

ESSEX IMPLEMENTATION PROGRAMME: UPDATE 4

Work has been continuing apace over the summer holidays on the restructuring of Housing Division and implementation of the Programme more generally.

Housing Change Programme

Ceri Breeze took up his role as Head of Housing in August. Other posts have also been filled as follows

Head of Housing Strategy	Lisa Dobbins	01685 729225
Head of Supported Housing and Homelessness Policy Team	Simon Prothero	01685 729209
Head of Housing Quality Standards	Brian Gould	01685 729231
Head of Housing Legislation	John Rees	01685 729158
Head of Housing and Communities	Jeff Childs	01685 729191
Senior Regulation Co-ordinator (South)	Lynne Ryan	01685 729166

Other key posts including Head of Operations, Senior Financial Analyst, Head of Housing Funding, Head of Affordable Housing Action Team and two further Senior Regulation Co-ordinators are currently being recruited and the intention is to fill these as quickly as possible. The matching and slotting processes for existing staff are also complete.

The change will 'go live' on 5 October even though not all posts will be filled by that date. We are making arrangements for work to transfer smoothly at this time but please bear with us while the transition takes place. If you have any particular concerns please get in touch with your current contact or the people listed above who will be happy to help.

Essex Implementation Programme

The four Workstreams and their Sub Groups have continued to meet over the summer months and are on track to deliver the Programme's main priorities. The excellent news arising from the recent WERU Report is that we are half way to meeting the 6500 homes target, with 3252 homes built to date.

Strategic Capital Investment Fund (SCIF) - Tranches 1/2/3

The £42m of SCIF and brought forward money has had a significant impact on this achievement. Work is now complete on the SCIF Tranche 1 resources allocated for this financial year. Bids have been made for further SCIF resources in 2010-11 totalling to over £40m to help deliver the remaining unit. A successful would provide more units of affordable housing, unlock 'stalled' private sector sites with section 106 agreements and enable work to start on public sector sites. A bid has also been made for resources to develop the Welsh Housing Bond – more on that later.

As ever competition is fierce for these additional SCIF resources. It's anticipated that the results of these Tranche 2 and 3 bids will be available in October.

Across the Programme we are reaching the end of other key pieces of work:

Intermediate Rental Product

The sub group has worked in collaboration with Tribal Consulting to develop an intermediate rental solution which also gives the tenants the option to acquire the home at a point in the future. The Workstream has supported the proposal, is confident that the solution will work well in Wales and is consistent with solutions being offered by many of the large English Associations. The Deputy Minister will be considering the proposal in the next few weeks and a formal consultation is planned for this autumn. The product is aimed at giving local authorities and RSLs more choice and flexibility in meeting housing need in their areas.

Welsh Housing Bond

Work is continuing to help bring more money into Wales for affordable housing at a time when public money is in short supply.

Phase 1 of the work on a potential Welsh Housing Bond is now complete and this confirmed that using a bond or bonds in Wales is feasible. The Deputy Minister, First Minister and Finance Minister have supported the commissioning of Phase 2 which will look in more detail at how this would be achieved. Work has just been commissioned on Phase 2 and this will be complete in October. The option being considered in more detail is the creation of a Welsh Housing Investment Trust which could not only secure traditional borrowing but potentially allow a significant expansion of new affordable housing including new forms of tenure to meet Housing Strategy aspirations.

CHC and WAG co-organised a Social Housing Banking Summit on 3 July that was chaired by the First Minister and attended by the Finance Minister and senior representatives from major banks and building societies. Lenders reconfirmed their commitment to the sector in Wales and meeting the challenge posed by the One Wales target. The Housing Finance Corporation (THFC) also reported that the European Investment Bank seemed likely to invest in Wales – an announcement is thought to be imminent.

Review of Social Housing Grant (SHG)

The sub group presented their conclusions and recommendations on a new system to Workstream members on 4 September, including recommendations on the allocation of SHG in 2010-11 and 2011-12. The 'brief' to the group had included a requirement to deliver a simple, transparent but effective methodology of allocating resources that would address the recommendations

in the Essex Report. Following extensive discussion with LA housing staff and RSLs over the summer on how this should be achieved, the group has recommended using household projections, affordability and previous expenditure on SHG as a way forward. This is supported by WLGA, CHC and Workstream members as an interim arrangement for up to two years until the Technical Working Group had concluded its work on housing need, demand and supply. The Deputy Minister's agreement to use the new arrangement will be sought shortly and if agreed it will be used for allocating SHG for 2010-11.

Consultation on the wider changes to SHG arrangements will take place this winter. If agreed, 2010-11 will be used for preparation and training for the changeover with implementation in 2011-12.

Physical Adaptation Grants

The Workstream has accepted recommendations from the sub group on new PAG arrangements to be put in place from 1 April 2010. Again this follows extensive discussion with LAs, RSLs and Occupational Therapists (OTs). The proposals include much greater autonomy and responsibility for RSLs, ensuring that the necessary and appropriate adaptations are carried out in a timely and efficient manner. WAG would set a budget annually for each RSL. The intention is to get a better outcome for tenants, minimise WAG scrutiny, improve turn around times, foster sharing of good practice, free up OT time, enable WAG to better plan use of resources.

If the Deputy Minister supports the proposals, a consultation paper will issue this autumn. The new arrangements will be monitored and evaluated to assess their effectiveness.

Strengthening the LA Strategic Housing Role

The WLGA has now developed an Action Plan '*Strengthening the LA Strategic Housing Role*' that will take forward

- recommendations from the Simon Inkson Report
- key issues identified by a Housing Strategy Network/WLGA survey in early 2009 and
- issues raised in the Essex Report and elsewhere about housing service improvement

The Plan has been welcomed by the Deputy Minister, local government and its political leaders.

Regulation

A detailed update on progress with the regulation work is attached in the covering email.

HRAS & Rents

Some areas of work will need to be completed over a longer timeframe because of the complexity of the issues and the work needed to achieve a workable way forward. Two of these issues are rents and a review of the Housing Revenue Account Subsidy (HRAS). Work is about to be commissioned through the Finance Workstream to support this including consideration of the current HRAS system in light of the activity in England and a possible new solution for Wales.

On rents, a sub group is already reconsidering the previous work on tariff with a view to finding a way forward and a wider rent review is also being commissioned.

Future of the Essex Programme

At the recent Social Housing Banking Summit all the partners were very positive about the changes emerging from the Essex Programme with the Minister for Finance and Public Service Delivery keen to promote it as an example of best practice. A year after the Programme was set up, and having achieved a huge amount in delivering change, the time has come to consider future arrangements. Discussions are taking place in Workstreams but it is already very clear that people do not want to lose the new ways of working, the trust, respect and transparency that have become the hallmark of the Programme over the last year. We need to find a way of mainstreaming this in WAG and partner organisations.

Celebrating success, securing the future

CHC, WLGA and WAG will be holding a joint Conference in Cardiff on 26/27 November to reflect on the achievements of the last year and the work going forward post Essex. More information will be available on CHC's website in the near future but if you were at last year's event you'll know that you need to book early to secure a space!