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COMMITTEE: **JOINT HOUSING BOARD**

VENUE: **Council Chamber, Council
Offices, Corks Lane, Hadleigh**

DATE: **Monday, 24 April 2017
at 2.15 pm**
(refreshments available from 1.30 pm)

Members

Babergh District Council:

Ms J Jenkins
Mr T Bavington
Ms J Osborne

Mid Suffolk District Council:

Mrs L M Mayes
Mr N Gowrley
Ms S Mansel

Tenants:

Mr M Berry
Mr R Chapman
Ms M Hilton
Mr S Phillips
Mr J Taylor
Mr K Wykes

A G E N D A

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PART I

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- 2 **To receive any declarations of pecuniary or non pecuniary interests**
- 3 **To confirm the Minutes of the meeting held on 20 March 2017** 1 - 16
- 4 **JHB/17/17 - Customer Profiling/ Insight/ Segmentation/ Tenant and Landlord Relationship** 17 - 22
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9 **RESOLUTION TO EXCLUDE THE PUBLIC (WHICH TERM INCLUDES THE PRESS)**

Recommended Motion

That under section 100(4) of the Local Government Act 1972 the public be excluded from the meeting for item 12 on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act in the paragraphs registered against the item

Note: *Information is exempt only if:*

- *It falls within one of the 7 categories of exempt information in the Act and;*

In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

PART II - MATTERS TO BE CONSIDERED WITH THE PRESS AND PUBLIC EXCLUDED

10 **JHB/19/17 - Update on Housing Revenue Account Development and Investment Activity** 65 - 68

(Anne Bennett, Corporate Manager – Development (Housing and Regeneration))

DATE AND TIME OF NEXT MEETING

Please note that the next meeting is scheduled for 22 May 2017 (at Mid Suffolk).

Agenda Item 3

JHB/16/17

MID SUFFOLK DISTRICT COUNCIL

Minutes of the Meeting of the **JOINT HOUSING BOARD** held at the Council Chamber, Mid Suffolk District Council Offices, High Street, Needham Market on Monday, 20 March 2017

PRESENT:

Councillors:

Mid Suffolk

Babergh

Nick Gowrley
Lesley Mayes
Sarah Mansel

Tony Bavington
Jennie Jenkins
Jan Osborne (Chairman)

Tenant Representative:

Steve Phillips
Keith Wykes
James Taylor

Michael Berry
Rodger Chapman
Maria Hilton

In attendance:

Gavin Fisk – Corporate Manager – Income and Tenant Services
Sue Lister – Corporate Manager – Housing Options
Donna Williams – Senior Sheltered Housing Officer
Vicky Freer – Improvement and Involvement Officer
Val Last – Governance Support Officer
Henriette Holloway – Governance Support Officer

1 APOLOGIES FOR ABSENCE

There were no apologies received.

2 TO RECEIVE ANY DECLARATIONS OF PECUNIARY OR NON PECUNIARY INTERESTS

There were no declarations of interest.

3 MINUTES

RESOLUTION

The minutes of the meeting held on 16 January 2017 were confirmed as a correct record subject to amendments:

RESOLUTION

2.1 *That further discussion and a decision on this matter be deferred pending clarification on the position as contained in the Government White Paper on Housing or after six months.*

By a unanimous vote

JHB/12/17 - INTRODUCTION OF RENTAL EXCHANGE

Corporate Manager – Income

Gavin Fisk - Corporate Manager – Income, introduced the report, which explained the Rental Exchange to the Committee. The scheme had been discussed collaboratively by Experian (Credit Rental Agency), Big Issue Invest and the Information Commissioner. He illustrated how a credit report was generated and provided examples of how low credit scoring affected housing tenants ability to obtain credit or obtain the best rates. The benefits to tenants were explained in terms of using tenants' rental history to create an online proof of financial standings and reliabilities. This information provided an improved chance for tenants to obtain access to bank accounts, cheaper utility quotes and credit.

It was proposed that the Rental Exchange scheme was based on an 'opt-out' rather than 'opt-in' basis as this was considered the most effective way of introducing the scheme. A 'Fair Processing Notice' for the scheme was to be given to tenants via letter with the option of opting out of the scheme before a specific date.

Questions concerning data protection and how the rental exchange data was used were raised and the response was that the data would only be shared in line with the data protection legislation and any credit profiling data purchased back by the Councils would be the same as the data available to the public.

Members debated the 'opt-out' option and some felt this was not a fair method for tenants and an 'opt in' scheme was preferable. They were informed that the 'opt out' scheme was recommended by the Information Commissioner as the best solution. It was also possible for tenants to opt out either temporarily or permanently at a later date. It was noted that it would require a period of three months rental arrears to have a negative effect on their credit score.

Four weeks in June had been chosen for the opting out period and some Members felt this period was too short. The Corporate Manager – Income, was to review the length and the timing for the opting out period.

Councillor Jan Osborne asked what kind of provision had been made for vulnerable tenants for the introduction of this scheme and were ensured that the existing communications channels were to be applied.

Members were informed that there were no manpower cost implications in relation to updating tenants' information and that Babergh and Mid Suffolk District Councils did not benefit from the Rental Exchange Scheme.

The details of the scheme were debated further and it was generally agreed that the Rental Exchange scheme was a benefit to tenants and that appropriate explanatory information should be provided to tenants if the scheme was introduced. However, Members felt that the scheme needed to be explored further before the recommendations could be approved and the committee requested that the report be deferred to the April meeting for additional information to be provided including:

- A copy of the 'Fair Notice Period' letter be provided
- If available, evidence of the likely take-up of the scheme depending on whether it was 'opt-in' or 'opt-out'
- The impact of the introduction of the new Data Protection Laws next year, when the opting out method may cease to be available
- Examples of credit exchange cases illustrating middle range case studies
- Information from other councils, who had joined the rental Exchange Scheme
- If joint tenants was it possible for only one person to opt-in

By a majority vote

RESOLUTION

That Report JHB/12/17 be deferred to the Joint Housing Board Meeting in April for further information

5 JHB/13/17 - HOME OWNERSHIP REVIEW

Corporate Manager - Tenant Services

The Report was introduced by Gavin Fisk, Corporate Manager – Tenant Services, who provided an update on the Home Ownership Review, which had resulted from an independent review of the Home Ownership (Leaseholders and Right to Buy (RTB) Service) by the Housing Quality Network in July 2015. A project team had been set up to deliver the recommendations in the resulting action plan and the report detailed progress to date.

The Corporate Manager advised that a new Joint Leaseholder Agreement was being drawn up and when complete a copy would be brought to a future meeting. He also informed Members of the collaboration between Ipswich Borough Council and Babergh Mid Suffolk District Councils to combat fraud in connection with the Right to Buy Scheme.

Members queried the level of income leaseholders brought to the General Fund or Housing Revenue Account and he advised that on completion of the project a further report would be brought to the Board including financial details. It would also be included in the HRA Business Plan.

By a unanimous vote

RESOLUTION

The report was noted.

6 JHB/14/17 - REPORT ON THE LOCAL LETTINGS POLICY REVISED AS A RESULT OF THE DE-SHELTERING PROGRAMME

Corporate Housing Manager – Housing Options Senior Sheltered Housing Officer

Sue Lister, Corporate Manager – Housing Options and Donna Williams – Senior Sheltered Housing Officer, presented the report to the Committee and responded to questions.

It was clarified that there existed transitional arrangements for tenants and that steps had been taken to ensure that tenants, who chose to remain in de-sheltered accommodation, were provided with appropriate facilities such as a community alarm system continued use of community laundry facilities until their own in-house plumbing was provided and new locks. It was explained that those tenants, who wished to be relocated into sheltered housing, were scheduled to begin this process in April and that careful consideration was given to each individual case to provide a comfortable move.

Councillor Jan Osborne asked if elderly persons and families with children were likely to be living in close proximity to each other. The Officer advised that there were no flats within the de-sheltered schemes with two bedrooms so this could only apply to bungalows where it was felt there would be no adverse impact. She confirmed that careful consideration would always be given to any possible impacts before any allocation was made.

Members were advised that the Local Letting Policy amendments applied only to the de-sheltered bungalows and flats, and it was confirmed that applicants had to fulfil the criteria as set out in 10.4 of the Report.

Councillor Tony Bavington requested that Appendix 2, pages 22 to 24 be amended to reflect the appropriate categories analysed.

By a unanimous vote

RESOLUTION

That the proposals be noted

7 JHB/15/17 - JOINT HOUSING BOARD FORWARD PLAN

Improvement and Involvement Officer – Housing

Vicky Freer – Improvement and Involvement Officer- Housing, presented the changes to the Forward Plan. They were:

- Rental Exchange Report to be presented in April
- Fixed Term Tenancies to be added

By an unanimous vote

RESOLUTION

The Joint Housing Board Forward Plan was noted

8 **ANY OTHER BUSINESS RELATING TO JOINT HOUSING BOARD**

Councillor Jan Osborne presented a Letter of Concern received from Tenant Representative Roger Chapman to be distributed to Officers. Members of the Committee had received a copy and it was noted that the letter represented the views of Roger Chapman only and not the other members of the Board.

Vicky Freer – Improvement and Involvement Officer, reminded the Committee of the Sue Farrant meeting next week and if there were any questions could they please contact her.

The business of the meeting concluded at 15:25.

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Chairman

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The characteristics protected by the Equality Act 2010 are:

Disability	Age	Sex (gender)
Gender reassignment	Marriage/civil partnership	Pregnancy/maternity
Race	Sexual orientation	Religion/belief

By law we must have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

In effect, this means that we need to ensure that our policies and services are fair, equitable and proportionate and where possible mitigate against any adverse impacts on people from the different protected characteristics.

In addition to the above protected characteristics you should consider the impact of living in a **rural area** as part of this assessment. Where people live is not a characteristic protected by law, but for an organisation such as Babergh and Mid Suffolk District Councils it is good practice to consider carefully how location may affect people’s experience of a policy or service.

The Rural-Urban definition, defines the rurality of very small census based geographies. Census Output Areas forming settlements with populations of over 10,000 (which are urban), while the remainder are defined as one of three rural types: *town and fringe, village or hamlet and dispersed*.

Details	
Service or policy title	Proposals for Local Lettings Policy for properties which have been “de-sheltered”
Lead officer <i>(responsible for the policy or service/function)</i>	Sue Lister – CM Supported Housing
Officers carrying out the EQIA <i>(at least one must have done EQIA training and it is recommended that an officer responsible for the policy or service/function is involved in completion)</i>	Sue Lister and David Cleary
Is this new or a revision? <i>(If revision state when previous EQIA undertaken)</i>	New
Is this the first time this policy or function has been assessed?	Yes

Date of completing this EQIA	2 February 2017
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Description	
What exactly is proposed? <i>(Describe the service/policy and the changes that are being planned)</i> A local lettings policy for properties which have been “de-sheltered”	
Why? <i>(Give reasons why these changes are being introduced)</i> This local lettings policy will apply to vacancies which, following the review of sheltered housing, occur in properties which from April 2017 will no longer be sheltered. Sheltered properties are restricted to people who are over 60 or over 55 and in receipt of Disability Living Allowance or a Personal Independence Payment. The aim of the policy is to ensure that the environment remains suitable for the residents who have chosen to stay in “de-sheltered” properties and to ensure that vacancies can be allocated in a timely manner	
What will the effect of the changes be? <i>(Describe which people, communities, localities etc. will be affected by the changes)</i> In order to maintain a suitable environment for the current residents some applicants will not be considered suitable for vacancies which occur in the relevant housing schemes – see below for list of criteria.	
How will it be implemented? <i>(Describe the decision making process, timescales, process for implementation)</i> Once approved, and post April 2017 when the agreed schemes will be “de-sheltered” it will be implemented when properties are advertised and allocated via Gateway to Homechoice. This policy amends the Gateway to Homechoice allocations policy which sets out which applicants are eligible for bungalows which are not sheltered in normal circumstances i.e. <ul style="list-style-type: none"> • Applicants who are over 60 • Applicants of any age who have a medically assessed need for a bungalow • Applicants who are over 40 and who will release a property in need (for example those who are under-occupying a social tenancy) 	
When is it due to start? <i>(Planned start of new/revised policy/service)</i> After 1 April 2017	
Any other relevant details The policy proposes the following additions/adaptions to the existing allocations policy. Individuals wishing to move into recently “de-sheltered” properties will need to be:	

- Over 60 years of age or
- Over 40 with a medically assessed need for a bungalow or
- Over 40 and releasing a property in need and
- A quiet and settled lifestyle and
- No history of anti-social behaviour from themselves or close family members
- No history of drugs / alcohol issues
- Have no relevant offending history, which would deem them unsuitable to live in the scheme

Applicants who satisfy the above criteria and who have children can be considered for two bedroom vacancies (subject to section 6.5 of the Gateway to Homechoice allocations policy “Parents with staying access to dependent children or shared residency orders”).

Owner occupiers can be considered for de-sheltered properties only if the property has been advertised twice and no suitable tenant has been identified.

Data about the population

What is the demographic profile or make up of the community you are serving? (A brief overview of quantitative data used and qualitative research undertaken, including customer surveys and focus groups, plus links to reports, local or national data that you have used, suggested sources of information can be found at the end of this document)

- The policy has considered the needs of those individuals who wish to move into vacancies which occur in schemes which have been de-sheltered in the future to ensure that the environment remains suitable for them and current residents who have chosen to stay
- This policy has been drawn up as a result of the work of the Sheltered Housing review and the feedback/concerns raised or received from residents currently living in the schemes that are going to be de-sheltered about the need to maintain a calm/quiet environment
- The policy will not apply to all BMSDC properties but only to those schemes that have been “de-sheltered”

Babergh Schemes

- Angel Street, Hadleigh*
 - Ash Street, Boxford
 - Bradfield Avenue, Hadleigh*
 - First Avenue, Sudbury
 - Grimwood Corner, Sudbury
 - Hill House, Bildeston
 - Inkerman Terrace, Hadleigh*
 - Spring Street / Lane, Lavenham
- * schemes which have been de-sheltered as vacancies occur since 2005

- Tayler Close, Hadleigh

Mid Suffolk Schemes

- Albert Close, Rickinghall
- Millars Close, Walsham le Willows
- Richer Close, Badwell Ash
- School Close, Norton
- St Georges Road, Stowlangtoft
- St Nicholas Close, Rattlesden
- Tacon Close, Eye
- The Orchard, Felsham
- Victoria Gardens, Wattisfield
- Woodlands Close, Thurston
- Bungalows previously attached to sheltered schemes at:-
Hartismere House, Laxfield,
Jubilee Court, Stowupland,
Hurstlea Court, Needham Market
Elizabeth Court in Eye

Total number of properties 186

What is the profile or make up of your service users by protected characteristics?
(Where this data is available. If it is not currently available state any plans to collect this in future)

BMSDC Districts Population Data

Age Babergh:

- 16 years or under: 18.14%;
- 16 to 64 years: 60.48%;
- 65 years and over: 21.38%

Mid Suffolk:

- 16 years or under: 18.43%;
- 16 to 64 years: 61.44%;
- 65 years and over: 20.13%

Disability

Babergh

- 17.38% of the population are limited with day to day activities
- 7.22% Limited a lot
- 10.16 Limited a little

Mid Suffolk

- 16.55% of the population are limited with day to day activities
- 6.67% Limited a lot
- 9.88% Limited a little

Implications for communities and workforce

Disability	
What is the impact on people with a disability (including children with additional needs) and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	<p>This policy fits in with the current Gateway to HomeChoice Allocations policy giving priority to:</p> <ul style="list-style-type: none"> Applicants who have a medically assessed need for a bungalow <p>Section 167 (2E) of the 1996 Housing Act enables housing authorities to allocate accommodation to people of a particular description, whether or not they fall within the reasonable preference categories.</p>
How does it have a positive or negative impact?	The current policy has a positive impact on this group which will not be altered by this additional Local Lettings Policy
Do you expect the extent of the impact to be low, medium or high?	<p>Low</p> <p>The number of properties to which this policy applies is a small percentage of the social rented properties of this type. There are 881 bungalows in Babergh's housing stock and 1139 in Mid Suffolk's.</p>
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Age	
What is the impact on people of different ages and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	<p>This policy amends the current policy by restricting allocations of de-sheltered properties to those over 40 years of age</p> <p>Section 167 (2E) of the 1996 Housing Act enables housing authorities to allocate accommodation to people of a particular description, whether or not they fall within the reasonable preference categories.</p>
How does it have a positive or negative impact?	The impact is positive as it increases the number of properties available to people who are between 40 and 60
Do you expect the extent of the impact to be low, medium or high?	<p>Low</p> <p>Applicants who are between 40 and 60 are currently unable to apply for vacancies in these schemes as they are restricted to people over 60.</p> <p>The number properties to which this policy applies is a small percentage of the social rented properties of this type (see above). Those who are under 40 will continue to be able to apply for other vacancies which meet their needs.</p>

What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Sex (gender)	
What is the impact on people of different genders and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	There is no positive or negative impact from this policy on people of different genders
How does it have a positive or negative impact?	Neutral
Do you expect the extent of the impact to be low, medium or high?	low
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Gender reassignment	
What is the impact on people who have undergone gender reassignment (i.e. transgender people) and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	There is no positive or negative impact from this policy on people of different gender reassignment
How does it have a positive or negative impact?	Neutral
Do you expect the extent of the impact to be low, medium or high?	low
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Marriage/civil partnership	
What is the impact on people who are married or in a civil partnership and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	There is no positive or negative impact from this policy on people of different marriage/civil partnership
How does it have a positive or negative impact?	Neutral
Do you expect the extent of	low

the impact to be low, medium or high?	
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Pregnancy/maternity	
What is the impact on people who are pregnant women or those with a young child and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	This policy amends the current policy by restricting allocations of de-sheltered properties to those over 40 years of age. Younger parents or pregnant women will not be eligible.
How does it have a positive or negative impact?	Neutral
Do you expect the extent of the impact to be low, medium or high?	Low Parents and pregnant women are currently unable to apply for vacancies in these schemes as they are restricted to people over 60. The number of two bedroom properties to which this policy applies is a small percentage of the social rented properties of this type. Parents under 40 will continue to be considered for other vacancies which meet their needs.
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Race	
What is the impact on people from different races or ethnic groups and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	There is no positive or negative impact from this policy on people of different races or ethnic groups
How does it have a positive or negative impact?	Neutral
Do you expect the extent of the impact to be low, medium or high?	low
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Sexual orientation	

Equality Impact Assessment (EQIA)



What is the impact on people according to their sexual orientation and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	There is no positive or negative impact from this policy on people of different sexual orientation
How does it have a positive or negative impact?	Neutral
Do you expect the extent of the impact to be low, medium or high?	low
What could be done to mitigate any adverse impact or further promote positive impact?	N/A
Religion/belief	
What is the impact on people according to their religion or belief and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	There is no positive or negative impact from this policy on people of different religion/belief
How does it have a positive or negative impact?	Neutral
Do you expect the extent of the impact to be low, medium or high?	low
What could be done to mitigate any adverse impact or further promote positive impact?	N/A

Rurality	
Where people live is not a characteristic protected by law: but for Babergh and Mid Suffolk District Councils it is good practice to consider carefully how location may affect people's experience of a policy or service.	
What is the impact on people according to whether they live in an urban or rural environment and what evidence do you have? <i>(If you do not believe there is any impact describe why not)</i>	The aim of the policy is to ensure that the environment remains suitable for the residents who have chosen to stay in "de-sheltered" properties and to ensure that properties are allocated in a timely manner. The policy was drafted as a result of the work undertaken in consultation with sheltered housing tenants as part of the review, when over 50 % of tenants feedback via F2F or written comment
How does it have a positive or negative impact?	neutral
Do you expect the extent of the impact to be low, medium or high?	low
What could be done to mitigate any adverse impact or further promote positive impact?	N/A

Making Decisions	
Having completed this equality impact assessment indicate which decision is recommended to be taken.	
Should the policy or service be implemented as the correct course of action?	Yes
Should the policy or service be amended as suggested by the report so that mitigating actions are taken to address an adverse or negative impact on any characteristic?	No
Should the policy or service be reviewed and revised more significantly to take into account its impact on different groups?	The policy should be reviewed annually to consider whether it needs to be continued and if amendments need to be made
Should the policy or service not be actioned as there are too many negative impacts?	It should be actioned

Monitoring Impact	
Assessing the impact on equality is an ongoing process that does not end once a policy or service had been agreed or implemented.	
How frequently will the policy or service be reviewed?	Ongoing
Who will be involved?	Allocations Team Community Housing Officers Corporate Manager – Housing Options Corporate Manager – Supported Living
Will there need to be an action plan completed for any amendments?	No
What further evidence or consultation will be needed to check that the policy or service is working well?	The success of allocations made to de-sheltered properties including:- <ul style="list-style-type: none"> • Information from Tenancy Service Officers • Any complaints received from new or existing tenants • The number of allocations made and the percentage of remaining residents who were initially sheltered tenants.

Completion	
Authors signature	
Date of completion	

Additional sources of data can be found on the following links:

<http://www.suffolkobservatory.info/Default.aspx>

<http://www.nomisweb.co.uk/>

<https://www.ons.gov.uk/>

<http://suffolkcf.org.uk/publications/hidden-needs-2016/>

<https://www.nao.org.uk/>

Agenda Item 4

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Gavin Fisk	Report Number: JHB/17/17
To: Joint Housing Board	Date of meeting: 24 APR 2017

CUSTOMER PROFILING/ INSIGHT/ SEGMENTATION / TENANT & LANDLORD RELATIONSHIP

1. Purpose of Report

- 1.1 The purpose of this report is to inform the Housing Board of a project that has begun to develop the organisations approach to Customer Profiling/Insight & Segmentation, and the relationship between Tenant & Landlord.
- 1.2 The project is in its infancy and is expected to take up to 18 months to complete. Additional reports will be provided in the future to update board members of the progress made.

2. Recommendations

- 2.1 To note the project and its aims and objectives.

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 This project is being undertaken using existing resources. It is intended the outcomes will in the long-term enable savings as a direct result of more efficient budget spending, in those areas identified through the use of profiling, insight and segmentation.

4. Legal Implications

- 4.1 Any legal implications of this work will be considered and developed as part of the project

5. Risk Management

- 5.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
4 (b) Failure to manage our housing assets effectively	2	3	It is intended this project will allow us to far greatly manage our assets by means of targeting our limited resources at those that need or want our support and assistance to

			improve their outcomes
5 (a) Failure to develop our use of technology to enable us to be efficient and cost effective in everything we do	2	3	The use of new technology will be key to developing the themes set out in this report and will enable us to become more efficient in everything that we do.
5 (b) Failure to convert our data into accurate, up to date and easy to interrogate insights, evidence and intelligence that supports delivery of the strategic priorities and failure to adequately protect the data we hold	3	3	The use of profiling, insight and segmentation tools will allow us to ensure that the data we hold is utilised for the purposes of managing the business and providing the highest level of service to our tenants.
5 (g) Failure to implement more efficient and effective public access arrangements	2	3	The use of profiling, insight and segmentation will allow us to utilise the public access arrangements we have available and to 'nudge' tenants towards our preferred channels of communication and managing the business

6. Consultations

6.1 No consultations have taken place as yet.

7. Equality Analysis

7.1 Equality Impact Analysis will be under taken as part of developing policies in future as part of this project.

8. Shared Service / Partnership Implications

8.1 None.

9. Links to Joint Strategic Plan

9.1 Assets & Investments – Manage our Housing assets effectively

9.2 Enabled & Efficient – Alternative service delivery models, Intelligence based community insight.

10. Key Information

Customer Profiling

10.1 Profiling is about understanding who our customers are. It generally relates to demographic or census type information.

10.2 The Homes and Communities Agency (HCA) Tenant Involvement and Empowerment Standard includes:

An expectation that Registered Providers of social housing both understand and meet the diverse needs of customers. The collection and use of profiling information is seen to be an important element of delivering on this expectation.

10.3 Our Equality and Diversity Strategy demonstrates our commitment to ensuring that services are accessible to any customer who wants to use them. No customer should be disadvantaged as a result of who they are or where they live and the delivery of our profiling strategy assists us deliver on this commitment.

Why profile our customers?

10.4 We want to tailor and flex services to reflect the needs of our customer base and avoid incurring costs in delivering services or styles of service that customers do not value.

10.5 Customer profiling is a tool which will support us to deliver these objectives.

10.6 Our approach may include capturing intelligence about our tenants that we can use for the purposes of profiling residents.

An example would be identifying those tenants that do not have a bank account. This information presents us with the opportunity to target resources by encouraging more tenants to obtain basic bank accounts to assist in the payment of rent. Alternatively it may be to profile those tenants that are most likely to be the perpetrator or victim of Anti-social behaviour to support interventions at an early stage or to consider where may be most suitable for tenants to live to ensure we create communities.

Customer Insight

10.7 Customer insight combines knowledge of demographic factors with information about customers' behaviours, attitudes, aspirations, service needs and views.

10.8 It requires a co-ordination of business intelligence using data held in customer contact management, housing management and asset management systems.

Supporting customers and sustaining tenancies

10.9 We need to identify where customers, particularly hard to reach groups, need or potentially will need additional help or assistance to enjoy their home and meet tenancy conditions.

10.10 The intelligence profiling provided enables us to target services and information towards customers who will experience the greatest benefit from them. This will lead to increase customer satisfaction and increased efficiency.

10.11 Examples of how we may plan to use profiling to support this include:-

- Promotion of the aids and adaption service to customers experiencing disability
- Provision of information regarding the value of Home Contents Insurance (HCI) to customers without cover
- Publicising the assistance we can provide to customers applying for disability related benefits
- Use of third party profiling tools e.g Experian's Credit Profiler to identify those tenants that are most likely to default on rent payments
- Additional intervention where tenants fall into arrears where the tenant's profile suggests the increased likelihood of tenancy failure amongst this customer group
- Promotion of any service to specific customer groups where an equality impact assessment has identified their under representation amongst service users
- Developing approaches to respond to under occupation and overcrowding
- Undertaking risk and support needs assessments with residents to identify those most likely to have problems managing their tenancy.

What is Segmentation?

- 10.12 Segmentation is simply a way of arranging our customers into smaller groups according to type. These distinct sub-groups or segments should be characterised by particular attributes. We can then target specific, relevant messages, communications or services at individual groups.
- 10.13 Segmentation does not have to be complex. For a small organisation, it could be about recognising that we have two or three distinct customer types with different needs.
- 10.14 If we start with the simple question: Who do we want to talk to? The answer could be simply - customers.
- 10.15 Segmentation principles can then add several layers of intelligence, based on key differentials, such as:
- Payment patterns
 - Gender
 - Where they live
 - Age
 - Socio-economic group
- 10.16 The key is to draw a picture of an individual that represents the type of person we are aiming at.

10.17 If we take two very different types of prospect, you can see that they will have very different needs, wants, values and opinions. And they will respond quite differently depending on the methods we use.

Mature Males	Females in their early 20's
With some time on their hands	Caring for a young family
With some disposable income	With Low disposable income
Who have retired or are in semi-retirement	Aspirations to enjoy life to the full
Live in a rural environment	Living in urban areas such as our market towns

10.18 These are certainly extreme examples, but they illustrate how different our segments could be and why it is essential to target messages precisely and not send the same messages to our entire customer base.

10.19 As we analyse our own customer base, it will soon become clear that there are some distinct groups with specific requirements.

What are the next steps?

10.20 This report only intends to provide awareness amongst board members of the project we have embarked on. Primarily led by the Income & Tenant Services Corporate Manager working with the Tenant Services team the principles of what is profiling, insight and segmentation are beginning to be explored. Work will take place during the next 12 -18 months to develop these principles in to more meaningful work streams, projects, policies and even the redistribution of work by the reviewing the roles and responsibilities of the existing Tenant Services team structure.

10.21 Updates and additional reports as we proceed with this area of work will be brought to the board for consideration.

11. Appendices

Title	Location
(a) None	None

12. Background Documents

12.1 None

Authorship:
Gavin Fisk
Income & Tenant Services Corporate
Manager

Tel. 01449 724969
Email:gavin.fisk@baberghmidsuffolk.gov.uk

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Agenda Item 5

BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

From: Gavin Fisk, Corporate Manager – Income and Tenant Services	Report Number: JHB/18/17
To: Joint Housing Board	Date of meeting: 24 April 2017

RENTAL EXCHANGE – FOLLOW ON FROM MARCH 2017 MEETING

1. Purpose of Report

- 1.1 In March 2017, the Board was presented with a paper and presentation about introducing Rental Exchange for tenants of Babergh and Mid Suffolk
- 1.2 At this meeting, the Board asked for a number of questions to be investigated further before they made their final decision. This report aims to clarify these questions so the Board can approve the recommendations below.

2. Recommendations

- 2.1 Housing Board approves that the councils participate in the Rental Exchange as an opt out option.
- 2.2 Agree that officers issue a Fair Processing Notice to all tenants informing them of the scheme and associated details.
- 2.3 Agree that officers set up a regular data feed to Experian, ensuring that the data protection rules are followed for the Councils and in accordance with the ICO.
- 2.4 The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 The table below illustrates the cost of the scheme for both options; opt in and opt out.

	Opt out scheme	Opt in scheme
Printing and postage of Fair Processing Notice to 6,668 properties	£3,036	£3,036
Projected number of enquiries (estimated)	200 (Based on 3%)	1,000 (Based on 15%)
Officer time per enquiries (based on one telephone conversation £3.50)	£700	£3,500
Total cost to Councils	£3,736	£6,536

4. Legal Implications

- 4.1 Our Information Officer (who manages our Data Protection risk) has reviewed the project, including the elements of sharing data, and has opened a dialogue with the Information Commissioner's Office (ICO) seeking their opinion. Experian claim that they have had discussions with the ICO and they have agreed that social landlords have a Legitimate Interest in sharing their tenants' personal data with Experian and that there is no harm to the tenants in doing so. When this piece of due diligence is complete and the Information Officer is satisfied then the project can proceed.

5. Risk Management

- 5.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Failure to develop our use of technology to enable us to be efficient and cost effective in everything we do	2	3	This project is a great example of combating the risk, with further benefits available to procure credit profiling data to enable the efficient collection of rent arrears.
Failure to convert our data into accurate, up to date and easy to interrogate insights, evidence, intelligence that supports delivery of the strategic priorities and failure to adequately protect the data we hold	2	3	This project is a great example of combating the risk by working proactively with an external company whilst ensuring our data protection requirements are met.

6. Consultations

- 6.1 An article on the Rental Exchange has been featured in two previous newsletters; Summer 2016 and Spring 2017. The articles detailed the scheme and our intention of joining. This has generated no feedback from concerned tenants.
- 6.2 All tenants will be engaged via the Fair Processing Notice; this will give them an appropriate amount of time to research the scheme and make an informed decision.

7. Equality Analysis

7.1 This project will be non-discriminative to any of the protected characteristics.

8. Shared Service / Partnership Implications

8.1 None.

9. Links to Joint Strategic Plan

9.1 The successful deliver of this project will meet several of the Council strategic priorities:

- a) Better service delivery model
- b) Better use of our existing Housing Assets
- c) Manage our housing assets effectively
- d) Financial stability
- f) Digital by design

10. Key Information

10.1 The Board received a report and presentation at their March meeting that set out the objectives of Rental Exchange, the benefits that such a scheme could have for our tenants, along with the reasons on why officers wanted to enter into partnership with them.

10.2 At this meeting, the Board representatives asked for further information before they would make a decision. These requests have been set out below and in the attached paperwork.

10.3 Suzy Williams from Rental Exchange will also be in attendance at the April Board meeting to answer any follow up questions Board members may have.

10.4 The number of local authorities signed up to Rental Exchange

The table below illustrates the current 'live' members of Rental Exchange, with Councils highlighted in grey. In addition to this list, there are over 200 organisations in the process of joining Rental Exchange.

Organisation	Organisation	Organisation
Alliance Homes Limited	Herefordshire Housing Limited	Sevenside
Arhag Housing Association Limited	Home Group Limited	Shepherds Bush Housing Association
ASRA Housing Association Limited	Ipswich Borough Council	Shoreline Housing
Aster Group Limited	Knightstone Housing Association	Shoreline Housing Partnership Ltd
Black Country Housing Group Limited	Knowsely Housing Trust	Shropshire Town and Rural

bpha Limited	Knowsley Housing Trust - Firstark	Solihull Metropolitan Borough Council
Bracknell Forest Homes Limited	Lambeth Council	South Derbyshire District Council
Cadwyn	Lewes District Council	South Yorkshire Housing Association Limited
Cardiff Community Housing	London & Quadrant Housing Trust	Sovereign Housing Association Limited
Carterfi Conwy	Longhurst & Havelok Homes	Spectrum Housing Group Limited
Cartrefi Cymunedol Gwynedd	Luton Borough Council	Spire Homes Limited
Charter Housing	Luton Community Housing Ltd	St Albans City and District Council
City of London Council	Melton Borough Council	St Leger
City South Manchester Housing Trust	Metropolitan	Stockport Homes Limited
City West Housing Trust Limited	MHS Homes	Stonewater
Coastal Housing	Monmouth Housing Association	Tamar Housing Society Limited
Coastline Housing Limited	Muir Group Housing Association Limited	Thames Valley Housing Association Limited
Colne Housing Society Limited	NCHA	The Cambridge Housing Society Limited
Curo Places Limited	New Charter Homes Limited	The Riverside Group Limited
East Lothian Housing	NIHE	The Wrekin Housing Trust Limited
East Midlands Housing Group	North Devon Homes Limited	Together Housing Group Limited
Eastbourne Homes	Northampton Borough Council	Trafford
Eastlands Homes Partnership Limited	Northwards	Trident Housing Association Limited
Elderpark	Notting Hill	Two Rivers Housing
Elim Housing Association Limited	One Vision Housing Limited	United Communities
Family Mosaic Housing	Paragon Community Housing Group	United Welsh
Freebridge Community Housing Limited	Phoenix Community Housing Association	V2C
Friendship Care and Housing Limited	Poplar HARCA Limited	Vectis Housing Association Limited
Genesis Housing Association Limited	Raven Housing Trust Limited	Walsall Housing Group Limited
Gentoo Group Limited	Red Kite	Watford Community Housing Trust
Gloucester City Homes	Renfrewshire Council	Wealden District Council
Golden Gates Housing	Rockingham Forest	Wiltshire Council

Trust		
Group Cynefin	Rooftop Housing Group Limited	Wolverhampton City Council
Gwalia	Rugby Borough Council	York City Council
Halton Housing Trust Limited	Sandwell Council	Yorkshire Coast Homes Limited
Hastoe Housing Association Limited	Selwood Housing Society Limited	Yorkshire Housing Limited
Helena Partnerships Limited	Seven Vale	

10.5 If there are joint tenants and only one individual wants to opt out, is this possibly or is it based on a whole household?

If one tenant on a joint tenancy opts out, then the other tenant must also be removed due to both tenants being liable for the rent. On the latest Capita software, there is an 'opt out' prompt to remove the 'other' tenant to help with administration of this.

10.6 If a sole tenant has the rent paid by a 'third' person in the household, this may have a positive impact on the tenants score, but not on the 'third' persons?

Rental Exchange will only collect data on tenants named on the agreement. So if a mother and her 21 year old daughter were living together and the rent is paid by both, with only the mother as a named tenant, only the mother will benefit from the scheme. If an additional tenant is not named on the agreement then we will collect no data on that individual.

This is no different to a case where an there is a breach of the tenancy agreement and the name tenant is liable for action, whether or not they are the perpetrator i.e. damage to a property is recharged to the named tenant, even if they did or did not commit the damage themselves.

10.7 The presentation given at the March Board meeting gave two examples of obtaining credit with and without a credit score. Are there more examples of the 'middle ground' and how it affects the majority of tenants?

A price comparison has been run using Argos (0% finance) and Littlewoods (44.9% finance), the document attached as Appendix C shows the differences.

It should be noted, that from a tenant perspective, they must always provide consent for a lender to carry out a credit check, therefore their data will not be shared unless they make an application for a product or service.

10.8 Can an example of a Fair Processing Notice be shared with the Board and can the Board give longer than a four week window for tenants to opt out?

Attached under Appendix A is a copy of a Fair Processing Notice. This has been provided for us to use by Rental Exchange. We can make as many changes as we like, as long as the six bullet points aren't altered. Some organisations add a Frequently Asked Question (FAQ) section in with the notices. A suggested FAQ,

which would accompany a Fair Processing Notice, has been attached as Appendix B.

10.9 **Why offer an opt out scheme, instead of opt in?**

The advice that we have been given from the ICO, is that automatic 'opt in' is appropriate for both the customer and housing provider. In discussions with the ICO, it was agreed that automatic 'opt in' is the best approach for ensuring tenants and housing providers benefit from the scheme.

During the discussions, it was agreed that the appropriate processing condition for Rental Exchange was the 'legitimate interests' condition. The processing condition that most people are aware of is consent, but consent is often very difficult to achieve and therefore should not be looked at as the only basis for legitimate sharing and processing of data.

In the context of the Rental Exchange, there is no doubt the processing of tenant data is necessary for the legitimate interests of the housing provider. Furthermore given the clear and tangible advantages to tenants resulting from the sharing of their data into the Rental Exchange, it could not be considered to be harmful to their interests either.

Organisations that have launched with an automatic opt in scheme, is because they want to make the Rental Exchange successful.

Reality of 'opt in scheme'

From analysing natural behaviours, on average 10 - 15% of tenants would reply to an opt in scheme. We have around 6,668 properties across Babergh and Mid Suffolk. This is around 1,000 tenants for Babergh and Mid Suffolk. We know that around 4,940 tenants (as of February, 1,728 tenants were in arrears) could benefit from membership with an opt out scheme, proving the social good the Rental Exchange will provide to both tenants and housing provider allows the data controller to process under legitimate interests.

10.10 **Will tenants be able to opt out at any point?**

Tenants can opt out of the Rental Exchange at any given point. As their landlord, we will make sure that tenants have access to clear and up-to-date information about the scheme and how to opt out. Information will be provided on our websites, in sign-up packs and our newsletters.

Our Rent Officers, who work proactively with tenants that go into rent arrears, will alert tenants to the options of opting out if they are unable to clear any arrears.

We will also ensure that our Customer Services team and Housing Staff are aware of the scheme and where to signpost tenants who may have queries at any point.

Appendices

Title	Location
Appendix A - Example Fair Processing Notice	Attached
Appendix B - Rental Exchange Frequently Asked Questions	Attached
Appendix C - Price comparison	Attached

11. Background Documents

- 11.1 The Rental Exchange - Data Protection considerations when sharing tenant data: <http://www.experian.co.uk/assets/rental-exchange/rental-exchange-data-protection.pdf>
- 11.2 The Rental Exchange – Helping your tenants build better futures, innovating for social benefit to increase fairness: <http://www.experian.co.uk/assets/rental-exchange/rental-exchange-main-brochure.pdf>
- 11.3 The Rental Exchange – how Experian are helping social tenants develop a better credit score: <http://www.experian.co.uk/assets/rental-exchange/bii-rental-exchange-white-paper.pdf>

Authorship:
Name GAVIN FISK
Job Title TENANT SERVICES
CORPORATE MANAGER

Tel. 01449 724969
Email: gavin.fisk@baberghmidsuffolk.gov.uk

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Supported Living



Name	Please ask
Address	Direct line: 0300 123 4000
Postcode	E-mail: Housing.feedback@baberghmidsuffolk.gov.uk
	Please reply to: Hadleigh office (address below)

Date

Dear NAME OF TENANT,

THE RENTAL EXCHANGE

I am writing to explain an exciting new project which we are offering our tenants.

Social housing tenants can sometimes struggle to get affordable loans, a mortgage and credit cards or to open bank accounts; often because they do not have a credit history. If you want to buy something on credit, then it helps considerably if you have a good credit history (a track record of paying off credit agreements). Companies use credit history to assess your creditworthiness before making a lending decision.

Having a good credit history also helps to provide proof of your identity, and where you live and have lived before. This can help you access a range of goods and services online, including getting the best deals on mobile phones, TV and broadband packages and car insurance.

Homeowners with a mortgage have their mortgage payment history count towards their credit history and we strongly believe that your rent payment history should be used in the same way, to help you access more affordable credit.

We have teamed up with Big Issues Invest, part of the well-known Big Issues Group and Experian to take part in the Rental Exchange. The Rental Exchange is a way to strengthen your credit report without you needing to take on new credit. The scheme enables us to share details about the rent you pay with Experian on a monthly basis. This is then included in your credit report, meaning you will then be recognised for paying your rent on time.

What do I need to do?

You don't need to do anything. We will share your tenancy information with Experian, including your track record for paying your rent and service charges to us, unless you tell us not to. We understand that in some circumstances there may be rent arrears, where this is the case we will work with you to address it. Paying your rent on time could help you access cheaper goods and services in the future.

Independent research among social housing tenants shows there is wide support for the Rental Exchange. The key benefits are proof of financial reliability, access to cheaper credit and automated evidence of identity and proof of address.

Not only will we be able to work with you more closely to manage your existing tenancy agreement, your track record as a tenant will enable Experian to use the information supplied to them in the future to assist other landlords and organisation to:

- Assess and manage any new tenancy agreements you may enter into;
- Assess your financial standing to provide you with suitable products and services;
- Manage any accounts that you may already hold, for example reviewing suitable products or adjusting your current product in light of your current circumstances;
- Contact you in relation to any accounts you may have and recovering debts that you may owe;
- Verify your identity and address to help them make decisions about services they offer;
- Help prevent crime, fraud and money laundering

We, and Experian, will ensure that your information is treated in accordance with the Data Protection Act so you can have peace of mind that it will be kept secure and confidential and **your information will not be used for marketing purposes.**

If you'd like further information about the Rental Exchange, you can visit: www.experian.co.uk/rental-exchange

If you would like advice on how to improve your credit history, you can access independent and impartial advice from www.moneyadviceservice.org.uk

If you would prefer not to benefit from the scheme and do not want us to share your tenancy information, you can opt out from the scheme at any time. To do this, please call us on the number at the top of this letter, email us or write to us to tell us you do not want to take part in this scheme.

If we haven't heard from you by (INSERT DATE, GIVING EIGHT WEEK PERIOD), we will work with Rental Exchange and upload the necessary information.

Yours sincerely

Gavin Fisk
Corporate Manager – Income and Tenancy Services



Frequently Asked Questions

Babergh and Mid Suffolk District Councils, Big Issue Invest (BII) and Experian have partnered to tackle the financial, digital and social exclusion challenges faced by social housing tenants in the UK.

This document aims to answer the most frequently asked questions about Rental Exchange and the impacts on our tenants.

What is the Rental Exchange?

The Rental Exchange is a 'ring-fenced' secure database which holds rental payment information. It has been discussed with the Information Commissioner's Office to ensure it complies with the Data Protection Act 1998. The information will allow tenants with a 'thin file' - a history of little or no credit - to build a credit score.

The database can be accessed by lenders and other service providers when a tenant applies for a loan or service that requires a credit check or proof of identity, something that is becoming common-place for both private and public sector transactions.

Why has it been set up?

Millions of social housing tenants in the UK face financial, digital and social exclusion. One major cause of this is an information gap in their credit history which can exclude low-income people from affordable credit. They are more likely to be declined or pay a higher price for credit and other basic goods and services. Addressing this has been a key agenda for BII and a number of like-minded organisations for several years. The Rental Exchange supports BII's mission is to give people '*a hand up, not a hand out*'.

What is a credit file and why is it important?

Anyone who is over 18 and has ever taken out credit is likely to have a credit report, held by a Credit Reference Agency (CRA). Experian is the UK's leading CRA. It's a personal history of the credit an individual has had, including mortgages, credit cards and even mobile phone contracts or utility bills.

Many social housing tenants have a 'thin file'. This means there is very little information about an individual's financial history or circumstances - making it hard to prove identity or reliability as a payer and access benefits and services that mainstream society has come to regard as 'the norm'. The Rental Exchange will open up new channels and services to social housing tenants, giving fairer access without the time-consuming need to provide paper-based evidence of identity or financial commitments.

For more information on what a credit report is and what sort of information is on there, visit <http://www.experian.co.uk/consumer/what-is-a-credit-report.html>

Why are Babergh and Mid Suffolk District Council talking part in the project?

All of the evidence we have seen demonstrates that the majority of our tenants will be better off if we take part in this scheme. Tenants will be able to save money on basic goods and services such as white goods, utilities, mobile phone contracts and insurance.

How will it work?

While information about mortgage payments is included on credit reports, rent payment information currently isn't. This means that tenants who make their rent payments on time are unable to have this positive information registered on their credit report. The more positive information on a credit report, the more likely an individual is to access credit, goods and services, and be able to prove their identity. A person's address is the first step in proving they are who they say they are.

Social housing providers will provide a regular feed of required and actual payment data about tenants' rent payment performance into the Rental Exchange. The Rental Exchange will offer a secure and compliant way to include a tenant's payment history in their credit file, strengthening their credit history and helping them qualify for more and lower-cost payment plans. The data will only be accessed when the tenant applies for goods or services where a credit or identity check is made through an organisation using Experian's database.

Experian processes significantly more transactions of this kind in the UK than any other organisation, giving the tenant the best chance of their data being available to support their application. When the tenant makes an application they are notified that such a check will be made, as would any consumer when they go to purchase certain goods or services. For example, this extends to tenants having the option of better tariffs on their utilities' bill based on their credit file. This enhanced view of repayment history will improve the ability of lenders to treat all customers fairly, with more accurate lending decisions based on a deeper understanding of the individual, as is increasingly required by regulators.

How will it benefit tenants?

The Rental Exchange will enable tenants to build a positive credit history and 'online' proof of identity - increasingly important when applying, for example, for goods and services such as, a utility supplier, a mobile 'phone provider or when online shopping.

When will tenants start to see the benefits?

The more data that starts coming into the Rental Exchange, the sooner we can work towards building tenants credit scores and ultimately enable access to more affordable credit. Our aim is that in agreement with the credit industry, data will start to be incorporated into credit scores during 2017.

What about data protection?

Experian and BII have been in discussion with the Information Commissioner's Office (ICO) to ensure sharing of rental payments is fully compliant and fair to the tenant. The unequivocal benefit to tenants is recognised by DPA 'legitimate interests' provisions (DPA 1998 Sch2 para 6). The Rental Exchange is based on protecting tenants' data while at the same time enabling them to ensure organisations can use this data to support their application.

The ICO recognise that tackling social, financial and digital exclusion issues through enabling tenants to use their information in a way that helps them is not something that should be prevented by the DPA, subject to tenants being provided with a very clear explanation of how this will benefit them.

Who will be able to see rental data and how will it be used?

Where tenants are notified, at the point of data collection and data access, this data can be made available to any prospective credit enquirer participating in Experian's credit data sharing scheme as is currently the norm for other consumers. Data will also be made available to landlords and organisations undertaking property management and tenant referencing activities on behalf of landlords, again with the tenant being notified of this.

Will rental data be included on people's credit reports?

Yes, as lenders will be able to use rental data to help make decisions about credit, tenants will see this data when they access their credit report. Experian's consumer website already shows the type of information provided to consumers: <http://www.experian.co.uk/consumer/credit-reports-explained.html>

What will be the process for dealing with data disputes?

We will help tenants resolve any disputes in the same way we do for other types of data. The moment a tenant contacts their social housing provider or Experian to report a problem, Experian mark the data as under dispute while we investigate with the provider. This process will be made clear to tenants when their social housing provider chooses to join the Rental Exchange. This means that any organisation looking at this data must make further enquiries to ensure any decisions they make reflects the tenant is disputing the accuracy of this information. This is consistent with the requirements of the Data Protection Act 1998.

Will the data be shared with third parties for marketing purposes?

No, we will not share any personal data with any third parties for marketing purposes.

Which social housing providers are involved?

A proof of concept study using anonymised rental data from two large housing association showed the Rental Exchange could potentially benefit over 1.5 million tenants in terms of demonstrating their financial reliability and identity so enabling better access to banking services, lower cost credit and other services, such as utilities.

Experian is in discussion with over 250 other housing organisations across the UK.

Will missed rental payments stop people accessing affordable credit or renting a home?

For the majority of people it's the opposite, as it will help prove that they meet this regular and important financial commitment. Most lenders will ask a consumer about their outgoings to understand their situation but in the case of social tenants, lenders and tenants are currently unable to verify commitments and performance history without going back to their social housing provider. So in effect the lender and tenant can now benefit from real-time transactions on accurate, objective information. This will support more responsible borrowing and lending and help people avoid becoming over-indebted.

If a tenant is unable to pay their rent, it is unlikely they are suitable for a loan or other payment agreement. For social housing providers, it will help identify those tenants who are financially vulnerable and enable them to provide an appropriate treatment strategy to help get them 'back on track'.

Will people whose rent, or part rent, is paid for by the government have their credit histories affected when payment of rent is late through no fault of their own?

No. Benefit payments - including varying payment dates - will be noted and consideration given to any late payments.

Can I be excluded from the scheme?

If you think that you may not want to take part in the scheme we would like to talk to you and explain more about the real benefits that being included brings to you. We believe that all of our tenants are better off as a result of being included in this scheme. If we didn't honestly believe that we would not ever consider joining.

But every case is different and if after talking to us you still want to be excluded we will offer the ability for an indicator to be included against your rent account that will mean your data is not extracted.

Are there any other ways I can increase my credit score?

There are other ways of increasing your credit score. Most people improve their credit score by taking out a loan, applying for a store credit card or buying something on credit and then paying it off. The Rental Exchange is unique as it is the only way of improving your credit rating without having to take on any additional debt.

Would Babergh and Mid Suffolk District Council ever reject a housing application because of a poor credit score?

A poor credit score would never be used to reject a housing application. At some point in the future we may use data held by credit checking agencies to assess if new tenants might need extra support and guidance. The aim would be to stop tenants getting into problems rather than waiting until they get into debt. As resources across the public sector get squeezed more and more in the future, this may be a way of making sure we focus our resources in places where they can add the most value.

What is the relationship between Experian and BII?

The innovative concept of sharing rental data to enable social housing tenants' better access to credit and mainstream services was developed by BII several years ago. BII initiated a competitive

and transparent tender process for a partner to create and responsibly manage the Rental Exchange for the better of society.

Experian was selected in 2012 as the preferred supplier. As well as being the leading global information service's company, providing data and analytical tools to clients around the world, Experian has a long history of corporate social responsibility. Click here to find out more <http://www.experian.co.uk/responsibilities/corporate-responsibility/index.html>

EXAMPLE ONLY

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Washing Machine Example

The below example the same washing machine has been used:

Samsung AddWash WW70K5413UX 7Kg 1400 Spin Washing Machine

Prices correct as of 22nd March 2017

Argos - <http://www.argos.co.uk/product/5481291>

Littlewoods - <http://www.littlewoods.com/samsung-ww70k5413uxeu-7kg-load-1400-spinnbspaddwashtrade-washing-machine-with-ecobubbletrade-technology-graphite/1600063504.prd>

Washing Machine from Argos


0% finance deal – 9 months Buy now Pay later

Delivery = free (specific slots)

Discount = 10% off

Total = £458.99

The screenshot shows the Argos website interface. At the top, there is a navigation bar with the Argos logo, a search bar, and links for HELP, STORE LOCATOR, SUZANNE, SIGN OUT, MY ACCOUNT, and TROLLEY (with a 1 item icon). Below the navigation bar, there are buttons for CLEARANCE and PRICE DROPS. The main content area features a breadcrumb trail: Home and garden > Large kitchen appliances > Washing machines > Samsung AddWash WW70K5413UX 7Kg 1400 Spin Washing Machine. The product title is "Samsung AddWash WW70K5413UX 7Kg 1400 Spin Washing Machine" with a reference number 548/1291. It has a 5-star rating and a link to "Read reviews (6)". The price is £509.99, with a note for "3 special offers". A "CREDIT OPTIONS AVAILABLE" banner is present. The "CHOOSE COLOUR" section shows "Graphite" selected. The "CHOOSE AN OPTION" section asks "How would you like to get your item?" and offers two choices: "Home Delivery" (selected) for £509.99 (with a note "Delivery charge calculated at checkout") and "Home delivery, installation & recycling included" for £554.99. A "CHECK STOCK" button is at the bottom.

<p>USE CODE: WHITE10</p>	<p>SAVE 10% ON ANY LARGE KITCHEN APPLIANCE OVER £499</p>	 For store reservations, quote code at till.  For home delivery & Fast Track collections enter code at checkout.
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Discount code available on top of all other offers.

Choose your Argos Card credit plan

We have a number of Argos Card credit plans available, please pick the one which suits you best:

9 Months Buy Now Pay Later ✔

No payments required for 9 Months and then if you settle the cash price, we won't charge you interest. If you don't settle the cash price, you'll be charged interest from the date of the transaction. Minimum payments are detailed in your terms and conditions.... [More information](#)

£ Your order summary

Got a promotional code?		Subtotal: £509.99
Enter your promotional code	Apply	Delivery: £0.00
Your discount has been applied		Promotional discount: £51.00
		Total: £458.99

Washing Machine from Littlewoods

44.9% finance deal – spread the cost over 156 weeks

Delivery = free (specific slots)

Weekly payments = £7.98

Total = £1,244.12

The screenshot shows a product page for a Samsung washing machine. At the top, there are navigation tabs for various categories like 'What's New', 'Women', 'Men', etc., with a 'Sale' tab highlighted. The breadcrumb trail reads: Home / Electricals / Washing Machines / Samsung / Samsung WW70K5413UX/EU 7kg Load, 1400 Spin AddWash™ Washing Machine With Ecobubble™ Technology - Graphite / Next.

The product title is 'Samsung WW70K5413UX/EU 7kg Load, 1400 Spin AddWash™ Washing Machine with ecobubble™ Technology - Graphite'. It has an item number 77XK931, a 4.7 star rating from 18 reviews, and a 'View T&C's' link. The price is shown as 'Was £759.99' and 'Now £739.99'. There are three selection steps: 1. Colour (Graphite), 2. Quantity (1), and 3. Installation / Removal Services (Optional). A note says 'Payment options are selectable in checkout'. The product is 'In stock' with 'Delivery from 48 Hours. Review available dates.' There are buttons for 'Product tour', 'View larger', 'Save for later', 'Add to basket', and 'Add to wishlist'. A 'CLAIM CASHBACK' badge is visible on the product image. On the right, there are sections for 'Collect+' and 'People who viewed this product also like' featuring a Hoover DXCC49B3 Dynamic Next Classic washing machine.

You Could Pay

From £7.98 per week

1x	Samsung WW70K5413UX/EU 7kg Load, 1400 Spin AddWash™ Washing Machine with ecobubble™ Technology - Graphite £739.99	156 weeks (44.9% annual interest rate total amount payable £1244.12)	£7.98 per week
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104 weeks available on items over £50.00

156 weeks available on items over £99.00

Interest free payments available on Service Guarantees, Replacement Guarantees, Mobile phone insurance and Furniture Insurance.

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Agenda Item 6

BABERGH DISTRICT COUNCIL and MIDSUFFOLK DISTRICT COUNCIL

From: Anne Bennett Corporate Manager Development (Housing & Regeneration)	Report Number: JHB/20/17
To: Joint Housing Board	Date of meeting: 24th April 2017

UPDATE ON HRA DEVELOPMENT AND INVESTMENT ACTIVITY

1. Purpose of Report

- 1.1 To provide the Board with a comprehensive update on the activity relating to development and investment relating to the HRA.

2. Recommendations

- 2.1 The Board is asked to note the contents of this Report.
- 2.2 The Board is able to resolve this matter.

3. Financial Implications

- 3.1 This is for Board information purposes only, there are no financial implications associated with this report.

4. Legal Implications

- 4.1 This is for Board information purposes only, there are no legal implications associated with this report.

5. Risk Management

- 5.1 The Report is for information purposes only there are therefore no risks to report.

6. Consultations

- 6.1 The Homes and Communities Agency (HCA) Programme to deliver 65 new affordable homes was approved by Members in October 2014. Consultations have been undertaken as part of the planning process. The Joint Housing Board has been receiving monthly updates on programme progress up until January 2017, update for this now form part of this quarterly report.
- 6.2 Re-investment of Right to Buy Receipts is undertaken following consultation with Lead Members and the Portfolio Holder for Housing.

7. Equality Analysis

- 7.1 The content of this report is such that there are no equality issues arising from this report.

8. Shared Service / Partnership Implications

8.1 The Councils affordable housing programme may be delivered with a range of potential partners. These may include: Suffolk County Council and other District Council partners; private landowners; Registered Social Landlords and the Homes and Communities Agency.

9. Links to Joint Strategic Plan

9.1 Babergh Shape, influence and provide the leadership to achieve the right mix and supply of housing and Mid Suffolk Ensure that there are enough good quality, environmentally efficient and cost effective homes with the appropriate tenures and in the right location.

9.2 The Joint Strategic Plan has identified Housing Delivery as one of its key strategic outcomes.

10. Key Information

Disposals

10.1 Both authorities dispose at open market value council housing deemed uneconomical to maintain and / or in low demand. The viability model is supplied by Ridge Surveyors as demonstrated at Joint Housing Board in July and uses a range of indicators to consider the viability of the future of council homes. Those properties that have higher than average costs over 30 years are indicated as unsustainable; demand and development opportunities are fed into a detailed appraisal model and these properties are reviewed by the Housing Asset Management Group for a disposal decision. Disposal decisions are made on the basis that the capital receipt can be re-invested in new homes that are cheaper to maintain and in a sustainable location or on the existing site with increased density.

Disposals Babergh DC 16/17

Location`	Value £	Comments
4 Bures Road, Nayland	212,000	Completed 08/04/16
3 Rowley Cottages, Stoke By Nayland	120,000	Completed 09/04/16
3 The Street, Brent Eleigh	147,500	Completed 28/08/16
6 Hall Road, Brent Eleigh	145,000	Completed 09/09/16
TOTAL	624,500	

Disposals Mid- Suffolk DC 17/18 (Pending) brought forward from 16/17

Location	Value £	Comments
5 Lower Crescent Barham	150,000	Guide price when put on the market should be £175,000. Offer accepted of £194,785, exchange of contracts imminent.
TOTAL	194,785	

Work is underway with the new shared legal services to ensure that disposals are dealt with more expeditiously than we have seen in the past.

10.2 RTB Receipt Investment in Acquisitions :

Since April 2012 Local authorities have been able to retain the receipts for replacement housing. Both Councils have been utilising these receipts by buying additional council homes. Receipts can be used for the purchase of land, market properties, new build and the purchase of planning gain 106 units from developers providing affordable homes.

Local authorities have to manage their business plans by ensuring that only 30% of the receipts retained are used for the replacement of homes, finding the additional 70% from other HRA resources. To date investment has been in market acquisitions but we are currently looking at some opportunities to acquire units directly from developers.

Spend 15/16:		
Babergh	£648,241.91	4 Properties
Mid Suffolk	£1,160,213.45	7 Properties
Spend 16/17:		
Babergh	£2,349,669	13 properties
Mid Suffolk	£3,200,397	19 properties

10.3 HCA New Council House Building Programme

Since April 2012, local authorities who still own housing stock have been free of the long-standing Housing Revenue Account subsidy system in exchange for taking on a proportion of the national housing debt. This has resulted in many authorities having the ability to develop new council housing for the first time in decades.

Both Councils are currently in receipt of grant funding from the HCA which will see the delivery of 65 new council homes. The HCA Affordable Homes Programme 2015-18 offered a grant funding pot totalling £1.7bn nationally of which Babergh and Mid Suffolk are to receive a total of £1.156m

Location & No. of Dwellings	Start on Site	Practical Completion	Tenure
Thurston - 1	September 2015	26/4/16	Affordable Rented
Barking - 3	October 2015	14/9/16	Affordable Rented
Bramford - 2	October 2015	14/9/16	Affordable Rented
Laxfield (2 schemes) – 9	February 2016	22/2/17 (Mill Road) TBC (Noyes Ave)	Affordable Rented
Great Blakenham - 23	May 2016 (delayed by archaeological finds)	24/2/17 Plots 9-16 May 17 – rest of plots	Affordable Rented 12 and 11 Shared Ownership Units
Lavenham -12	May 2016	9/3/17	Affordable Rented
Glemsford -15	5/12/16	14/12/17	Affordable Rented
Total Dwellings		65	

An application to vary the Unilateral Undertaking for the Great Blakenham site to enable shared ownership units was submitted to planners in October and this was heard at planning committee on 11th January 2017; planning committee agreed to this variation.

The Main headlines this period are:

- Mill Road, Laxfield has achieved practical completion and handover. Final grant monies have been received and actioned for payment to Mid Suffolk.
- Meadow Close, Lavenham achieved practical completion, with a handover to follow in early April. Final grant monies have been received and actioned for payment to Babergh.
- The shared ownership units are currently being marketed for Great Blakenham; three buyers with a local connection have been identified and the remaining units will be made widely available following on from the 90 day period (specified in section 106 for local connection only)

- There have been some complaints received regarding the contractors use of Shepherds Lane , Glemsford. This has created some issues regarding mud and concrete on the lane, due to heavy rain. Officers and employers agents acted swiftly to deal with the situation and sought advice from the Councils Health and Safety expert. The road has been prevented from being used and the contractors will have to repair the highway. The contractors were only using this lane as a temporary measure whilst the main access was being created.

10.4 **Pipeline/Estate Regeneration/Joint ventures**

This part of the report is confidential and can be found in annex a (BDC) and annex b (MSDC).

10.5 **Babergh and Mid-Suffolk Joint Affordable Homes 3-Year Rolling Development Strategy commencing 2017**

This strategy (appendix c) was approved by the March 2017 Executive and Strategy Committees and sets out what the Councils intends to build, for whom and how they will ensure delivery of high quality affordable homes in a cost effective way. It also sets wider aims for the next three years and what added value and initiatives the development programme can bring. The Strategy will form the framework within which both Councils will evaluate development opportunities and decide whether to proceed with a project.

The primary development role will be in the provision of new homes for letting at affordable rent or low cost home ownership. Where possible this will be subsidised through Government grant and where appropriate new homes will also be delivered through S106 Planning Agreements. In addition, other products that will be considered are:-

- (a) Homes for older people and those needing specialist housing
- (b) Low cost homes for sale on shared equity/ownership terms
- (c) Market rented homes to subsidise the affordable homes on the same site
- (d) Homes for market sale to subsidise affordable homes on the same site

In determining priorities for the provision of new housing due regard will be given to housing demand and need. Joint consultation and co-operation will take place with development partners, other public authority, registered providers organisations and individuals to ensure a co-ordinated approach to meeting that need.

Housing demand and supply is not static and can change periodically due to a number of factors. Therefore, development priorities will be reviewed and updated as required, or as Government Policy or market conditions change or as the emerging Strategic Housing Market Assessment (SHMA) demands.

Delivery will be through an appointed development partner. The process for the appointment of that partner will be finalised by summer 2017. This partner will deliver and manage development activity and will be expected to meet objectives, priorities and targets set out in this strategy.

The development partner will be encouraged and expected to engage with East Anglian based small and medium size enterprises (SME's) when developing new homes. Although the use of national volume house builders will be necessary if strategy targets are to be met, the use of local SME's can create a more bespoke product and the use of local companies and labour can result in finance being retained in the local economy.

11. Appendices

Title	Location
(a) Pipeline BDC - confidential	Attached
(b) Pipeline MSDC - confidential	Attached
(c) Joint Affordable Homes Development Strategy	Attached

Authorship:
 Name: Anne Bennett
 Job Title Corporate Manager
 Development (Housing and
 Regeneration)

Tel. 01449 724879
 Email:anne.bennett@baberghmidsuffolk.gov.uk

**BABERGH AND MID SUFFOLK
JOINT AFFORDABLE HOMES 3-YEAR
ROLLING DEVELOPMENT STRATEGY
COMMENCING 2017**

BABERGH AND MID SUFFOLK

JOINT AFFORDABLE HOMES 3 YEAR ROLLING DEVELOPMENT STRATEGY COMMENCING 2017

1.0 GENERAL AIMS, SCOPE AND CAPACITY

- 01.01 Babergh and Mid Suffolk District Councils (BMSDC) are committed to growing their managed portfolio of homes and new home supply in their areas generally through new development and the support and enabling of others. When directly developing new homes the aim remains to provide a range of high-quality buildings to meet the needs and circumstances of BMSDC residents both now and in the future. This strategy addresses growth through new homes directly developed by the Councils on a rolling three year basis commencing 2017, and sets out what the Councils intend to build, for whom and how they will ensure delivery of high quality affordable homes in a cost effective way. This strategy will evolve as plans evolve and viability assumptions will be formally reviewed on an annual basis when budgets are set.
- 01.02 This document sits under the 'Housing and Regeneration' strand of the Asset and Investment Strategy. The finance for development will be provided from General Fund and/or Housing Revenue Account (HRA) resources. In addition to the development of new affordable rented and low cost home ownership homes under this strategy, the Councils' will also consider providing other housing products. This could include development of homes for market sale and market rent which generate 'profit for purpose'. These developments will be undertaken through the Councils' incorporated company structures and the subject of a 'Joint Market Homes Development Strategy' separate to this document.
- 01.03 A pipeline for new homes is held for each Council which takes into account deliverability. Factors included in developing each pipeline include site availability, operational capacity of the delivery team, and risk. For example, although the financial capacity and sites might be available for a large shared ownership programme, market risks might determine the limit to the numbers at any given time.
- 01.04 Where General fund 'prudential' borrowing is used to fund development, the Councils are not restricted by borrowing limits, however, the Council must demonstrate it is prudent for it to undertake such borrowing and its Treasury Management parameters will determine borrowing capacity.
- 01.05 The HRA business plans demonstrate that there is financial capacity to build and (acquire) Homes for both BDC and MSDC over 3 years. This utilises Right to Buy receipts for both Councils and in the case of BDC additional borrowing capacity within its HRA. Both HRA's are constantly being reviewed for capacity

and therefore these numbers are indicative and subject to annual change as a result. A breakdown of these indicative numbers is laid out in Appendix 1.

- 01.06 The Councils' development purpose under this strategy will be the provision of new homes for letting at affordable rent or for low cost home ownership. Where possible these will be subsidised through Government Grant and Right to Buy receipts and where appropriate new homes will also be delivered through S106 Planning Agreements. Homes England (Formally HCA) Grant funding, Community Infrastructure Levy (CIL) and other subsidy available from time to time, is essential to maintaining increased capacity in future programmes. New sources of such grant will be constantly sought both directly and through the development partner.
- 01.07 In determining BMSDC priorities for the provision of new housing due regard will be given to housing demand and need. Joint consultation and co-operation will take place with development partners, other public authorities, registered providers organisations and individuals to ensure a co-ordinated approach to meeting that need.
- 01.08 BMSDC is aware that housing demand and supply is not static and can change periodically due to a range of factors. Therefore, development priorities will be reviewed and updated as required, or as Government Policy or market conditions change or as the emerging Strategic Housing Market Assessment (SHMA) demands.
- 01.09 Construction of new homes is administrated by the Councils' appointed development partner. This partner will manage development activity, from design, through planning, construction and handover and will be expected to meet objectives, priorities and targets set out in this strategy. The development partner will be encouraged and expected to engage with East Anglian based small and medium size enterprises (SME's) when entering into construction contracts for new homes. Although the use of national volume house builders will be necessary if strategy targets are to be met, the use of local SME's can create a more bespoke product and the use of local companies and labour can result in finance being retained in the local economy.

2.0 NEED AND LOCATION

- 02.01 BMSDC will, wherever possible, create new homes that are suited to those with particular needs which are not currently being met by existing stock or through other new provision. By this more specific targeting of housing need the Councils aim not only to provide housing which might not otherwise be available but also to 'free up' housing suitable for people with no specific requirement other than affordability.
- 02.02 To build houses the Councils need planning permission and, where possible, the support of the local community. Obtaining planning permission requires site investigation, community consultation (and engagement), design work and cost

appraisal. Delivery requires a strong development partner, a team of investment and commercial delivery staff, supported by specialist consultants.

- 02.03 The Councils will, identify a pipeline of sites looking forward three years at least. This will include undertaking strategic reviews of areas where there are significant Council land holdings, including areas of Council housing. The Councils have a responsibility to ensure that it is making best use of its own assets. General Fund and HRA Asset reviews identify which sites, already in ownership, might be used in a more beneficial way.
- 02.04 In considering a new development of affordable rented homes, regard will be had to the long term housing management implications. This might include the accessibility of the development and its proximity to existing stock.
- 02.05 BMSDC recognises that there remains considerable housing need in rural areas particularly where the number of council or privately rented homes available for letting is low. These homes can also be difficult to deliver on the grounds of site availability, local lobbying against such housing, the planning process and cost. BMSDC is committed to the delivery of rural housing schemes and accepts that in planning a pipeline of such schemes allowance will need to be made for the additional cost and time likely to be accrued.
- 02.06 In identifying potential development opportunities the Councils will have due regard to regional and national housing priorities, employment, the need for a mix of rural and urban housing as well as meeting ongoing identified and specific housing needs.

3.0 SITE SELECTION

- 03.01 Development will almost always provide better value for money if it takes place on Council owned land. Although it is possible that many of the opportunities will be on land which is already held for housing purposes, it will be important to also explore the potential of other land to contribute towards improving supply. The Council has already, and will consider further, acquiring land on the open market or by negotiation in order to ensure that homes can be provided where they are needed. Each Council will look to maximise its use of resources and build as many new homes as capacity allows.
- 03.02 Further housing stock can, and has already been added via the purchase of existing properties to use as Council houses. These will be considered only where the properties can meet the Council's standards and it can be demonstrated that acquisition would be financially viable. Under some circumstances this might include the acquisition of existing stock currently owned by housing associations who are disposing of units under their own asset management plans.
- 03.03 Whilst this will not add to the total supply of homes it will increase the Council's own stock and generating a rental income. In considering whether to purchase

open market properties the Councils will be mindful of the impact that this may have on the availability of lower value homes to prospective purchasers, for instance first time buyers, and of the potentially distorting effect on local markets.

03.04 The Council will also consider the disposal of units which are of very high value, are too costly to maintain or are no longer suitable for housing purposes. This will generate capital receipts which could be invested in the provision of more new homes.

03.05 In Summary, the development programme will be met by the provision of homes:-

- Built on vacant sites
- Created from the refurbishment/conversion of existing buildings
- Through the redevelopment of sites currently in use
- Acquired from developers “off the shelf”.

03.06 Where homes are proposed on previously developed or contaminated land the Council will ensure that adequate ground works and/or remedial works take place to:-

- Minimise risk to the health and safety of contractor and future occupiers
- Minimise risk of financial loss and impact on BMSDC reputation.

03.07 The location of any proposed development will be expected to be appropriate to any potential occupiers with particular regard to such matters as access to public transport, post office, shops, schools etc. to enable any adopted standards to be achieved.

03.08 There must be clear evidence from housing needs or housing survey data that there is a current demand for the proposed development and that as far as can reasonably be established this demand will be sustained in the long term.

4.0 LAND/BUILDING ACQUISITION AND ‘LAND BANKING’

04.01 BMSDC has already acquired and will continue to consider the acquisition of land or buildings where this is deemed to be strategically important and provide a pipeline for future delivery. Full relevant details of the site or buildings including a site development appraisal and viability assessment will be required to enable Members to reach its decision.

04.02 BMSDC will consider “land banking” opportunities but only where there is a burden of proof in favour of this being a strong use of capital or some alternative non-financial strategic reasoning.

5.0 DESIGN AND SPECIFICATION

05.01 BMSDC will endeavour to design to the highest possible standards in every respect. Such standards inevitably lead to additional cost so regard has to be had to the balance between increasing higher standards and the viability of such schemes. In general though, new homes design will comply with:-

- The Councils' adopted Technical and Design Standards
- Homes England Development Standards where appropriate
- Health and Safety, Planning and building design legislation
- Environmental considerations and the desire to reduce running costs for occupants.

05.02 Full regard will be given to all relevant sustainable development policies and environmental considerations in the design process and the scheme design will be expected to complement the locality.

05.03 The design and specification will take into account the need to minimise ongoing utility and fuel costs to the occupier. Consideration will be given, where viability allows, for specialist environmental standards for homes or design that is targeted to reduce the impact on the environment.

05.04 The Council will consider the long term sustainability of new developments and particularly any additional features of a non-housing nature which can be provided to supplement housing facilities and enhance the scheme or environment for the benefit of prospective tenants and wider community.

05.05 There may be occasions where BMSDC will be prepared to waive some or all of the specific design and specification requirements to ensure deliverability.

6.0 DELIVERY PARTNERSHIP AND PROCUREMENT

06.01 The Councils Development Partner (DP) acts as developer on behalf of the 'client' Councils. The DP acts in all development matters from site identification where necessary through to handover of completed projects. The DP will carry out its activity in line with a BMSDC 'Development Manual' which will contain all policies and protocols required to complete a successful BMSDC development. The manual will also lay out the most appropriate procurement methods and in particular;

- Provide clear evidence that the method of procurement used for the selection of a particular consultant, contractor or developer demonstrates value for money and quality benefits and met the Council's policies in all respects
- Complies with the law that relates to such activity

7.0 BUILDING GUARANTEES/WARRANTIES

07.01 The Councils will obtain collateral warranties from all consultants and contractors/developers in respect of design and construction works. These must be capable of assignment and assigned to BMSDC on completion of each contract.

07.02 Long term building guarantees provided either by the NHBC, Zurich Municipal or similar in accordance with the adopted Technical and Design Brief must be obtained and assigned to the Council on completion of each contract.

8.0 LINK WITH ASSET AND INVESTMENT STRATEGY, HOUSING DELIVERY STRATEGIC FRAMEWORK

08.01 The Refreshed Joint Strategic Plan developed in 2016 establishes the framework for the Councils priorities: Economy and Environment; Housing and Strong and Healthy Communities. The strategic priorities which are supported by this Development Strategy include;

- Investment in land and property to generate income and regenerate areas
- Manage our corporate assets effectively
- Manage our housing assets effectively
- Making best use of land and buildings across the Suffolk System
- Community led solutions to deliver services and manage assets
- Existing estate regeneration
- Financially sustainable Councils

08.02 The Housing Strategy Framework was the subject of a Members workshop in January 2017. 'Direct Delivery' was one of the themes discussed in detail. Members identified the following top three items for further investigation;

- The development and sale of self- build serviced plots
- On site viability cross-subsidise across two or more sites in order to deliver schemes that may not be viable in their own right. (N.B. This has already been included as 'coupling' of schemes in this strategy).
- Modern Method of Construction including the potential for a joint venture manufacturing facility.

9.0 FINANCIAL CONTROL, VIABILITY AND RISK MANAGEMENT

Members will set the strategic direction of the development programme through the approval of this strategy and delegate (subject to viability tests and criteria laid out in Appendix 2) the Assistant Director Investment and Commercial Delivery, operational authority to proceed with schemes.

09.01 Each project will need to be assessed to ensure it meets the following criteria:

- It meets the aims of this Development Strategy.
- That its financial viability is fully assessed and that the basis on which it can proceed is properly understood. This includes the application of Local Housing Allowances when considering outcome rent levels in viability tests. The Council's chosen methodology for this is through the use of 'Proval' software.
- Has been adequately risk assessed. Building homes involves significant risks. It will rarely be possible to eliminate risk; however it can be assessed and managed. At a high level risk management is carried out by ensuring that proposals have a strategic fit with this Strategy, particularly with respect to viability. The Council's corporate project and risk management processes will be used to mitigate the Council's over exposure to wider risk of which development activity will be one element.

09.02 The criteria for determining viability are set out in Appendix 2 along with the assumptions used in the assessment. Each scheme will be considered on its own merit and it may be the case that a scheme is desirable meets strategic aims but is not viable within the criteria set. In such circumstances a case will be made for 'coupling' the scheme with another that exceeds the viability standard and when 'combined' are viable. Such 'coupling' will only be considered for capital costs of a project and in no circumstances to cross subsidise on-going revenue costs where the scheme is say a supported housing or other specialist scheme.

09.03 The viability criteria have been determined to closely match the constraints and risks identified and used within the Housing Revenue Account Business Plans for each District. Although the constraints at MSDC are more notable than at BDC (and this will inform the size and scale of each programme) the risks of developing unviable schemes remains regardless of this. It is imperative that projects can finance themselves without the need to rely on revenue from (principally the HRA to support them). Projects that are too costly will drain resources from the Business Plan or other sources and reduce the Councils ability to develop more homes. This will be a key consideration when deciding whether to pursue a project. These criteria will be reviewed annually.

- 09.04 The Council's development partner will provide scheme budgets and cost variation information for all new schemes as soon as this information is available. The scheme budget will be accompanied by a Financial Scheme Assessment (FSA) which, in addition to detailing scheme costs, will provide a long term assessment of the scheme's viability. This will normally be based upon the Councils' 'Proval' viability assessment.
- 09.05 The assumptions to be used in each FSA and the process for approving scheme budgets and variations thereto are set out in Appendix 2.
- 09.06 For each proposed scheme BMSDC will ensure that:-
- They have (or can obtain) adequate funding to cover all costs during the development period.
 - Overall viability will be secure in relation to any long term financial commitments.
 - There is a market or identified long-term demand for the proposed scheme.
- 09.07 It is recognised that all development involves short and long term financial risk. As such, the development partner will be expected to adopt and agree policies and practices that minimise the likelihood of contractual cost overruns and long term risk of loss to BMSDC.
- 09.08 The provision of shared equity/ownership schemes involves greater short term financial risk in the marketing and sales of properties. To minimise its exposure to these risks BMSDC will;
- Adopt and implement clear marketing procedures
 - Wherever possible ensure that no more Shared Ownership/Equity or market sale development is undertaken than is necessary to secure the viability of the scheme
 - Consider options for "converting" shared equity/ownership homes to affordable rented homes where sales difficulties are encountered.
 - Not embark on the acquisition or development of new shared ownership or market sale homes where market conditions are likely to result in protracted sales periods and excessive void losses.
 - BDC currently allows 'staircasing' of shared ownership to a maximum of 80%. It will aim to move, over time, towards a staircasing policy that can result in 100% ownership.

09.09 A development risk register will be maintained and updated by the Assistant Director Investment and Commercial Delivery specifically for the development function. This will feed into the corporate risk register through the normal risk reporting mechanisms.

10. PARTNERSHIP WORKING AND SECTION 106 OPPORTUNITIES

10.01 Both Councils have strong established links with housing associations and private developers that make a significant contribution to housing supply in the District. It is important that this continues where in the wider interests of delivery.

10.02 Housing associations will continue to provide a vital role in delivering affordable homes via Section 106 planning obligations and other opportunities brought to, and identified by them. In addition they will supply intermediate tenure schemes, such as shared ownership, and in some cases market properties where this supports other affordable housing provision. BMSDC are open to the opportunity to work collaboratively with housing associations on their land where it is considered desirable to provide a mix of tenures.

10.03 Where a developer has an obligation to provide affordable homes under a Section 106 planning obligation the Council will look to bid for such opportunities even where partner housing associations might also bid. It should be noted though that this competition might result in higher value being paid. To avoid this, and in such circumstances, a single viable bid 'first and final' bid will be made and no additional 'counter bidding thereafter will be undertaken.

10.04 Where opportunities arise with other public bodies such as Suffolk County Council, Ministry of Defence and the Homes and Communities Agency to acquire land or work on joint development opportunities the Councils will do so.

11.0 IMPLEMENTATION OF STRATEGY

11.01 The Assistant Director - Investment and Commercial Delivery, is responsible for ensuring that this strategy is implemented.

12.0 STRATEGY REVIEW

12.01 This strategy, and particularly assumptions, will be subject to rolling review in March of each year.

APPENDIX 1

2017 to 2020 DEVELOPMENT PRIORITIES & TARGETS

UNIT NUMBERS

Over the life of the strategy the following indicative programme is considered deliverable within the context of need and demand, land and finance availability. A 'Pipeline Programme' will be maintained and updated as new schemes become live.

BABERGH

210 New Homes

MID SUFFOLK

98 New Homes

TYPE AND SIZE

Affordable rented - no specific requirements but demand for proposed accommodation must be evidenced. Size of homes provided must also include evidence that Local Housing Allowance/welfare benefit cap/spare room subsidy does not affect the long term viability of the development.

Shared ownership/equity – no specific requirements but demand must be evidenced and affordability demonstrated. Subject to general market conditions there should normally be a presumption against significant numbers of flats and, in particular, one bedroom flats or smaller should be avoided.

Market rent (to cross subsidise affordable homes) – to be agreed on a site by site basis and subject to viability/profitability test of target 6.0% yield.

CLIENT GROUPS

Affordable rented units – general needs, sheltered, supported housing (subject to revenue funding being available), wheelchair accessible.

Shared ownership/equity – non-specific.

Others – to be agreed on a site specific basis

LOCATION

Homes will only be developed within the Babergh and Mid Suffolk district areas

APPENDIX 2

ANNUAL FINANCIAL ASSUMPTIONS & SCHEME APPROVAL PROCESS

AFFORDABLE RENTED SCHEMES

Financial Assumptions

- NPV discount rate - 4.5%
- Loan repayments based on 30 year loan repaid under annuity method.
- Development interest rate – At prevailing rate
- Short term investment rate receivable
- Inflation – Retail Price Index
- Rent on completion – target rent (as per formula) *
- Rent increases – As per Government Rent Policy
- Allowance for voids and bad debts – 2%
- Management costs – £400 PUPA
- Maintenance (day to day) - £500 PUPA
- Service Costs (where appropriate) - £521 PUPA

* All are to be subject to RPI increases to estimated scheme completion date

Approval and Delegations

The following definition applies in calculating the Net Present Value for determining the level of internal approval required:

- 30 year projection of Net Rent Income and loan interest and capital payments reflected at current levels using discount rate. (Net Rent + Cap. Value – Loan).
- “Coupling” of two schemes where one showing a high NPV can offset one with a low or negative NPV to an average positive NPV.

The following table sets out the approval process to be followed when a scheme is presented or varied:-

Category	Criteria	Approving Body
1	Within the terms of the Development Strategy and Net present value – positive after 30 years or “coupling” required to aggregate two concurrent schemes to positive outcome.	Assistant Director – Investment and Commercial Delivery
2	Outside of Development Strategy; or Net present value – negative after 30 years	Member Approval

Note

A positive NPV assessment over 30 years means that the scheme will generate sufficient income to cover its running costs and repay the loan needed to undertake the initial construction within 30 years. A negative NPV assessment means that the initial loan will be repaid at some stage after year 30 or that a subsidy from elsewhere (principally the HRA in most cases) will be needed in order to achieve the loan repayment by year 30.

SHARED EQUITY/OWNERSHIP SCHEMES

Key Factors for Consideration

1. The loan required by a purchaser to finance the purchase of the level of equity assumed at the date of the assessment must be affordable by the purchaser, as agreed jointly by BMSDC and the development partner.
2. The income to BMSDC from the sale of a shared equity home (either on an individual or on a collective basis) must be no less than the sum of:-
 - (a) The total cost to BMSDC in providing the home, including all land and building costs, fees (including development partner fee) and other on-costs.
 - (b) One per cent of land and building costs as a provision for legal and marketing cost
3. The valuation assumption used in the assessment of any scheme must not take account of potential property inflation/deflation between the date the assessment is made and the assumed completion date of the homes.

Annual Financial Assumptions

The financial assumptions used for assessing the long term viability of shared ownership schemes will be the same as for affordable rented schemes subject to the following exceptions:-

Sale initial tranche rate 30%

- Management costs* – 25% of rental stock assumption
- Rent increases – As per Government Rent Policy

* Subject to RPI increases to estimated scheme completion date

Approval Process

The process for approving shared ownership schemes will be the same as for other schemes set out above.

Agenda Item 7

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Improvement and Involvement Officer – Housing	Report Number: JHB/19/17
To: Joint Housing Board	Date of Meeting:

JOINT HOUSING BOARD FORWARD PLAN – 2017/18

Date of the Board Meeting – 22 May 2017
Deadline for reports: 11 May 2017

Report Title	Lead Officer
Capital Programmes	Corporate Manager – Property Services
Anti-social behaviour policy	Corporate Manager – Income and Tenant Services
VOIDs Tenant Scrutiny Report – update on action plan	Improvement and Involvement Officer
Fixed term (flexible) tenancies – verbal report	Corporate Manager – Housing Options
BMBS Business Plan update and implementation progress	Corporate Manager – BMBS

Date of the Board Meeting – June 2017
Deadline for reports: TBC

Report Title	Lead Officer
Anti-Social Behaviour Policy	Community Housing Officer
Resident Involvement review outcomes and next steps – TBC (dependent on HQN report)	Improvement and Involvement Officer

Performance Indicators for Supported Living	Improvement and Involvement Officer
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Items to be tabled:

Report Title	Lead Officer
Vision for Supported Housing	Corporate Manager – Supported Housing
Locations of future Housing Board meetings including 2018 dates	Improvement and Involvement Officer
Business Plans – regular updates/reviews	Assistant Director – Supported Living
Babergh and Mid Suffolk Housing Strategy	Assistant Director – Supported Living
English Landscape and future of gardening service (after November 2017)	Corporate Manager - Income and Tenant Services
Procurement arrangements for Repairs and Property Services	Corporate Manager – Property Services/Corporate Manager – BMBS

Authorship:

Victoria Freer
Improvement and Involvement Officer

Tel: 01449 724781

Email: Victoria.Freer@baberghmidsuffolk.gov.uk

Agenda Item 10

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