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Budget Framework N/A  
Public / Private Public

Title: IMPACT AND TWO CASTLES HOUSING ASSOCIATIONS  
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Association  
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Association  
Report Number: ED.07/17

**Purpose / Summary:**

Attached is the update report from Impact and Two Castles Housing Associations.

# UPDATE REPORT FROM IMPACT & TWO CASTLES HOUSING ASSOCIATIONS

## 1. Update on flood recovery work

### Impact

In all, 24 properties owned by Impact were flooded as a result of Storm Desmond in December 2015, including some communal properties. Most were brought back into use within a few months – the exceptions are detailed below.

- Property on Warwick Rd – use still to be determined.
- Wallace Gardens – Richmond Fellowship took on the scheme in November.
- The Old Brewery – planning application for 37 unit redevelopment is going to Development Control Committee on 10<sup>th</sup> February. (The Old Brewery has benefitted from £180k of Flood Resilience Grants to mitigate against any future flooding events).

### Two Castles

Following the floods in December 2015 Two Castles Housing Association (TCHA) had 46 properties affected, in Riverside Way and Threave Court which required the temporary re-housing of 31 families.

Repair works started in December 2015 and the final displaced residents moved back into their properties in July 2016.

The insurance bill for the incident was £1.5M and there has been a significant increase in our premium for 2017 = 63%.

We have carried out flood resilience works, utilising the £221K Governments Flood Resistance and Resilience grant to 45 of 46 of our properties affected in Carlisle by the flooding. One leaseholder decided to manage the process themselves.

In addition we have embarked upon a review of all our properties to assess the risk from future flooding and will consider carrying out flood resilience/prevention works to the properties.

## 2. Potential Impact of Right to Buy extension on properties in Carlisle

### Impact

Approximately 7 or 8 people have made enquiries to Impact concerning the extension of Right to Buy to Housing Association stock, but Housing Associations are all waiting to see what happens in respect of the new Right to Buy pilot.

### Two Castles

TCHA have not implemented a voluntary Right to Buy (RTB) provision for its properties and we continue to monitor the results of the pilot exercises undertaken in 2016 and note with interest the Governments recent announcement that they are to undertake further pilot exercises prior to any legislative provision for the extension of RTB to Registered Providers.

### 3. Impact of Rent Reduction on operations and services for tenants

#### Impact

Rent reductions haven't yet affected frontline services and at the moment the largest impact on tenants relates to Welfare Reform. Going forward however, the impact of the reductions is likely to be felt as follows:-

- A less intensive/comprehensive housing service with less ability to house the mostchallenging tenants. This would be in both general needs and supported housing.
- Might not be able to offer the holistic service to the level we currently deliver.
- Potentially less investment in properties as cuts squeeze maintenance budgets.
- Potentially different lettings methods

#### Two Castles

Our Value for Money Strategy has enabled us to continue with our planned major repairs programmes to our rented stock and a comprehensive review of our Housing Services Department is designed to ensure we continue to provide a high quality of service to our residents.

### 4. Use of Fixed Term Tenancies

#### Impact

Impact don't currently use fixed term tenancies. The *Housing and Planning Act 2016* requires mandatory fixed-term tenancies, usually between 2 and 10 years, for most Local Authority tenancies, but remains discretionary for Housing Associations.

#### Two Castles

We continue with our existing Tenure policy which **does not** include fixed term tenancies other than in specific situations e.g. Starter Tenancies:we will keep this policy under review and monitor the government's review of its plans for introduction of such for Local Authority properties.

### 5. Key Performance Indicators and Benchmarking with other Housing Associations

#### Impact

#### **Key Performance Indicators (KPIs)**

Impact reports to our Board on a range of KPIs for both our general needs and supported accommodation; including the number of empty properties; current and former tenant arrears; new lettings satisfaction; and percentage of properties where Fire Risk Assessments completed, and with current gas safety records.

Other monitoring indicators include:

- Staffing – sickness absence, turnover
- Financial indicators – budget, outturn, interest, gearing, surplus and cash flow
- Value for money – efficiency savings

## **Benchmarking**

In 2017, Impact's approach to benchmarking will encompass comparisons in four key areas:-

- i) Local housing providers (South Lakes, Two Castles, Eden), and peer equals (North Star and Progress)
- ii) Other members of our chosen benchmarking agency (Housemark Core (annually) and Priority Performance Benchmarking (quarterly))
- iii) Housing Regulator's published comparisons table (Homes & Communities Agency Global Analysis)
- iv) Our own internal comparisons against our standards.

We are happy to discuss any specific information that may be of interest to the Council at Overview and Scrutiny Panel.

## Two Castles

We report a series of Key Performance Indicators (KPIs) to the Board for all of the Association's stock. This is grouped as follows:

### **Customer - Service Delivery:**

Percentages of overall satisfaction with services provided, Number of informal complaints received, reason for complaint and whether resolved, Number of formal Complaints received, reason for complaint and whether resolved, Overall responsive repairs achieved within timescale.

### **Employer – People**

Percentages of working hours lost due to sickness, Staff turnover.

### **Property**

Achievement of major repairs against 5 year plan, Gas Safety Certificates outstanding, Gas Safety certificates done within timescale, Development units completed against target, Number of properties failing Decent homes standard.

### **Financial Viability**

Current rent arrears, Former Tenant arrears, Amount of income lost from empty properties, Re-let period, Interest Cover, Gearing, Liquidity, Efficiency savings achieved versus target, operating margin.

## **Benchmarking**

We use a variety of benchmarking exercises as part of the KPI reports to the Board.

This includes benchmarking against:

- Local housing providers (South Lakes, Impact, Eden) and peer equals (North Star, Isos)
- Suitable RP's from data provided by our chosen benchmarking agency Housemark
- HCA's published comparisons – Global Analysis
- Our internal standards and targets.

We would be pleased to elaborate on this at Overview and Scrutiny Panel and pick-up on any issues the Council wishes to discuss further.

## **6. Supported Housing funding (Local Housing Allowance cap)**

### Impact

- 2018: no automatic entitlement to Housing Benefit for under 22 year olds in full Universal Credit (UC) areas. This will be introduced in April 17, but we believe that it won't affect Carlisle until it becomes a full UC area in 2018. There is still very little information on this and we don't yet have all the details. Our understanding is that young people who require Housing Benefit will have to participate in a 6 month training programme to allow them to prepare for work. This will affect Supporting People funded supported housing schemes in Carlisle, as most of the residents are under 22 years old. There is reference to 'vulnerable' young people such as care leavers and young parents being exempt from this, however there is no clear definition of 'vulnerable'.
- 2019: Local Housing Allowance (LHA) cap will be applied to current and new tenants. This will affect both young people and older people. Young people under the age of 35 will have their payments capped at the shared room rate, whilst older people will have it capped at the single room rate (slightly higher). Neither of these limits is sufficient to meet the rent levels in most supported housing schemes. The consequences of this approach pose a huge risk to the provision of existing and future supported housing across the country, which includes Extra Care housing for older people. There are proposals to create a ring-fenced funding 'pot' to allocate to local authorities (clarification awaited on whether this would be Districts or County Council) for them to provide gap funding for supported housing schemes. However there are no details yet (the deadline for responses to the Government's consultation on the new proposals was 13<sup>th</sup> February) and this option may not provide the reassurance that providers need to plan / develop new supported accommodation in the future, including Extra Care.

### Two Castles

We are participating in the consultation exercise being undertaken by the DCLG regarding the proposed LHA cap to be imposed upon Supported housing stock from April 2019. It is also our intention to carry out a comprehensive review of our supported housing service to ensure we can respond positively to whatever system is ultimately introduced.

## **7. New Development Opportunities and Aspirations**

### Impact

Recently completed and pipeline schemes:

- Bramble Court, Brampton opened November 2016 – 38 apartment Extra Care scheme for residents aged 55 and over, all for affordable rent. The residents will have access to the café and other community facilities managed by Brampton and Beyond Community Trust, in the adjoining Irthing Community Centre.

- Old Brewery Residences, Caldewgate – conversion of former student accommodation to provide 37 affordable rented apartments and townhouses is a big scheme for 2017.
- Impact have had a few supported properties handed back, following changes in Supported People funding contracts, and we are currently assessing alternative uses and also considering redevelopment and use of the land.
- Impact continue to have an investment programme of remodelling some of these supported properties and ‘difficult to let’ properties, including: Ullswater Road – conversion of 4 supported flats into 2 family houses, and upgrade of 3 flats at Spencer Street.

### Two Castles

We are currently completing a number of section 106 (planning gain) schemes within the Carlisle area and a significant number in the pipeline over the coming years. We are keen to try and develop more new developments on our own sites. There is limited land available but we continue to have Carlisle as one of our key areas.

Two Castles were recently awarded funding to deliver 10 Rent to Buy homes and 10 Shared Ownership homes in Carlisle, following a successful bid through the HCA’s Shared Ownership and Affordable Homes Programme (SOAHP). This was an ‘indicative’ bid – so the site(s) are still to be identified.

## **8. Opportunities for closer working with Carlisle City Council**

### Impact

We are keen to work with the City Council to explore opportunities for Housing Associations to contribute towards providing new affordable homes at the St Cuthberts Garden Village.

### Two Castles

We would be interested to learn more about the planned Garden Village development and what role the Council sees for Registered Providers.