

# Crawley Borough Council

## Report to Overview and Scrutiny Commission 8 January 2018

### Housing Associations operating in Crawley

Report of the Head of Strategic Housing and Planning Services – **SHAP/69**

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#### **1. Purpose**

- 1.1 This report has been produced in response to a request by the Overview and Scrutiny Commission to provide information on the housing associations operating in Crawley.

#### **2. Recommendations**

- 2.1 This report is for information purposes and therefore it is asked that the Overview and Scrutiny Commission note the report.

#### **3. Background**

- 3.1 Housing associations provide homes and services for people in housing need. They are independent organisations, many of which are charitable and are non-profit making (where surplus is used to maintain existing homes and finance the build of new homes). Of the [approx.] 4 million social homes in England, [approx.] 2.4 million (60%) are owned and operated by housing associations.
- 3.2 Housing associations are the country's main provider of new homes for affordable rent. Many also offer shared ownership schemes to help people on lower incomes afford home ownership. Housing associations also provide much of the country's supported housing, with specialist services for vulnerable people such as those with mental health issues, learning disabilities, or women fleeing domestic violence.
- 3.3 Housing associations fund the development of new affordable homes predominantly through using privately raised finance together with funding provided by the Homes and Communities Agency (HCA) who are their governing body, and their own reserves. They may also receive enabling funding through partnership working with local authorities. They are managed by Boards of Management that comprise of independent people, volunteers, residents, representatives of local authorities and community groups. These boards have overall responsibility for the work and financial management of the organisation and for ensuring compliance with regulatory requirements.
- 3.4 In recent years there has been a growing trend for housing associations to merge to form larger, regional bodies.

#### **4. Crawley Context**

- 4.1 As a stock holding authority the Council owns and manages approximately three quarters of all social rented housing in the Borough. The remaining quarter is owned and managed by 19 housing associations. A breakdown of social housing stock by neighbourhood is shown in table one.

Table One - Estimated Crawley Homes and Housing Association housing stock as at April 2015

	Crawley Homes	Housing Association	Housing associations with stock in the area
Bewbush	1085	59	Clarion, Moat
Broadfield	1110	771	Southern, London & Quadrant (L&Q), Guinness Trust, Town and Country
Kilnwood Vale	35	0	Raven, Orbit
Furnace Green	438	42	Clarion, Hyde
Gossops Green	448	24	Clarion
Ifield	859	158	Hyde, Moat
Langley Green	617	144	Hyde, Moat, Raven, Crawley Friends, Southern
Maidenbower	123	206	Clarion, Hyde, Moat
Northgate	492	103	Moat, Guinness Trust, RMG
Pound Hill	483	139	L&Q, Hanover
Southgate	535	244	Housing 21, Raven, Keniston, Stonewater, Hyde, Clarion, Transform
Three Bridges	390	369	Housing 21, Southern, Moat, Raven
Tilgate	669	38	Hanover, Clarion, Southdown
West Green	622	125	A2Dominion, Transform, Moat, Transform, L&Q
TOTAL	7906	2422	

- 4.2 Of the affordable housing built in Crawley over the last 3 years, 65% (approx. 270 homes) is owned by housing associations. Over the next two years housing associations are set to deliver a further 200+ new units of affordable housing, some of which will become available for social rent via the housing register. The nomination rights to housing association properties secured by the Council play a significant role in helping to meet the demand for affordable and social housing locally.

## 5. Nomination Rights and Preferences

- 5.1 Through nomination agreements with our housing association partners, the Council has nomination rights to 100% of newly built social housing in Crawley and up to 75% of social housing once it becomes available for re-occupation. When properties become available they are let via the Council's housing register. The Council operates a choice based lettings scheme. This means that households on the housing register choose which properties they bid for. Property adverts clearly state who the landlord is (the Council or one of the housing associations), giving applicants the ability to choose who they want as a landlord.
- 5.2 Of the social tenancies that started in 2016 in Crawley, a quarter (approx. 150) were with housing associations, and the factor that appeared to most heavily influence the bidding (along with the size of the property and any adaptations needed) was the area in which the property was situated. Therefore it would appear that the majority of applicants place less importance on the landlord and more on the area in which they want to live.
- 5.3 At present of the 680 households on the housing register who have applied to transfer to another property, less than a quarter are in housing association properties. This would suggest that households are not (as a rule) moving into housing association properties with a view to transferring to a Council owned property at a later date.

## 6. Regulation and Governance

- 6.1 The responsibility of governing and regulating housing associations lies with the Homes and Communities Agency (HCA). The HCA's role is to:

- protect social housing assets
- ensure providers are financially viable and properly governed
- maintain confidence of lenders to invest into the sector
- encourage and support the supply of social housing
- ensure tenants are protected and have opportunities to be involved in the management of their housing
- ensure value for money in service delivery

6.2 The HCA take a co-regulatory approach. This means boards who govern providers' service delivery are responsible for ensuring that their organisation is meeting the HCA's standards, and for being open and accountable in how their organisation meets its objectives. Co-regulation also requires providers to support tenants in the shaping and scrutinising of service delivery and in holding boards to account.

6.3 The HCA expect providers to identify problems and take effective action to resolve them. If a provider takes responsibility and it is concluded that they are able to respond to the problem, the HCA work with the provider to help it deliver the necessary corrective actions. If the provider is unable or unwilling to respond positively, the HCA may use their regulatory enforcement powers.

## **7. Tenancy Policies**

7.1 Each social housing provider, whether a housing association or stock holding local authority is required to develop its own Tenancy Policy setting out its service standards. In doing so the social housing provider must meet legislative requirements, HCA requirements which include a requirement for tenants to be involved and consulted and "have regard" to Local Authority Tenancy Strategies.

## **8. Tenancy Strategy**

8.1 Tenancy Strategies were a requirement of the Localism Act 2011 and are intended to guide housing associations and stock holding Council's on matters such as rent levels, length and type of tenancies, ending and renewing tenancies and local housing needs.

8.2 As the majority of housing associations operate on a regional basis, their Tenancy Policy will be regionally rather than locally based and as such will need to "have regard" to the Tenancy Strategies of the range of local authorities across their operating areas. This inevitably serves to dilute more local needs and, as such, Tenancy Strategies carry little weight and no teeth in the development of Tenancy Policies.

8.3 The Council's Tenancy Strategy was adopted and published by the Council in 2014 in accordance with Government guidelines and following consultation with housing associations and stakeholders.

## **9. Service Standards**

9.1 Accessing Information - All residents of social rented housing should have quick and easy access to information they may need during their tenancy. Documents tenants are likely to access include complaints procedures (detailing how they go about making a complaint and what will happen when they do), repairs standards (detailing how they go about requesting a repair and the timeframe in which it will be dealt with) and service standards (detailing how they can expect to be treated by their landlord). Information, documents, policies and procedures for use by tenants should be clear, concise and easy to understand.

9.2 The websites of all social housing providers (with a presence in Crawley) were checked to see whether information was quick and easy to find and understand. All complaints procedures and repairs standards viewed adequately outlined what was expected of the customer and in turn, how the association would respond.

- 9.3 Rent Levels - The Council's Tenancy Strategy advises that '*Providers of social housing are expected to set rents at or below the Local Housing Allowance (LHA) level to ensure that they are affordable to housing register applicants. It is therefore expected that for larger more expensive properties affected by the LHA cap, rents will need to be much lower than 80% of the market rate*'. A search was carried out of rent levels of housing association properties in the last year and all were under the LHA rate and considered affordable.
- 9.4 Housing associations and the Council set social rents in line with government guidelines. Social rent is set using a formula based on 1999 property values as the benchmark from which a 'target rent' is calculated. From April 2016 in line with Government requirements, rents have reduced by 1% and will continue to do so for a four year period. New lettings at social rents are let at the target rent, and the 1% reduction is applied when properties become void. In October 2017 the government announced a 1% rent rise for social housing to be applied for five years from 2020 onward.
- 9.5 Standards and Disrepair - Housing associations have certain responsibilities to maintain their stock (with a particular focus on issues such as gas safety, electrical safety and the structural fabric of the building for example). Complaints about disrepair are dealt with internally using the association's own complaints procedures in the first instance. Where this does not result in a satisfactory outcome, tenants have the right to request that the matter is investigated by the Housing Ombudsman. The Council's Private Sector Housing Team may become involved where tenants have been through the association's complaints procedure and contact the Council for advice.
- 9.6 Both the Council and housing associations work to a 'standard' of repair. These will vary with some social housing providers using the decent homes standard, another using one derived from Building Regulations, others creating their own. There is no mechanism for requiring consistency. It is not a matter of which standard is 'best', but of whether they are being adhered to.
- 9.7 Approx. 16% of disrepair complaints (around 25 to 30 per annum) coming into the Private Sector Housing Team are regarding minor low level disrepair (damp caused by condensation for example) in properties owned by housing associations. Of the complaints made in 2017 so far, only two escalated to the point where enforcement action was considered. However both were rectified before enforcement became necessary. In both cases, the housing association had sent out the wrong contractor, the job had then been cancelled, and the customer chose to contact the Private Sector Housing Team in seeking to resolve the problem.

## **10. Investing in the Community**

- 10.1 Housing associations will invest in their tenants and the wider community in order to create environments in which their tenants will thrive and in doing so, maximize the likelihood of successful tenancies. Examples of the support and assistance from the housing associations with a presence in Crawley are:
- Supporting tenants into work (with CV writing workshops, helping to search and apply for jobs for example)
  - Helping tenants to gain skills that will assist them in getting back to work (including computer skills and internet use)
  - Wellbeing programs (addressing issues such as mental health, hoarding and anti-social behaviour)
  - Financial inclusion (supporting tenants with budgeting, managing debt, maximizing income, claiming benefits they are entitled to, creating support plans)
  - Providing access to funds for groups/organisations that work in the community
  - Approx. 6 years ago the Guinness Trust refurbished a block of flats on their estate in Broadfield. The block originally consisted of bedsits and the housing Managers office. These were converted to one and two bedroom flats with the communal areas being landscaped to improve the surroundings. A communal room was also build to allow residents of the estate to use it for functions and meetings.
  - Attending and participating in a range of multi-agency meetings such as the noise and anti-social behaviour liaison meeting and the housing and homelessness forum.

10.2 Of the support that is available, much is aimed at tenants of all ages. However focused support is also provided specifically for young people and the aging population.

## **11. How do service standards between housing and Crawley Homes compare?**

11.1 Service standards and operational processes for social housing providers must be in conformity with their individual regulatory and governance requirements and are thus set at a level which meets requirements to protect both tenants and housing stock and which reflects the expectations of their respective tenants. Service standards and operational processes will inevitably vary between individual housing associations and between housing associations and the Council as there is no requirement for consistency. It is not possible to draw direct and meaningful comparisons. For example a more traditional approach to service standards in respect of carrying out repairs would be to set a target timeframe for the work to be done. As a social housing provider the Council does not set such targets but rather seeks to respond in a timeframe determined by the needs of the customer.

11.2 Housing associations are not under any obligation to provide data on performance or customer satisfaction to the Council and in many cases this is collected on a sub-regional rather than a local authority basis and therefore does not necessarily reflect the local picture. However the data that was obtained for the purposes of this report reflects high levels of performance and customer satisfaction within housing associations.

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