AWICS Housing News

January 2018

The Impact Housing Association AGM in June 2017.
The meeting was told that the finances were 'strong and stable' but the following week it was announced that the Association had been downgraded from V1/G1 to V3/G3 by the Homes & Communities Agency.

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Impact Housing Association and Governance

It has been announced that Impact Housing Association, after 43 years as a locally based housing association providing homes and support to individuals and communities is to be taken over by the Riverside Group.

I stood down as Chair and as a member of the Board of Impact Housing Association in 2015 due to pressure of work, and was succeeded by Mark Costello. However, I have remained a shareholding member of the Association. The role of shareholding members is to attend and vote at the Annual General Meeting to which the Board are accountable.

Impact Housing Association retained a top rating from the Homes and Communities Agency for Governance and for Viability (known as G1/V1) throughout my time as Chair and again in 2016. However, in 2017, the Homes & Communities Agency carried out an in-depth assessment following which it downgraded Impact Housing Association to G3/V3 which is an unacceptable rating.

The Board has concluded that the Association's long-term future would be best secured by forming a partnership with a financially stronger housing association. In agreement with the Homes & Communities Agency, they have submitted a proposal in the form of a Voluntary Undertaking to select an appropriate partner by the end of December 2017. In January 2018, the Board announced that Impact Housing Association would be taken over by the Riverside Group.

The whole process appears to have been shrouded in secrecy and neither Impact Housing Association nor the Homes & Communities Agency (now rebranded as Homes England) appear willing to provide much information to the public, the tenants or even Impact Housing Association's shareholding members.

I have therefore carried out my own investigation during which I have spoken with current and previous board members, senior staff, staff of Homes England and others in the community. Some conversations have been 'on the record' while others have been 'off the record'. What I have discovered is very interesting, not only from the point of view of people who are concerned about the future of Impact Housing Association and the communities that it serves, but also for anyone who is concerned about the governance, viability and regulation of Housing Associations in general.

My intention is to serialise my findings and conclusions in this newsletter and in my blog, starting with this article on governance issues.

The Board consists of eleven elected members including six independent members (who are recruited for their particular skills) and five residents and service users (who are recruited because of their experience as Impact's customers). The Chief Executive is also a member of the Board.

At the time of the Annual General Meeting in June 2015, there were six independent board members, four resident members, a Chief Executive and one vacancy for a resident member. However, between then and the time of the In-Depth Assessment by the Homes & Communities Agency in the autumn of 2016 several board members resigned including all the resident members.

My departure from the Board in 2015 meant that there were no Board members who were accountants or who had any background in finance. It was recognised at the Annual General Meeting of 2015 that this left a skills gap in the Board that would need to be filled urgently. However, it was not until June 2016 that an accountant, Paul Robson, was finally appointed to the Board. Paul was the only new person to join the Board between June 2015 and the down-grading of the Association in June 2017.

The Audit Committee was, and is, chaired by Nick Dangerfield, a board member whose background is in tenant engagement and involvement.

I understand that officers advised the Board that it should be strengthened, especially in financial competency, but the Board did not wish to appoint new members. Apparently, they felt more comfortable as a small group who were familiar with each other. I have been told that the Board did not see a need to fill the vacant positions for residents and service users and it is certainly the case that these vacancies were not, and still are not, filled.

Prior to my joining the Board in 2009, it had been decided to strengthen governance by appointing an independent Company Secretary who would report directly to the Board rather than through the Chief Executive. This ensured that the Board had the benefit of advice on governance issues from a qualified and independent source. This arrangement continued while I was Chair but in 2015 the Board decided to allocate the role of Company Secretary to the Chief Executive's Personal Assistant who I understand received appropriate training.

I am told that the Board ignored advice from officers to address weaknesses in the management of the Association, to seek external advice, and to commission specialist analysis or pieces of work for example around risk management. One person referred to a 'competency and leadership vacuum'.

Accountability was one of the issues that was discussed at the 2015 Annual General Meeting. It was intended to develop an increased role for residents and to increase the shareholding membership. However, the opposite has occurred with all the resident board members leaving the Board and none of them being replaced, and with the shareholding membership declining to only about thirty people. I do not know why the resident board members have left the Board or, why so many shareholding members have left the association.

The Homes & Communities Agency regulator apparently attended one Board meeting and two Audit Committee meetings. I understand the Board meeting was only just quorate, the first audit committee meeting was inquorate, and the second audit committee meeting became inquorate half way through. I have also been told that at the Board meeting, most of the members were 'tired'. I am sure that my informant literally meant 'tired' and that they were not using this word as a euphemism.

The regulator found that there was a failure of governance and leadership. It has been reported that:

"The Homes & Communities Agency lack assurance that the Board is managing its affairs with skill, diligence, effectiveness, prudence and foresight and the foresight is about the strategic direction. Other concerns are… board skills gap… strategies, piecemeal decisions."

Following the In-Depth Assessment, but before the formal announcement of the downgrade, the Chief Executive left the Association. He had been planning for some time to retire at the age of 65 and that date was approaching but I understand that the date of his departure was brought forward and that he also took some leave.

The 2017 Annual General Meeting was held the week before the Homes & Communities Agency announced the downgrading. As it was widely rumoured that the Association would be downgraded, the Chair read out a prepared statement on the matter but refused to take questions until the end of the meeting. This was followed by a financial report in which the finances of the Association were described as 'strong and stable' and that was endorsed by the external auditor. I think that the information provided at the Annual General Meeting was misleading. I left with the impression that a downgrade from G1/V1 to G2/V1 could be expected. I was therefore surprised to find that the downgrade was actually to G3/V3.

The Board then appointed consultants; appointed three new board members; appointed a new Chief Executive and other staff (without advertising the posts); agreed a plan to make £1.3million savings; agreed to restructure the organisation; undertook a strategic assessment of risks and commissioned what has been described as a comprehensive forensic financial analysis. However, this forensic financial analysis has not been made available to shareholding members of the Association. Neither have the shareholding members had any involvement in the appointment of the additional board members who I understand were recommended by one of the consultants.

In November 2017, the Board entered a legally binding Voluntary Undertaking with the Homes & Communities Agency that states that the Association would select an appropriate partner by the end of January 2018 and would seek to complete a merger with the preferred partner by the end of August 2018. The Board took this decision without reference to the shareholding membership. I am surprised that the Board are entitled to enter a 'legally binding' undertaking to merge with another association as I would have thought that this is a decision that could only be taken by the shareholding membership; and should also have required consultation with the tenants.

Shareholding members were invited to a meeting on the afternoon of 15th November 2017. However, this was a briefing session rather than a meeting that could take any decisions. It was convened at short notice; and was only attended by five shareholding members, one board member and three officers. I could not attend due to work commitments but have received a copy of the minutes. It appears that there was no discussion and that only six questions were asked as follows:

- What is the attraction of Impact to a potential partner?
- How big an organisation are we looking at?
- What will happen to tenancy agreements?
- Are others facing similar challenges?
- What do you mean by 'no black hole'?
- How do staff feel?

Following this meeting, the Chair offered one-to-one meetings with shareholding members and I took him up on this offer. During this meeting I asked how shareholding members would be involved in the process. He expressed the view that this could wait until the scheduled Annual General Meeting that is 'pencilled in' about June 2018.

The identity of the preferred partner – The Riverside Group – was not made known until January 2018.

I have asked if the Board have acted since June 2017 under instructions from the Homes & Communities Agency. However, all my sources in Impact Housing Association and at the Homes & Communities Agency have stated that this is not the case and that the Board continue to act under their own initiative.

I have urged the Chair to convene an Extraordinary Annual General Meeting as soon as possible so that the shareholding membership can receive a comprehensive report, consider the situation and the actions of the Board and take any decisions that they feel to be necessary. I have also urged that a meaningful consultation be carried out as soon as possible with tenants to establish the views of tenants.

Many things surprise me about what has happened including:

- Despite downgrading Impact Housing Association from G1/V1 to G3/V3, the Homes & Communities Agency has apparently not produced a report explaining exactly what the weaknesses were that they found and the evidence that they relied on to support their conclusions.
- Despite the conclusion of the Homes & Communities Agency that the Board are apparently not fit for purpose, the Board has not reported to the shareholding membership, has continued in office, co-opted new board members, restructured the association, appointed a new Chief Executive and other senior staff, decided on a merger (including entering into a legally binding agreement) and progressed this decision to the point of selecting a preferred partner – without any formal reference either to the shareholding membership or to the tenants.

Much has been said about the accountability of Housing Associations and their Boards, but this example suggests that Housing Association boards are not actually accountable to anyone – even when they are judged as being not 'fit for purpose' by the regulator.

If anyone at Impact Housing Association or at Homes England would like to comment on what I have written, I would be pleased to hear from them and to publish their comments in my next newsletter.

I intend to write about the finances and financial management of Impact Housing Association in the next edition of the 'AWICS Housing News'.

Fixed and Variable Service Charges

A fixed service charge is where the landlord estimates the cost of providing services to a property at the beginning of each financial year. The tenant pays the service charge throughout the year and at no point will there be additional amounts to pay or refunds due back. This is the usual approach when making service charges to tenants.

Variable service charges occur where the landlord sets an estimated charge at the beginning of the financial year, and then produces a final account once the year is complete. The final account compares the actual costs in delivering services to a property against the estimate that was set, and may result in a credit back or an additional amount due from the resident. This is the usual approach when making service charges to leaseholders.

The legal definitions are:

- Variable regime – Old leases often have fixed charges with an inflationary uplift. By the 1960s this led to significant under-recoveries especially where in older buildings there were significant costs of repair and renewal. However, it is unusual to have a contract where it is not specified exactly what residents would have to pay. This resulted in legislation to protect the interests of variable service charge payers.
- Fixed service charges – there is no definition in law. The only reference is in section 27 of the 1985 Act that exempts people paying fixed service charges from some of the rights that are held by variable service charge payers. This is because payers of fixed service charges are not deemed to be in as much need of legal protection as payers of variable service charges.

Section eighteen of the Landlord & Tenant Act 1985 defines a variable service charge as follows:

"Service charge means an amount payable by a tenant of a dwelling as part of or in addition to the rent-
(a) Which is payable… for services, repairs, improvements, maintenance, insurance or the landlord's costs of management and
(b) The whole part of which varies or may vary according to the relevant costs.

"The relevant costs are the costs or estimated costs incurred or to be incurred by or on behalf of the landlord… in connection with matters for which the service charge is payable.

"For this purpose costs includes overheads and costs are relevant costs in relation to a service charge for which they are incurred, or to be incurred in the period for which the service charge is payable, or in an earlier or later period."

The Commonhold & Leasehold Reform Act 2002 amended provisions for variable service charges under the 1985 and 1987 Landlord & Tenant Acts. Section 152 outlines the information that must be provided to tenants and allows for tenants to withhold service charges if inadequate information is provided (however this has yet to be enacted). Section 153 provides for an accompanying notice. Section 154 entitles a tenant to inspect documents.

In January 2008, in the case of Home Group Limited v Lewis and others, the Lands Tribunal held that, while a tenancy agreement did not link any alteration in the service charge with an alteration in the cost of providing the services and there was no year-end accounting requirement for a payment of a balancing charge, the service charge was not a 'variable charge' within the meaning of section 18(1) of the Landlord & Tenant Act 1985.

In defining best practice, the National Housing Federation states that:

"The decision between a fixed and variable service charge regime is one for each housing association to make, and often will be finely balanced. A variable regime means much more stringent procedures but in exchange it guarantees that the landlord… can recover every penny spent on services. Generally, the larger the service charge in relation to the net rent, and the likelier it is to vary unpredictably from year to year, the stronger the case for a variable charge. However, in general needs housing, where service charges are relatively low and reasonably stable, a regime of fixed charges may well be adequate."

The implications of fixed service charges are:
- A Long-term approach
- Spreading and sharing risk
- Simplicity and certainty
- Major works and costs varying – this is a major problem with fixed service charges. If an inflation index is used, the building costs index is more appropriate than a general price index.
- The service charge doesn't relate to annual cost – but over the long-term should equate to annual costs.

The implications of variable service charges are:
- Litigation and challenges are common.
- A healthy process to go through as the landlord needs to identify and justify costs annually.
- Workload, logistics and deadlines are more complex.
- Statutory and regulatory framework is more complex.
- Accuracy year to year and management information is required.

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works.

Our 2018 series of seminars on: 'All You Want to Know about Service Charges in Social Housing' starts with a session in London on 27th February 2018. For further information or to make a booking, please click here: http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-2018

Funding Supported Housing

The Government is planning to change the way in which Supported Housing is funded with separate arrangements for sheltered housing, short-term supported housing and long-term supported housing. In future, landlords will be expected to set rents and service charges in sheltered housing based on a new 'sheltered rent' set by government that will, in effect, also be used to cap housing benefit and the housing element of universal credit. Short-term supported housing will be funded through a new locally administered grant. Long-term supported housing will be funded largely as it is now. The Government states that it is committed to protecting and boosting the supply of supported housing and ensuring it provides value for money and works for those who use it as well as those who pay for it. The government made a policy statement and started a consultation in October 2017.

Marcus Jones MP, a Parliamentary Under-Secretary of State at the Department for Communities and Local Government, made a statement in the House of Commons on 21st December 2017 that provided more details about the government's proposals for the future funding of supported housing.

This followed some providers expressing concerns about councils controlling the funding of short-term supported housing such as women's refuges and homelessness shelters, including that:

- It could result in a postcode lottery where some councils are keener to fund the accommodation than others.
- That the funding could be spent by councils on other areas of work if the ring-fence was removed.

For example, Rick Henderson, the Chief Executive of Homeless Link, said that:

"While the commitment that the Local Housing Allowance will not be applied to supported housing is welcome, other elements – in particular, the removal of short-term accommodation from the benefits system – are worrying, and have serious implications for the future security and sustainability of funding for these vital services."

Marcus Jones said that:

"We said that funding for housing costs for sheltered and extra-care housing will stay in the welfare system and that we will introduce a sheltered rent for sheltered and extra-care housing—a type of social rent that will cap the amount that providers of such housing can charge for gross rent. We will work closely with the sector to set those limits at an appropriate level and, more generally, to protect provision and new supply. We will bring in existing supply at existing levels of rent and service charges.

"We also said that long-term supported housing, such as permanent housing for people with learning or physical disabilities, or long-term mental ill health, will remain in the welfare system and that we will look to work with the sector to develop greater cost control. All short-term provision currently funded by the welfare system will continue to be funded at the same level by local authorities in 2020. Housing costs will be funded directly by local authorities through a ring-fenced grant—that ring fence will remain in the long term. The amount of grant funding will continue to take account of the costs of provision and of the required growth in supply.

"For short-term accommodation, we are proposing a new and separate model to take account of the particular needs it presents. All short-term provision, for example, hostels and women's refuges, currently funded by the welfare system will continue to be funded at the same level by local authorities in 2020.

"As noted in the recent Budget 2017 documents, there will be a transfer of funds from welfare spending to my Department from 2020/21… The amount of grant funding for this part of the sector after 2020 will continue to take account of the costs of provision and the growth of future provision. I recognise that there are also concerns about how new arrangements for local authorities to directly fund short-term accommodation will work. Again, I want to make it clear that our aim, in making these changes, is to allow residents to be able to keep and find work without having to worry about meeting their housing costs at a particularly difficult time in their lives.

"The changes will also help people to move on without carrying a legacy of rent arrears and debt, and ease the administrative burden for providers who will no longer need to collect rents and service charges from residents. Councils have a strong interest, too, in sustainable short-term accommodation that meets local needs. The new model gives them a bigger role in commissioning short-term accommodation, as well as in strategic planning for supported housing—the Local Government Association has welcomed that. This strong local focus runs right through our plans, encouraging greater engagement at a local level, with quality, positive outcomes for residents at the forefront."

The government's consultation concludes on 23rd January 2018.

I have written a briefing paper on the government's policy statement and consultation paper on funding supported housing. To view or download a copy, please click here: http://awics.co.uk/files/module_document_pdfs/funding_supported_housing_-_policy_statement_and_consultation_paper_-_briefing_paper.pdf

We will be holding seminars on 'Funding Supported Housing' in April 2018. For further information or to make a booking, please click here: http://awics.co.uk/funding-supported-housing

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The Scottish Budget and its implications for Housing

The Scottish Government's Budget for 2018/19 was announced by Derek Mackay, Finance Secretary on 14th December 2017.It included the following announcements for housing:

- Increase investment in housing to £756million and work with partners to develop plans to increase the delivery of more affordable homes, the majority of which will be for social rent;
- Continue to support home ownership through the Help to Buy and Open Market Shared Equity schemes units;
- Continue funding for the Rural and Islands Housing Funds;
- Make the first £10million of the £50million Ending Homelessness Together fund available to drive change and improvement towards ending homelessness;
- Help tackle infrastructure blockages through a flexible grant and loan fund, and a new Rental Income Guarantee Scheme to support Build to Rent; and

- Continue to tackle fuel poverty and improve the energy efficiency of Scotland's homes through the Home Energy Efficiency Programmes for Scotland.

The Housing Budget will increase from £707million in 2016/17 to £739million in 2017/18 and £892million in 2018/19. This represents an increase of 21% from 2017/18 to 2018/19 and an increase of 26% from 2016/17 to 2018/19 – a significant real terms increase. In 2018/19 the budget for more homes will be £723million, for fuel poverty and energy efficiency will be £114million, for housing support will be £51million and for communities' analysis will be £4million.

Angela Constance, Cabinet secretary for communities, social security and equalities, told the 'Scottish Housing News' that the Budget shows the government's commitment to continuing its major expansion of affordable housing with a 28% increase in funding for housing supply and said that:

"We are ambitious for housing across all tenures through our More Homes Scotland approach, committing over £3billion to deliver 50,000 affordable homes over the five years of this Parliament. 70% of today's housing budget – in fact, £522.6million of it – continues to be capital funding for the affordable housing supply programme, chiefly for new social housing. This is a £147million increase on the equivalent figure for 2017/18.

"We're also supporting home ownership through our shared equity schemes and working with industry to increase supply across all tenures through growing the emerging Build-to-Rent sector in Scotland and targeting housing for investment from the new Building Scotland Fund. I believe that this approach is the most powerful way to deliver more housing for a fairer Scotland."

Annie Mauger, Executive Director of the Chartered Institute for Housing in Scotland, said that:

"As part of today's budget announcement, we strongly welcome the Scottish Government's commitment to invest £743million next year towards meeting its target of delivering 50,000 new affordable homes over the lifetime of the current Scottish Parliament. It was also encouraging to hear reconfirmation of the Scottish Government's commitment to create a £50million 'Ending Homelessness Together' fund and to target this funding in accordance with the recommendations of the homelessness and rough sleeping action group. Chartered Institute of Housing Scotland will continue to feed into the work of this important group to enable it to make a real difference.

"We would highlight the significant success of Housing First initiatives across Scotland and the United Kingdom, as demonstrated by a special report recently published by the Chartered Institute of Housing Scotland. Our hope is that the Scottish Government, guided by the homelessness and rough sleeping action group, will look seriously at further Housing First initiatives as a potential target for investment of the 'Ending Homelessness Together' fund over the forthcoming year.

"With the recent acquisition of significant new powers, we also look forward to the Scottish Government's future policy on social security beginning to take shape next year with the creation of a new Social Security Agency. The Chartered Institute of Housing Scotland has consistently highlighted the negative impact of certain aspects of welfare reform on the housing sector and we look forward to working with the Scottish Government to deliver a social security system that has dignity and respect at its heart."

Sarah Boyack, Head of public affairs at the Scottish Federation of Housing Associations, welcomed the increase in the More Homes Programme. She said that:

"The increase of £138.9million for the More Homes Programme is a very welcome announcement for the social housing sector. This funding – and the increase in the planning budget of £4.1million – should further assist our members in contributing towards the Scottish Government's 50,000 affordable homes target and help to house more people who are in desperate need of a home of their own.

"The investment will also secure jobs and training opportunities, key challenges identified by our members in our Brexit report earlier this year. Access to the National Manufacturing Institute for Scotland and the Building Scotland Fund will be important for Scotland's construction industry to secure new, innovative housing.

"While we welcome the government's commitment to invest £60million in a Low Carbon Innovation Fund to deliver innovative low carbon energy infrastructure solutions, we are disappointed to see that there is only an increase of £0.2million in funding in the Draft Budget for fuel poverty and energy efficiency. The recent Scottish Household Condition survey showed that there are more housing association households in fuel poverty compared to the national average and… to tackle this and invest in energy efficiency, our members will require further funding.

"The Draft Budget includes an additional £4.3million for social security, which is welcome funding for mitigating welfare reform policies such as the 'bedroom tax'. The Scottish Federation of Housing Associations looks forward to working with the Scottish Government on the creation of Scotland's new Social Security Agency to create a fairer system for all."

The Scottish Government is providing an increased budget for housing in 2018/19 and this has been generally welcomed by the sector. The Scottish Government's housing targets, especially its target to build 50,000 new affordable homes over five years, are ambitious. The main obstacles to their achievement are probably the capacity of the Scottish Government and housing sector to deliver rather than the adequacy of the funding.

I have written a briefing paper that summarises the implications for public services in Scotland and the response of the sector and to provide some commentary. Your copy can be freely downloaded from here: http://awics.co.uk/files/module_document_pdfs/scottish_budget_2018-19_-_the_implications_for_public_services_-_briefing_paper.pdf

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Loreburn Housing Association to open dementia facility and youth foyer in Stranraer

Loreburn Housing Association has been given the go-ahead by Dumfries and Galloway Council to build dementia-friendly housing alongside an innovative 'Youth Foyer' on the site of the former Garrick Hospital in Stranraer. The proposals will see the creation of eight one-bed and four two-bed 'extra care' dementia-friendly homes. New parking spaces for 37 vehicles will also be created on the site.

Built alongside the new homes, the Youth Foyer will offer supported accommodation for up to twelve young people, to combat youth homelessness and to increase employment and opportunity. Youth Foyers, that are recognised as international best practice, provide safe and secure housing, support and training for young people aged 16 -25. The Stranraer Foyer will be a first for Dumfries and Galloway and only the second foyer in Scotland.

Young people living at the Foyer will be expected to be either in education, an apprenticeship, other employment or training, and will have access to volunteering opportunities within the community. The Youth Foyer will also offer community access areas, a state of the art conference facility, breakout spaces and access to Wi-Fi, creating a transformational space for Stranraer and Wigtownshire.

Lorraine Usher, chief executive at Loreburn Housing Association, said that:

"Our idea to create dementia-friendly accommodation alongside a youth foyer in Stranraer has been on the cards for a long time, so to have got the go-ahead from Dumfries & Galloway Council is really exciting news for the whole community, as this is a development which will bring so many benefits. Everyone at Loreburn is delighted and I am especially pleased for development team who have worked hard to bring this project to fruition. By offering shared space which is accessible to grassroots and public bodies alike there is an opportunity to address issues that lead to poor health and wellbeing outcomes for people in the area.

"The building will be for the whole community, who will be able to use its meeting rooms, break-out spaces and Wi-Fi. The architects for the development have an excellent track record in residential design, and it will also be eco-friendly and sustainable, using a district heating system and photovoltaics."

Work on the new development is expected to start on site in spring 2018 and finish in summer 2019.

Homelessness Services in Wales

A Welsh Audit Office report has investigated homelessness following the implementation of the Housing (Wales) Act 2014, that placed a duty on councils to help to prevent at-risk people from becoming homeless. The report may also be of interest in England where a similar approach to homelessness will soon be taken under the Homelessness Reduction Act 2017.

The Welsh Government has provided £11.5million of grant funding between 2015 and 2018 to help councils with their new duties, with an extra £6million a year promised in 2018/19 and 2019/20. However, the Welsh Audit Office has found that the overall level of funding on homelessness and housing advice services had fallen in real terms.

In 2015/16, the 22 Welsh local authorities spent £27million on homelessness and housing advice, compared to £33million in 2009/10. Taking inflation into account, the Welsh Audit Office calculates that this is a reduction of 26%.

The report found that there is an increase in the number of people living in temporary accommodation and that prevention services are becoming less effective. There was an increase of 57% in homelessness in Wales last year, despite an increase in the number of people assisted into stable accommodation by councils. A survey of 750 citizens also found that the provision of temporary housing and services for those at risk of becoming homeless were rated as the poorest quality service provided by local authorities.

The Wales Audit Office has therefore urged local authorities to take stock of their homelessness services. The report recommends that local authorities review their services to secure funding for prevention. It states that:

"Reviews should consider use of Supporting People as well as general council fund monies to support delivery of the authority's homelessness duties."

And Huw Vaughan-Thomas, Auditor General, said that:

"My report today highlights that despite the positive intentions of the Welsh Government to prevent homelessness, Local authorities continue to focus on managing people in crisis rather than stopping them getting into crisis in the first place. To truly prevent homelessness public bodies need to take a long-term view and work with other organisations to really tackle the issues that cause homelessness. This requires a focus on, for example, better educational attainment, access to employment, well-planned transition when leaving care and access to welfare benefits."

In December 2017, research carried out by 'Inside Housing' found that of the 2,918 leasehold properties that the eleven stock holding local authorities in Wales have sold under the 'right to buy', 1,235 (or 42%) are registered as having an away address for the leaseholder, indicating that they are being sub-let.

The Welsh Assembly has now voted to end the 'right to buy' in Wales.

The United Kingdom Housing Market

Sajid Javid, now the Secretary of State for Housing, Communities & Local Government, has announced that the sections of the Housing & Planning Act 2016 that will oblige local authorities to sell high value council houses will not be implemented until April 2019. He also asked an interesting question at a recent National Housing Federation conference as follows:

"In one of the richest, most privileged corners of the United Kingdom – the world even – would a fire like this (Grenfell Tower) have happened in a privately owned block of luxury flats? If you believe the answer is 'no' even if you think it was simply less likely, then it's clear that we need a fundamental rethink of social housing in this country."

Research by the Halifax, reported in the Guardian shows that the housing market across the United Kingdom has slowed considerably during 2017 with forecasters predicting that increases could slow to a halt during 2018 amidst the 'uncertainty' caused by 'Brexit'. During 2017 the largest increases in house values were recorded in Cheltenham, Bournemouth, Brighton, Crawley and Newham; while the largest reductions in house values were recorded in Perth, Stoke, Paisley, Wakefield and Rotherham. However, with real incomes falling this slow-down is not expected to make homes more affordable.

And in an article in 'Inside Housing', Mark Perry, Chief Executive of Vivid Housing Association pointed out that:

"Across the United Kingdom more than four million people in owner-occupied housing live below the poverty line."

It appears that the housing market in Britain is currently failing social tenants and owner occupiers!

Editorial Note

The AWICS Housing News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

Feedback

Last month's edition of the 'AWICS Housing News' prompted the Chief Executive of a Housing Association to write to me as follows:

"Great stuff. It's like reading the Guardian Weekly- a periodic potted summary of the shambles that is English housing policy......."

All feedback from readers is welcome and should be sent to adrian.waite@awics.co.uk

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AWICS Surveys

At AWICS we value feedback from our clients and from users of our website. This is for two reasons:

- We actively seek feedback from clients so that we can evaluate what we are doing now and use the information to improve our services in future.
- We like to have a dialogue with clients and users of our website so that we can understand their developing needs and provide services to meet them as part of a long-term commercial relationship.

We have therefore developed a series of surveys and questionnaires that can be found at: http://awics.co.uk/questionnaires-and-feedback

These include surveys about our seminars and our webinars. Whether or not you have attended one of our seminars or webinars recently, I would be grateful if you could assist us by completing one of our short surveys.

The survey on seminars can be found at: https://form.jotformeu.com/71926426584364 and the survey on webinars can be found at: https://form.jotformeu.com/73325960384360

All You Want to Know about Service Charges in Social Housing - Seminar

We are holding our 2018 series of seminars on 'All You Want to Know about Service Charges in Social Housing' between February and September 2018. This seminar is designed to give an introduction and overview to this important subject and is fully up to date with all developments.

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works.

Housing Associations have traditionally levied service charges with most local authorities in England introducing them in the 'noughties'. Financial constraints and proposals for the future funding of supported housing are leading many local authorities and housing associations to look at reviewing their approach to service charges. The rolling out of Universal Credit is having an impact on benefit entitlement for service charges.

According to the Homes & Communities Agency, Service Charges income in English housing associations fell short of service charge costs by £300million (20%) in 2016, a wider margin than was the case in 2015. This represents a significant cost that could be avoided if full recovery of service costs could be achieved as is regarded as best practice. The situation in local authorities is similar.

These seminars are suitable for people who are not experts in service charges, but who need to understand the basics and achieve an overview of what is going on. They are suitable for councillors, board members, housing managers, legal staff, finance staff, tenant representatives, members of the service charges team with limited experience and others who realise that an understanding of service charges can place them at an advantage!

What the Sessions Cover:

- How do Service Charges work in Housing Associations and Local Authorities and for Leaseholders and Tenants?
- How are service charges calculated?
- How to de-pool service charges?
- When are service charges eligible for housing benefit / universal credit?
- Service Charges in Supported Housing
- Service Charge issues and how to ensure excellent customer service?

The sessions are accompanied by a very useful 100-page book that is designed for reference after the session entitled: "All You Want to Know about Service Charges in Social Housing 2018"

The cost of this seminar is £250 plus VAT making a total of £300. **However, there is a £20 discount for people who book a month or more in advance making the cost £230 plus VAT making a total of £276. The cost of this seminar in Manchster is £195 plus VAT making a total of £234.** However, there is a £20 discount for people who book a month or more in advance making the cost £175 plus VAT making a total of £210.

Venues and Dates:

- **London:** Novotel Hotel, Waterloo - 27th February 2018
- **North:** Novotel Hotel. Manchester – 22nd May 2018
- **London:** Novotel Hotel, Waterloo – 11th September 2018

For further information or to make a booking, please click here: http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-2018

Other AWICS Seminars

Our next seminars include:

- All You Want to Know about Local Authority Housing Finance
- Funding Supported Housing
- Local Housing Companies and Development

Information about all our seminars can be found at: http://awics.co.uk/seminars-2018

Feedback that we have received at our seminars can be found at: http://awics.co.uk/course-feedback

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About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly. Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk. Services that we offer include:

- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars - http://awics.co.uk/seminars-2018
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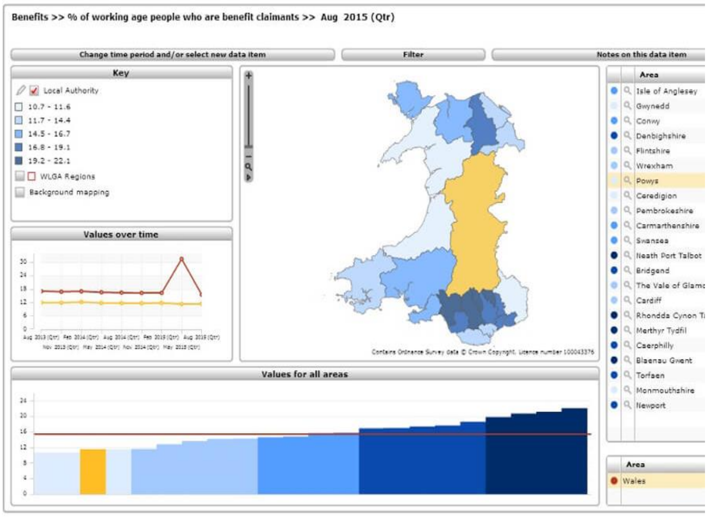

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