

FAREHAM

BOROUGH COUNCIL

Report to Housing Policy Development and Review Panel

Date **20 September 2018**

Report of: **Head of Housing & Benefits**

Subject: **TENANCY MANAGEMENT REPORT**

SUMMARY

This report provides the Panel with information about the housing management services provided by the Neighbourhood Team.

RECOMMENDATION

It is recommended that the Panel notes the information contained in this report.

INTRODUCTION

1. The Neighbourhood Team is responsible for the day to day management of council housing tenancies. The functions provided by the team include the following:
 - Tenancy & Estate Management (General Purpose and Sheltered Housing)
 - Rent Collection
 - Tenant Involvement
 - Right to Buy
 - Mutual Exchanges
 - Tenancy Fraud
2. The team also play a key role with the Planned Maintenance team in the management of our empty properties and adaptations for disabled tenants.

OUR PROPERTIES

3. The Council owns 2381 properties, comprising 1690 general purpose properties and 691 sheltered properties. The stock figure is affected by right to buy sales, re-purchases, new builds, demolitions and other disposals such as sale on the open market or change of use.
4. A breakdown of our properties by size, type and area can be seen at Appendix A.
5. We also own 582 garages which are let to tenants and private residents.

RENTAL INCOME AND RENT RECOVERY

6. Income due from rents for the current financial year is £12.4 million. For most of our tenants, we charge 'social rent' (set using a Government formula and typically 50% of market rent) but for those in new-build or newly acquired properties, an 'affordable rent' (80% of market rent) is set.
7. In addition to the weekly net rent many tenants pay a service charge for the following:
 - (a) Sheltered Housing Management;
 - (b) Sheltered Housing Support;
 - (c) Block Cleaning;
 - (d) Grounds Maintenance;
 - (e) Heating;
 - (f) Water Rates;
 - (g) Communal Laundry facilities; and
 - (h) Mobility Scooter Storage
8. Many of the service charges are currently eligible for housing benefit. However, the charges for sheltered housing support, heating, water and scooter storage are not therefore tenants must pay the full cost of these services.

9. Housing rents and service charges are set and notified on an annual basis. Two thirds of our residents receive full or partial housing benefit which is paid directly into their rent account. We actively encourage tenants who have rent to pay, to set up direct debits and in recent months we have improved our direct debit service to better suit tenant's individual circumstances.
10. Unfortunately, some tenants fall into arrears with their rent and it is a key priority for the Neighbourhood Officers to intervene at the earliest opportunity to prevent these arrears accruing to unacceptable levels. This intervention could be by way of support to maximise income from benefits or provision of budgeting advice. The options for moving to smaller, cheaper accommodation may also be discussed. In most cases, tenants will agree to a mutually acceptable repayment arrangement and Neighbourhood Officers monitor these cases to ensure the arrangement is being kept to.
11. In cases where the tenant does not engage or does not repay rent arrears, legal action is taken through Portsmouth County Court for the recovery of the debt and in extreme cases, possession of the property.
12. Appendix B to this report provides information about the level of rent arrears.

RIGHT TO BUY, REPURCHASES, MUTUAL EXCHANGES

13. Most tenants who hold a secure tenancy for at least 3 years, except those in properties that are designated as sheltered or disabled accommodation, are eligible to purchase their home through the Right to Buy scheme. Tenants claim up to 70% discount off the purchase price subject to a maximum discount amount of £80,900 (this maximum amount increases each year in April in line with the consumer price index).
14. Over the past 12 months, a total of 15 homes have been purchased through Right to Buy; 8 three bed houses; 6 two bed properties and 1 one bed property. Local authorities can keep 30% of receipts from homes which are sold, with the remaining 70% paid to Central Government. These retained receipts must be spent within three years to fund the provision of replacement stock, although the receipts can fund no more than 30% of the cost of a replacement unit. Where a local authority is unable to spend receipts within three years they must be returned to Central Government together with interest of 4% above base rate.
15. These current restrictions are a barrier to delivery of new stock, either through acquisition or new supply. This national problem has been recognised by the Government and is currently consulting on options for reforming the rules governing the use of Right to Buy receipts. In particular, they are considering extending the timeframe for spending the receipt before having to return any unspent sums from 3 years to 5 years. Also, they would increase the cap to 50% build costs in certain circumstances and enable local authorities to "top up" insufficient Right to Buy Receipts with funding from the Affordable Homes Programme.
16. In the last 12 months, we have purchased 6 properties, comprising 1 x 3-bedroom house, 2 x 2-bedroom house, 1 x 2-bedroom flat, 1 x 1-bedroom bungalow and 1 x 1-bedroom flat. Whilst these properties could become subject to Right to Buy, our outlay is protected through the 'Cost Floor Rule' which will reduce the allowable discount amount accordingly and in some cases, will result in no discount being awarded.

17. Tenants who hold a secure tenancy have a right to exchange (swap) their home. The Council has signed up to a national exchange scheme called HomeSwapper and all secure tenants are eligible to apply through the scheme to exchange with another social housing tenant almost anywhere in the country.
18. The HomeSwapper scheme matches applicants' needs and notifies them of potential exchange opportunities. When tenants believe they have identified a property they are interested in, they contact us for our written consent and where there are no issues to be resolved, most exchanges are complete within 4 weeks.
19. In the last 12 months, a total of 29 exchanges took place; a third of these with other exchange parties living outside the Borough.

SHELTERED HOUSING SERVICE

20. The sheltered housing service enables our older tenants to live independently with the security of help being available should it be required. We have 26 sheltered schemes located across the borough, of which 6 are 'core' schemes with designated Sheltered Housing Officers on hand throughout office hours. Tenants in the non-core schemes are supported by a team of Mobile Sheltered Housing Officers. All tenants have the added security of an alarm system which is linked to a central control centre which is staffed 24 hours a day, 7 days a week throughout the year.
21. Many of our schemes have regular social activities, such as coffee mornings, bingo and raffle sessions and tea parties and they also welcome a variety of external speakers to give talks on a range of subjects. Taking part in Fareham in Bloom is also very popular.

TENANCY SUSTAINMENT AND TENANT INVOLVEMENT

22. The team responsible for delivery tenancy services to our residents are split into two distinct teams. The Sheltered Housing Officers, as detailed above are either based at our core schemes or have a geographical patch. Based in the Civic Offices, the five Neighbourhood Officers each have their own geographical 'patch' within the Borough and they provide both tenancy management and estate management to the tenants in their area. The key function of both teams is to support tenants in maintaining their tenancies by ensuring the terms of their tenancy agreements are adhered to.
23. We provide a range of involvement opportunities and consultation events enabling tenants to be involved in the services we provide and to play a key role in shaping and monitoring housing services. To ensure tenants are able to fulfil this vital role, we fund training and allocate resources where necessary.
24. We facilitate a Tenant & Leaseholder forum, which, chaired by a tenant representative, meets five times a year. Generally, between 25-40 attendees come to these meetings therefore work is currently being undertaken to re-invigorate these events to increase attendance.
25. Neighbourhood Officers carry out 16 estate inspections each year. The inspections are carried out of a defined local area and local tenants and leaseholders are invited to attend to discuss local issues of concern and identify action required to remedy these.

26. Tenant and leaseholder representatives assist in the monitoring of block cleaning, grounds maintenance and gas servicing. This information is used to discuss performance with the relevant service provider throughout the term of the contract.
27. We also provide support to a Tenant Editorial Panel who develop and produce regular tenant's newsletters throughout the year.
28. The Council, in partnership with a number of other local housing providers, organises two training events each year for tenants and leaseholders. Each organisation can send up to 10 representatives to each event.

PROVIDING SAFE AND SECURE NEIGHBOURHOODS

29. We want our tenants to feel safe and secure in their homes so tackling anti-social behaviour and the harm that it can cause, is a priority for us. Anti-social behaviour can be described as behaviour that has caused, or likely to cause, harassment, alarm, or distress to others. This includes hate crime, which is when the victim or another person thinks they are being targeted because of their difference or perceived difference.
30. We try and prevent anti-social behaviour through the following actions:
- Carry out checks before anyone is offered a home, such as previous history of anti-social behaviour. We will also look at what support may be needed to be put in place to help tenants meet the terms of their tenancy.
 - Allocate homes sensitively, especially where tenants are vulnerable or have been victims of anti-social behaviour before
 - Offer Introductory Tenancies to new tenants
 - Encourage tenants to resolve minor nuisance and lifestyle issues themselves
 - Carry out estate improvements to increase the level of safety and security
31. Generally, instances of anti-social behaviour are of a low level and will be dealt with easily and quickly. In more serious cases, the team work in partnership with colleagues from the Council's Environmental Health and Community Safety Teams, together with external agencies such as the Police and health services (mental health, drug and alcohol, etc). A range of enforcement options are available in the most extreme cases, such as the issuing of Acceptable Behaviour Contracts or ultimately repossession action through the court.
32. In the last 12 months, 1 tenant has been evicted from their home due to anti-social behaviour.

TENANCY FRAUD

33. Tenancy fraud occurs when one of our properties is occupied by someone who is either legally not entitled to be there or has obtained use of the property fraudulently. Therefore, it is vital that we tackle tenancy fraud to ensure legitimate tenants have access to affordable homes.
34. Some examples of tenancy fraud are:
- Application fraud – a prospective tenant provides false information on their

housing application in order to gain a property

- Right to Buy fraud – a tenant knowingly provides false information when applying to buy their home under the scheme
- Subletting fraud – a tenant rents out all or part of their property to someone else without our knowledge or permission
- Succession fraud – a person moves into a property when the legal tenant either dies or moves away and that person does not have the right to move in

35. Prevention is always better than cure. It can be a very difficult and expensive process to end a tenancy or take action against those who have committed tenancy fraud so stopping fraud in the first place is a key priority for the team.

36. We reduce the risk of fraud by carrying out detailed residency and identification checks on all our tenants. These checks are carried out at different stages of a tenancy, including at the start of the tenancy, changes to sole/joint, assignment, succession and Right to Buy. All reports of sub-letting and abandonments are investigated in full and appropriate action taken. Our Investigation Officer undertakes tenancy audits to check that the authorised tenant is living at the property and obtains photos of tenants and their signatures which are retained on file for the duration of their tenancy.

37. The counter-fraud work carried out within Tenancy Services, including the numbers and outcomes of fraud cases is reported to the Audit & Governance Committee on an annual basis.

38. A recent investigation has identified a fraudulent Right to Buy application. The investigation began in September 2017 and involved a period of directed surveillance which confirmed that the suspect was not residing in a property owned by Fareham Borough Council and which had allegedly been occupied since May 2017. Instead the applicant was living with a partner elsewhere in the Fareham area and had been for a number of years. We now hold evidence which shows that the applicant has also not occupied a previous property which indicates that this fraudulent activity may also extend to a third address, one owned by a Housing Association. Therefore, he has not occupied much needed social housing accommodation allocated to him after he claimed to be homeless, which should have been allocated to someone genuinely in need. The property the applicant intended to purchase through the Right to Buy scheme has now been recovered and we are prosecuting the individual under Section 2 of the Fraud Act 2006 – Fraud by False Representation.

39. A further Council property has been recovered as a result of an investigation concerning non-residency and a homelessness application found to be fraudulent and so the letting of a Council property was prevented.

RISK ASSESSMENT

40. There are no significant risk considerations in relation to this report

CONCLUSION

41. This report provides panel members with an update about the work of the Tenancy Services team in recent months

Appendices: Appendix A – Council owned homes by size, type and area
Appendix B – Current Rent Arrears

Enquiries:

For further information on this report please contact Caroline Newman. (Ext 4645)