
2.2 In the current financial climate the cost of managing these properties in all aspects including repairs is likely to be of increasing concern. With regards to proposed decent homes work it may be necessary to find another avenue that would provide the funding to bring these properties up to the decent homes standard given pressure on resources. This is important as there has been little capital investment in this estate over many years.	
2.3 I am aware also that it is seen as good practice for social landlords not to have small numbers of properties situated away from their main areas of operation, thus tending to be neglected and to receive a poorer / sub standard service.	
2.4 To resolve all these issues we need to consider a more effective way of managing these 90 properties, a way that would improve the service and living conditions for residents, and ensure the decent homes work is completed.	

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

4. Recommendations

It is recommended that Cabinet:

- (a) Note changes in the future allocation of Decent Homes funding set out in the HCA consultation and bid documents '*Decent Homes Backlog Funding for Council Landlords 11-15*' .
- (b) Agree to defer all future Decent Homes works to out of borough stock
- (c) Agree for options to be explored on how to deliver Decent Homes work for out of borough stock, in view of reduced funding, and TSA requirements around consolidating property holdings and more effective housing management.
- (d) Agree to enter into discussions with interested Registered Housing Providers about a potential offer for the Waltham Cross estate.
- (e) Agree to consult residents about future management and investment options for the Waltham Cross estate.

5. Reason for Recommendation

- 5.1 The reasons for these recommendations are outlined in point 6.

6. Background

- 6.1.1 In January 2008, Haringey Council was awarded funding of £198.5m over a 6 year period for the Decent Homes programme to tenanted properties. The funding was confirmed for the first 3 years of the programme, with indicative allocations for the remaining years.
- 6.1.2 Although the Department of Communities & Local Government confirmed the Decent Homes funding allocation for Years 1, 2 & 3, in the sum of £100m, future funding for the programme was indicative.
- 6.1.4 Following the Comprehensive Spending Review in October 2010, the Homes and Communities Agency (HCA) published its consultation paper '*Decent Homes Backlog Funding for Council landlords 2011-15*'. The document sets out how future allocations are to be distributed. This was followed up with an official Invitation to Bid on 13 December 2010. We are currently working on our submission which needs to be with the HCA by 11 January 2011. We will know the outcome by the end of January/beginning of February 2011.
- 6.1.5 The overall impact of the above is that Haringey will now need to bid competitively for future Decent Homes funding allocation from a reduced

overall funding 'pot' open to any Council with a non – decency level of over 10%.

6.1.6 The Government has also announced its intention to abolish the Housing Revenue Account (HRA) subsidy system and aim that the reformed HRA should give landlords sufficient resources to maintain homes at the Decent Homes Standard.

6.2 Out of borough stock

6.2.1 Haringey Council currently owns 409 housing units that are located outside of the borough boundaries.

6.2.2 There are 90 homes on the Waltham Cross estate, located in Broxbourne, Hertfordshire, were included in previous transfer proposals in 2002, which resulted in the neighbouring Cheshunt estate transferring to Aldwyck Housing Association and the Potters Bar Estate to Ridgehill Housing Association. This followed positive results in resident ballots. The Waltham Cross residents voted against transfer to Aldwyck Housing Association.

6.2.3 There are also 130 homes on the Imperial Wharf Estate (Craven Park Rd/Maple Close) which is located in Hackney followed a boundary change. This estate was identified for inclusion in Year 3 of the Decent Homes programme and is also currently on hold pending clarification on future funding.

6.2.4 The remaining out of borough stock is located in Enfield. This comprises 189 homes on the Weir Hall Estate. Decent Homes works have already been completed.

6.2.5 Given the limited level of capital funding available to the Council, Members have already indicated that priority should be given to homes within the Borough, in order to maximise the quality of investment and ongoing management that can be delivered through available resources.

6.2.6 Delivering high quality management and repairs services to out of borough homes is more challenging and it is recommended that options for providing local solutions to the investment and management needs of these homes are investigated.

6.2.7 Cabinet is therefore asked to agree that given the reduction in government funding for the Decent Homes programme, investment in the out of borough properties is deferred.

6.2.8 Cabinet is also asked to agree to the exploration of other options for funding these works. Options to be explored will include:

- Stock Transfer to a Registered Provider
- Trickle transfer
- Stock Swap with the host local authority.

6.3 Waltham Cross Estate

6.3.1 This report focuses more on this estate as it is furthest from the geographical operations of the Council and Homes for Haringey, and could therefore benefit most from a consolidation of management functions.

- 6.3.2 The Waltham Cross estate is included in the programmed Year 3 Decent Homes schemes currently on hold pending clarification on future funding. In view of this, Cabinet is asked to agree that of the out of borough stock, this estate be prioritised for option appraisal.
- 6.3.3 Informal discussions have been held with representatives of Broxbourne Housing Association regarding the estate. Transfer to Broxbourne was not an option on offer to residents as part of the previous transfer proposal, as it took place prior to the setting up of Broxbourne Housing Association as a Large Scale Voluntary Transfer.
- 6.3.4 There is potential for the Council to make a capital saving and generate a receipt from the transfer. Broxbourne currently have access to private loan finance and are keen to explore the options for transfer with Haringey on an exclusive basis.
- 6.3.5 As well as a capital receipt, Haringey could potentially save £1.3m in Decent Homes costs and secure future nominations and other considerable community developments for the existing residents.
- 6.3.6 It is estimated that any stock transfer process is likely to cost the Council in the region of £100,000 to administer. This will include the cost of appointing an Independent Tenant Advisor.
- 6.3.7 Subject to Cabinet approval, Council and Homes for Haringey officers from the Housing Investment and Regeneration Board will manage an option appraisal for the Waltham Cross estate. This will report to the Housing Capital Programme Board under the sponsorship of the Assistant Director of Strategic and Community Housing.

8. Chief Financial Officer's Comments

- 8.1. As Decent Homes Funding is likely to be extremely limited in future years, it is necessary to explore other options to bring properties up to the required standard. However, there will obviously be a cost associated with option appraisal and at present no budget has been identified to undertake this work. Such a budget would need to be identified before work could commence. It may be possible to charge a wider appraisal of stock to the General Fund, however if the stock identified is part of the Housing Revenue Account as in this case it is more appropriate to charge any costs incurred to the HRA. If a disposal does take place then the cost of any studies could be offset from any capital receipt received, however there is no guarantee that a disposal will arise and there is also likely to be a significant time lag between completion of any option appraisal and the capital receipt being received.

9. Head of Legal Services Comments

- 9.1. Head of Legal has no comment to make on this report at present, particularly as it seeks to consider options only.

10. Head of Procurement Comments

11. Equalities & Community Cohesion Comments

11.1

12. Consultation

12.1 There will be full consultation with Members and residents about future management and investment options for this stock. Residents will receive independent support.

13. Service Financial Comments

13.1 Although there are a number of potential benefits in the recommendations in respect of out of borough stock there will be a requirement for the Council to invest up to £100,000 in exploring the transfer possibilities, none of which is built in to current council budgets. Although this would be an HRA cost it would fall in the council's retained budgets rather than the Homes for Haringey budgets.

14. Use of appendices

15. Local Government (Access to Information) Act 1985