

Report Title:	City West Housing Trust 6 monthly Update Report
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Report For:	Salford City Council

Report Purpose:
The purpose of the report is to inform the full council on the activities of City West in Salford on behalf of the City West Council Board members.

Report Implications:			
Key:	High: 	Medium: 	Low: 

Community Impact: 	Viability: 	Homes: 	Growth with Purpose: 
Legal: 	Service Excellence: 	Social Impact: 	People: 
Overall Implication Rating:			

Report Recommendations:
For information and comment as required

1.	Background & Detail
1.1	<p>City West Housing Trust was created in October 2008 following a successful tenant ballot and subsequent transfer of stock from Salford City Council. The City Council currently has two nominated representatives on the Trust's Board, a reduction of two members from May 2016 in line with the transfer agreement. The current representatives are Councillor Dawson and Councillor Hamilton, the latter replacing Councillor Lewis in 2018.</p> <p>The Trust completed the delivery of the offer document promises in 2013 and continues to maintain a strong partnership relationship with the City Council across a number of areas of activity. The ongoing legal responsibilities are set out in the transfer agreement between City West and Salford Council.</p> <p>In 2015 City West formally joined a new legal partnership, a Group structure called ForViva, alongside Villages Housing Association (operating in Oldham and Knowsley) and ForWorks (formerly City West Works.) A more recent development relates to the acquisition of Liberty Group Limited in July 2016, a commercial property and gas maintenance company operating nationally and now incorporating ForWorks.</p> <p>Some further governance changes have now been approved by the Board and will take effect in April 2019. These will be covered in summary later in this report.</p>

1.2	<p>Housing Benefit and Welfare Reform City West continues to support tenants affected by welfare changes.</p> <p>Our approach is to work in partnership with external support agencies to reduce the overall largely adverse impact of Welfare Reform on tenants and the organisation through effective:</p> <ul style="list-style-type: none"> • Preventative action • Communications • Advice & Support • Challenge in appropriate cases 						
1.3	<p>This approach provides a clear framework for support interventions for tenants affected by the changes together with suspended or delayed arrears action, alongside robust challenge mechanisms for tenants who do not engage to find solutions to their financial problems.</p>						
1.4	<p>We have recently undergone an internal audit exercise, which returned an assessment that our preparations for the roll out of full service Universal Credit (UC) in Salford were substantial both for design and operational effectiveness. This will now be subject to a phase 2 review in December to review the initial impacts post implementation and to what extent these have been mitigated.</p>						
1.5	<p>We continue to provide a strong Financial Support offer linked to the Council's anti-poverty strategy. This includes two dedicated officers who are able to support tenants through the early stages of their UC claim and offer proactive and dedicated guidance to tenants who may need to challenge external agencies on the regulations and legislation of any areas of Welfare Reform. These officers also provide basic budgeting advice to tenants whilst referring and signposting them to expert external agencies, where appropriate.</p>						
1.6	<p>Our Financial Support offer also includes supporting tenants to access external grants and help with housing benefit backdates. The offer has maximised tenants' income by £106k so far this year. We currently have 1109 tenants who are claiming UC in Salford that we are aware of. The overall rent collection rate for these tenants for 18/19 is 93.05%, which is significantly lower than our collection rate for all tenants.</p>						
1.7	<p>The collection rate for UC tenants where City West has been receiving an Alternative Payment Arrangement (APA) from the DWP for 18/19 is 95.75%. This cohort of tenants will also be paying off their arrears either themselves or through a Rent Direct payment from the DWP. If the DWP are paying this then the deductions towards their rent arrears is far greater (up to 20% of their personal allowance, circa £70 - £100 per month) than if the customer was self-paying, which is usually around £15.00 per month. This would explain a higher collection rate than those tenants who are not subject to an APA.</p>						
1.8	<p>The collection rate for UC tenants where there is no Managed Payment in place is 91.2%. This group of tenants are the group who are self-paying their rent once they receive their UC payment.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">UC overall</td> <td style="text-align: center;">APAs</td> <td style="text-align: center;">Non APAs</td> </tr> <tr> <td style="text-align: center;">93.05%</td> <td style="text-align: center;">95.75%</td> <td style="text-align: center;">91.2%</td> </tr> </table> <p>In Salford, 37% of non UC tenants are in arrears with an average arrears balance of £431. For those tenants on UC, 78% of them are in arrears with an average balance of £676.</p>	UC overall	APAs	Non APAs	93.05%	95.75%	91.2%
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1.9	<p>As those tenants who were/are claiming UC under the Live Service are currently (commencing from the 17th October) being migrated onto the Full Service of UC, we have set up an internal Task Team to make immediate contact with tenants on the day we receive the Housing Costs verification request from the DWP. This will enable us to identify any support issues where we may be able to support through our own mechanisms, or refer them to a relevant support agency. The DWP inform us that this migration should be completed approximately 4-5 weeks after commencement.</p>						
1.10	<p>The Salford City Council-led UC Planning Group has now come to an end and future work will now fall under the Financial Inclusion Practitioners' group. City West supported the Planning</p>						

	Group throughout and provided key information, such as the directory of support agencies, to form part of the UC Guide.
1.11	When the more recent benefit cap was implemented in December 2016 the arrears value of the 79 households who are affected stood at £23,805 which is an average of £301 per household. The average reduction of housing benefit per household is £40 per week and as there's been 88 charged rent weeks since December 2016 each household's rent account could have potentially increased by £3,520. However, with our dedicated resource to support these tenants the average increases in arrears per household is only £282. That said this is clearly another example of welfare reform changes having adverse impacts on tenants.
1.12	Our engagement and relationship with the Council's housing benefit department has supported tenants in quickly claiming Discretionary Housing Payments and/or housing benefit backdates and reconsiderations. This strong relationship with the council and our dedicated support resources within our Income Team has particularly supported those affected by the benefit cap. As a result, no benefit cap affected household has been evicted due to rising rent arrears.
1.13	We continue to source external funding through St Martin's in the Field Vicar's Relief Fund which offers small grants to help prevent homelessness.
1.14	City West High Rise Fire Safety Update 5 of the 6 central Eccles high rise blocks affected by the ACM cladding issues have now had the remediation works completed with the last block due to complete in mid November 2018. GMFRS and Building Control have been kept fully involved throughout the remediation works and Building Control sign off has already been achieved on 4 of the blocks with 2 to follow mid November 2018.
1.15	Cladding remediation works to the 5 Barton Village blocks - which have cladding installed to the top floors only - will commence next month and is programmed to complete by September 2019. Confirmation has been received from Homes England that an application to the Cladding Remediation Fund through MHCLG has been successful and funding agreements have now been signed and returned, in order to receive the funding.
1.16	Sprinkler works to all City West high rise blocks are now complete. These cover both communal areas and individual apartments and are linked to the existing monitored heat and smoke detection equipment throughout the blocks. Feedback from tenants in relation to the sprinkler installations has been extremely positive with all properties being accessed, works undertaken with minimal disruption and the completed installations being unobtrusive. The installations included the upgrading of the water storage tanks and provision of a separate water supply and booster pumps feeding the sprinklers, operated from its own electrical supply. An annual sprinkler checking programme is being implemented to ensure that all sprinklers remain fully active, if a fire was to occur.
1.17	All fire compartmentation throughout the blocks is now recorded and photographed on a fire stopping register. This forms part of our fire strategy and Type 3 FRA's. All fire safety related service and maintenance contracts are fully up to date and there are no outstanding remedial actions in relation to these. A fire safety internal audit completed across the whole business in June 2018 for both asset and people related elements resulted in a substantial/substantial assurance rating. We are increasingly seen as a voice in the sector on high rise fire safety having moved very quickly to take appropriate remedial action post Grenfell. We are connected to the work of the Greater Manchester Housing Providers and the various government taskforces although strategically our priority has been tenants feeling safe and their peace of mind.
1.18	GMFRS have deemed that waking watch is no longer required on any of City West high rise blocks with these now operating a "stay safe" policy.

	Ongoing fire safety support and advice is being provided to tenants on a regular basis to ensure that the fire safety stock asset investment is complimented by good fire safety house keeping and management..
1.19	<p>Development</p> <p><u>LGBT Scheme at Great Clowes St</u></p> <p>14 units for Affordable rent set below Local Housing allowance level. The scheme is progressing well with handover and completion due at the end of January, 2019. Meetings have taken place with Salford Council with regards to the proposed lettings process as this isn't straightforward. The lettings arrangements will be finalised by end of November in conjunction with the LGBT foundation and shared with Salford Council as soon as possible thereafter.</p>
1.20	<p><u>Radclyffe Park</u></p> <p>39 units for Affordable Rent for key workers with rent levels at market rent and providing much needed accommodation for workers who will add value to the City's economy. The scheme is progressing well with handover expected at the end of January, 2019. Meetings have taken place with Salford CC with regards to the lettings process with advertisements to go out at the end of November, 2018 following confirmation of definitions for key workers..</p>
1.21	<p><u>Corporation Road</u></p> <p>33 units for Affordable Rent. The scheme was completed and handed over in July, 2018 with all units let on day 1.</p>
1.22	<p><u>ForFutures</u></p> <p>44units for Social Rent of £67 per week across 3 sites with all amenities included in a single studio type unit including WiFi. All 3 planning applications submitted with the applications at Haddon Road and Somerset Road validated. A noise survey is taking place w/c 12th November, 2018 for the site at Vicars Street which will enable the planning application to be validated.</p> <p>Discussions are ongoing with Liberty Construction with regards to the construction/works cost. Once construction costs are finalised the formal grant bid will be submitted to Homes England. Planning approval is expected in January, 2019 with an immediate start on site. Aim of the scheme is to actively prevent and address homelessness with potential applicants receiving wraparound support to address and range of support needs including the employment offer. We will be looking to promote the scheme as part of our wider activity to address homelessness.</p>
1.23	<p><u>Tyne Court, Walkden</u></p> <p>This 36 unit Affordable Rent apartment scheme is developing well and is targeted for completion in March 2019. Full advertising and lettings through Salford Home Search will take place in due course</p>
1.24	<p><u>Russell House and Whittlebrook House, Walkden</u></p> <p>This 17 units scheme of houses and bungalows in Walkden, being built by Liberty, due to complete on site in January 2019. One unit was lost on the Russell site due to the unearthing of an old burial ground. After long and extensive enquiries, it could not be established if the burial ground had been dealt with previously so the risk in time and cost made it too prohibitive to pursue and the unit has been removed from the contract and the Homes England Programme.</p>
1.25	<p><u>Governance Changes</u></p> <p>Following consultation with stakeholders including tenants, the Board have approved a significant governance change which will see City West change it's name to ForHousing with Villages Housing ceasing to exist and essentially merging with City West. The rationale for the change is to simplify an increasingly complex group structure following the recommendations of the regulator at the 2017 In Depth Assessment (IDA), to improve the consistency of service delivery across the relevant legal entities and to clearly separate commercial activities from social housing activity.</p>

	<p>In summary the change on the housing side of the business is predicated on a concept of fully integrating the housing related activity across the Group and bringing it under a single legal entity. As a result of this change Villages will transfer to City West under a transfer of engagement and will cease to exist as a legal entity. The new organisation comprising of City West and Villages will be renamed ForHousing and will operate in shadow mode prior to a 'going live' in April 2019.</p> <p>There will be no impacts in terms of services, activity or staff as it will be the same staff delivering the same services from the same locations. Stakeholders including tenants either did not have an opinion or welcomed the change. In terms of Salford Council, there will be no implications as the commitment to Salford and partnership working will remain. In terms of the Board, Councillors Dawson and Hamilton will retain their seats on the new ForHousing Board and we are not looking at changing the make up of the Board at this stage.</p>
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2.	Conclusion
2.1	<p>This report is provided every six months to the full council on behalf of the City West Council Board members. As well as the ongoing areas of legal responsibility as set out in the transfer agreement, the report covers any areas that been identified as being important and of interest.</p> <p>If any further clarification is needed on specific items or if other issues arise that are of interest then we are happy to discuss them at any point.</p>

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