



REPORTS FOR DECISION BY THE CABINET MEMBER FOR REGENERATION

Date Issued: **27 August 2009**

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K = Key Decision

A Record of Decision will be issued following the conclusion of 5 clear working days from the date of issue of the Report

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MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR REGENERATION

Report of the Assistant Director of Development & Community Strategy

Report prepared by Stuart White

Date Issued: 27 August 2009

1. PRIVATE SECTOR HOUSING RENOVATION PROGRAMME 2009/10 and 2010/11

1.1 Issue for Decision

- 1.1.1 This report asks the cabinet member to approve the use of resources within the Private Sector Housing Renovation Grant budget; to provide the Chief Housing Officer with the discretion to move funds between the various grant headings thereby ensuring best use of the budget in a rapidly changing housing market; and to approve an enhanced service delivered through the existing grant for the Handyperson service.

1.2 Recommendation of Assistant Director of Development & Community Strategy

- 1.2.1 That the Cabinet Member agrees the use of the Renovation Grant budget for the years 2009/10 and 2010/11 as set out in appendix A. of this report, noting the additional provisional for 2009/10 of £128,394 for decent homes and £135,000 for disabled facilities grant, which are ring-fenced by conditions for those purposes.
- 1.2.2 That the Cabinet Member provides authority to the Chief Housing Officer to allocate funds between the budget headings in consultation with the Director of Resources & Partnerships as outlined in appendix A. in response to market conditions and to ensure best use of the budget.
- 1.2.3 That the Cabinet Member approves the enhanced service to be delivered through the Handyperson service to be funded through the existing grant.
- 1.2.4 That the Cabinet Member approves an amendment to our Housing Assistance Policy to allow a differential rate for landlord grants which provides a higher percentage of grant assistance (75%) to landlords who are accredited under the Kent Landlords' Accreditation Scheme and 50% to unaccredited landlords.

1.3 Reasons for Recommendation (grant budget)

- 1.3.1 The economic downturn has also had an effect on the take up of certain grants such as First Time Buyers grant. The take up for last year was disappointing but was as a result of lack of activity in the housing market. It is difficult to predict whether this coming year will be any different. However, this grant is likely to assist with the revival of the housing market when it comes and for that reason this budget should be kept under review rather than deleted.
- 1.3.2 The renovation grant programme (excluding disabled adaptations) is largely focused on improving homes to the decent homes standard and as such the spectrum of grants provided by the council achieves this same aim. Although we attempt to predict how the overall grant will be allocated at the beginning of the year, what is important is that the actual spend achieves the purpose of making homes decent.
- 1.3.3 Around half of the grant budget for 2009-2010 will come from external funding and it is entirely possible that towards the end of the year further funds may become available. In order to make best use of such monies we need to be in a position to react quickly. Typically funding that becomes available in this way needs to be committed and spent by the end of the financial year. To enable this process to happen expeditiously it is proposed to delegate authority to the Chief Housing Officer to finalise how the approved overall budget is allocated.
- 1.3.4 The Council has recently commissioned a private sector house conditions survey. The results of the survey will be known towards the end of August and will provide information about the private housing stock and what impact our programme over the last 5 years has had. Early indications support the council's approach adopted in the Housing Strategy 2005.
- 1.3.5 The management of the two Council owned Gypsy sites has recently been transferred to the Housing service. There are a number of items that require replacement on the sites. For instance perimeter fencing work at Water Lane, Ulcombe to include security fencing of the electricity meter area is urgent. Estimated cost of this work is in the order of £25K.
- 1.3.6 This work is urgent and necessary to prevent unauthorised access to the area, which in turn will prevent illegal connections to the electricity supply. A sum of £50K is recommended to be set aside for the purpose of repair and improvement of the two sites.

1.3.7 In April 2009 the Cabinet Member approved a Landlords' Accreditation scheme. It was suggested at the time that a benefit from becoming accredited should be a differential level of grant availability. This would provide a motivation to landlords and help raise standards across the private rented sector.

1.4 Reason for recommendation (Handyperson service)

1.4.1 The council has been in the forefront of developing a Handyperson scheme for older and vulnerable people. The service completes small jobs around a person's home with the confidence that the tradesperson is a vetted operative. The service has been delivered by the "In Touch" Home Improvement Agency (HIA). Due to the popularity of this service (growing from 414 job completions in 2005/06 to 874 in 2008/09) the council increase funding 2 years ago to enable the addition of a second Handyperson, as a waiting list for the service was developing.

1.4.2 The reputation of the Handyperson service has grown to the extent that Kent County Council successfully bid to Government through the Kent Commissioning Body for Supporting People for funding to enable each local authority in Kent to provide a basic Handyperson service. Subsequently your officers met with In Touch to discuss how this would affect the service delivered to residents in Maidstone. The opportunity has arisen to provide a more enhanced service in Maidstone without altering the council's contribution.

1.4.3 The enhanced service could provide assistance with such items as gardening, decorating, and path & gutter clearing. At the present time these are not available through the scheme but have been requested. Enhancing the service in this way would maintain Maidstone Borough Council's position for delivering ground breaking and forward thinking services that other councils then follow.

1.4.4 At the present time no charge is made (apart from materials) to people on a means tested benefit. For other recipients of the service a charge of £5 per hour is made. One of the criteria of the new Kent wide scheme is that a nominal charge is made to all clients. Following consultation it is proposed to adopt a new charging mechanism. For people on a means tested benefit a charge of £5 per hour will apply and for other clients £10 per hour.

1.4.5 As part of reviewing the service In Touch surveyed 100 service users, who were asked to complete a service review questionnaire. The survey produced a 62% return and the headline results were:

- 83% of service users agree with the proposal to charge £5.00 per hour to those clients in receipt of a Means Tested Benefits (MTB) and £10 to those people not in receipt of a MTB.
- Those service users who approved of the change were made up of users on a MTB (35.4%) and users not in receipt of a MTB (45%)
- Only 12% of all respondents opposed the introduction of charges.
- There was unanimous approval for a gardening, decorating, gutter and pathway clearance service

1.5 Alternative action and why not recommended

- 1.5.1 The council could decide to leave the division of the grant budget as it was for 2008-2009. Although the proposed division is similar, if the council decides to leave the budgets as before it would run the risk of not spending the grant budget. This in turn would not find favour with the external organisations that have provided funding to us partly based on our ability to make best use of the money provided.
- 1.5.2 The Council could decide not to delegate the authority to re-allocate funding between the budgets but this would mean that even small changes in the division of the renovation grant budget would require cabinet member approval. This is considered cumbersome and could potentially result in the funds not being spent.
- 1.5.3 The Council could decide to withdraw funding or reduce funding for the Handyperson service. If it is withdrawn, the service provided would be greatly reduced. It is a well received service and enables vulnerable people to carry out small repairs and improvements at reasonable cost by a trusted person. It is a 'spend to save' approach that can remedy small repairs before they develop into something larger and ultimately become more costly for the council to rectify under grant assistance. It can also provide such things as grab rails around accesses and bathing facilities that could also prevent injuries and therefore has a social cost benefit.
- 1.5.4 If funding is reduced this would be a missed opportunity to greatly enhance the service and put Maidstone once more at the forefront of service provision. Such seemingly small jobs can be so worrying for vulnerable people; gardens becoming overgrown can make them a target for vandalism, and rogue traders who will do a poor job at inflated prices.

1.6 Impact on Corporate objectives

1.6.1 The recommendations support the key objectives set out within the Homes and Communities section of the Strategic plan, in particular improving the quality of the existing housing stock in the borough.

1.6.2 The proposals also support the key objectives contained within Health and Older People by contributing to improved health, reducing risk within the home and improving the quality of life for individuals, enabling them to remain within their own homes.

1.7 Risk Management

1.7.1 The proposals help to reduce the risk of the council not making best use of the funds made available for renovation grants and will contribute to maintaining a high use of resources score.

1.8 Other Implications

1.8.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety
7. Human Rights Act
8. Procurement
9. Asset Management

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes ☒ No ☐

If yes, when did it appear in the Forward Plan? July 2009

Is this an Urgent Key Decision? Yes ☐ No ☒

Reason for Urgency

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

Councillor Malcolm Greer

Cabinet Member for Regeneration
Telephone: 01634 862876
E-mail: malcolmgreer@maidstone.gov.uk

Stuart White

Private Sector Housing Manager
Telephone: 01622 602103
E-mail: stuartwhite@maidstone.gov.uk

Appendix A

Grant	PSH Capital Budget 2009-11	MBC Budget Contribution 2009 - 11	Delivery Mechanism
Home Repair Grants	250,000	125,000	In Touch
First Time Buyers	100,000	50,000	MBC
Heating & Insulation	400,000	140,000	EAGA/CEN/ New Contractor
Landlords Grant	250,000	125,000	MBC
Mobile Homes Grant	20,000	20,000	MBC
Disabled Facilities Grant	825,000	420,000	MBC/In-Touch/MHT
DFG Discretionary Grant	50,000	50,000	MBC/In-Touch
MHT Aids & Adaptations	40,000	40,000	MHT
New Activities/Solar Water heating	95,000	0	MBC/CEN/ New contractor
Handy Person service	70,000	70,000	In Touch
Gypsy site refurbishment	50,000	50,000	MBC
Total	2,150,000	1,065,000	

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MAIDSTONE BOROUGH COUNCIL

CABINET MEMBER FOR REGENERATION

REPORT OF THE ASSISTANT DIRECTOR OF DEVELOPMENT AND COMMUNITY STRATEGY

Report prepared by Duncan Bruce

Date Issued: 27 August 2009

1. AWARD OF CONTRACT

1.1 Issue for Decision

- 1.1.1 To consider whether the Council should enter into a contract with Fordham Research Ltd to carry out a Strategic Housing Market Assessment (SHMA).

1.2 Recommendation of the Assistant Director of Development and Community Strategy

- 1.2.1 That the Cabinet Member for Regeneration agrees that the Council should enter into a contract with Fordham Research Ltd for the purchase of professional services to carry out a Strategic Housing Market Assessment, at a fixed price of £34,850.
- 1.2.2 That the cost of the assessment be met from the Housing & Planning Delivery Grant (HPDG).

1.3 Reasons for Recommendation

1.3.1 Background to contract

As part of their strategic housing function, Local Authorities have a duty to plan for the likely levels of housing need and demand¹ in their areas. Up to 2007 this was accomplished through Housing Needs Assessments (HNA). Maidstone's last HNA was issued in 2005, using 2004 data. The HNA before that was issued in 2001. Recognising the

¹ Under the definitions set out in PPS3, housing need is defined as 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'. Housing demand is defined as 'the quantity of housing that households are willing and able to buy or rent'. Housing market areas are 'geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work'.

need for housing strategy and delivery to be responsive to changes in the levels of housing need and demand, the Department for Communities and Local Government (CLG) has, since 2007, promoted the use of SHMAs to more fully reflect the dynamics of the local and sub-regional housing market.² This guidance specifies 8 key outputs from a SHMA as follows:

Output	Detail
1. Estimate of current size, type & tenure of dwellings	<ul style="list-style-type: none"> • An estimate of the current housing stock profile of the borough and of the identified housing market area(s) and sub-area(s) including how the profile varies between the urban and rural parts of the borough; • Explanation of how the stock profile has changed in the past 10 years and any implications of these changes; • The identification of any existing imbalances in stock profile within the identified areas.
2. Analysis of past and current housing market trends	<ul style="list-style-type: none"> • The identification of the housing market(s) and any sub-markets operating in the borough and the definition of their broad geographical extent. Without pre-judging the findings of the assessment, the pattern of markets is expected to include a market area centered in Maidstone town with additional markets and/or sub-markets covering the rural areas; • The identification of the key characteristics of the identified markets and sub-markets. The analysis should clearly draw any distinctions between the market areas. Assessment of the housing markets and sub-markets will require the consultants to assess the influences of adjacent housing areas/sub-areas, specifically from the Medway Gap area (Tonbridge and Malling BC), Medway (Medway UA) and Ashford (Ashford BC); • The identification and analysis of past and current trends in the local markets, including in terms of the location and nature of supply (a specific example is the recent propensity of the market to provide flats in the town centre) and the balance between demand and supply; • The identification of the length and profile of the typical housing market cycle and the identification of the 'average' market over the medium to longer term. It should also provide guidance on how the market(s) are likely to operate in the future, in particular the capacity of the individual

² CLG guidance 'Strategic Housing Market Assessments Practice Guidance Version 2' published August 2007.

	<p>markets and sub-markets to deliver new housing in an average market;</p> <ul style="list-style-type: none"> • Description and explanation of the key drivers and trends that influence the local markets and the significance of changes to these drivers.
3. Estimate of total future number of households, by age, type	<ul style="list-style-type: none"> • The identification of the demographic profile of households in the borough and how this will change over the timeframe of the Core Strategy (2016, 2021, 2026) taking account of local demographic, economic and migration factors.
4. Current number of households in housing need	<ul style="list-style-type: none"> • An assessment of the number of households in housing need in the borough; • An assessment of the extent of overcrowding, and also under-occupation, of the housing stock; • An assessment of the extent to which housing waiting lists and transfer lists accurately reflect housing need; • Separate breakdowns for the numbers of households requiring social rented and intermediate forms of tenure (including shared equity).
5. Future households that will require affordable housing	<ul style="list-style-type: none"> • An estimate of the future number of households in housing need in the borough; • An indication of the likely future requirements for social rented and intermediate forms of tenure.
6. Future households requiring market housing	<ul style="list-style-type: none"> • An assessment of future economic and employment forecasts, including the nature, level and distribution of employment and household incomes, and conclude on how these and other relevant economic factors impact on housing demand; • Estimates of the scale and nature (in terms of size and type) of the requirement for future housing. Estimate the different types of household likely to require housing over the period of the Core Strategy (to 2026); • Conclusions on the demand for market housing in the market area(s) and sub-areas and distinguishes notable variances between them. This should be in the context of the emerging Regional Spatial Strategy (the South East Plan) housing figures.
7. Estimate of size of affordable housing required	<ul style="list-style-type: none"> • Estimates of the dwelling size requirements of both current and future households in housing need.
8. Estimate of household groups who have particular	<ul style="list-style-type: none"> • The identification and quantification on a borough-basis of household groups with particular housing requirements and the nature of those requirements. To include older people,

housing requirements	<p>Black and Ethnic Minorities, students, disabled people (defining separately those with mental health problems and learning difficulties), key workers, lesbian, gay & transsexuals and people at risk of violence;</p> <ul style="list-style-type: none"> • An assessment of the implications of these specific requirements, including any location concentrations or deficiencies, for existing housing support arrangements operated by the Borough Council and its partners, and for future housing provision.
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- 1.3.2 The SHMA will be a key input into both the development of our new Housing Strategy to run from 2010-14, and will form part of the evidence base for the Core Strategy. Guidance in Planning Policy Statement 3 – Housing (PPG3) is clear that local planning authorities should demonstrate a clear understanding of the housing market in developing its proposals through the Local Development Framework (LDF). This encompasses the need and demand for both market and affordable housing, as well as other specialist needs
- 1.3.3 In addition, under the previous HNA regime, stakeholders were not usually involved in the process. One of the key aims of the new planning system is to involve local communities and stakeholders from the earliest stages of plan preparation, which includes evidence base work like strategic housing market assessments. The aim is to minimise any potential objections to policies proposed, as stakeholders will have had the opportunity to express their concerns during the preparation of the strategic housing market assessment.
- 1.3.4 SHMA guidance strongly recommends that assessments are carried out in partnership with one or more neighbouring local authorities, or even across county boundaries. Based on work done by DTZ Peda Consulting in 2004 for the South East Regional Housing Board, map H6 of the draft Regional Spatial Strategy for the South East (the South East Plan) (March 2006) identified a 'stand-alone' sub-regional housing market area focused on the town of Maidstone. Despite this, approaches were made to Ashford Borough Council to conduct a joint SHMA, but due to differences in our respective LDF and Core Strategy planning processes it was decided to proceed with our own individual SHMA.
- 1.3.5 In the past it was sufficient to assess housing need every 4 to 5 years. The rapidly changing nature of housing markets means that more frequent updates are necessary: the SHMA approach and much easier (and cheaper) electronic access to relevant data means that a SHMA can be 'refreshed' at 12 to 18 month intervals using in-house resources, so maintaining the 'value' of the original product.

- 1.3.6 Procurement process – A study brief was developed with Spatial Policy, which clearly set out the aims and objectives of the SHMA, together with the 8 expected outputs, as per CLG guidance. The brief set out four evaluation criteria: demonstrable ability to meet the brief; robustness of approach, experience and VFM.
- 1.3.7 A shortlist of six companies known to have experience in this area of work was drawn up. All were contacted to see if they would like to be sent the study brief. Five responded Yes, and subsequently four proposals were received by the deadline (26 June). The prices were:

Company	Basic Fee	Postal Survey	SHMA total
Firm 1	£22,950	£5,525	£28,475
Fordham	£28,450	£6,400	£34,850
Firm 3	£33,892	£16,060	£49,952
Firm 4	£46,600	£40,000	£86,600

- 1.3.8 Proposal analysis: Following initial evaluation, Firm 4 was excluded on cost grounds.
- 1.3.9 The remaining three firms were invited to an interview with a panel of officers, and a detailed evaluation of the remaining three bids carried out. Following interview and evaluation, it was clear that Fordham Research offered, on balance, the best option.
- 1.3.10 Conclusion: Following market testing, Fordham Research offer the best combination of ability to fully meet the objectives of the brief, project management and relative value for money. Fordham's showed significant advantage in the areas of:
- Their approach to combining secondary (i.e. already published) data, with the new primary data from the housing needs survey, to form a holistic analysis of Maidstone's housing market;
 - Their project management strengths, and
 - Their approach to stakeholder engagement.

Fordham's proposal includes more project man days than the cheapest proposal (57 against 44), and also includes more postal surveys (8,000 against 5,400).

- 1.3.11 The cheapest bidder for the work – Firm 1 - whilst scoring highly on VFM and relevant experience criteria, did not convince that they could fully meet the terms of the brief. Their proposal provided little detail on exactly how, in terms of what methods would be used, the required

8 outputs would be obtained. Thus it was not possible to test whether their approach was robust.

The Council has experience of working with this firm in the past, (Firm 1 carried out the 2005 Housing Needs Survey, and more recently the Gypsy & Traveller Accommodation Assessment), but on this occasion they do not offer the best combination of ability to meet the brief and robustness of approach.

1.4 Alternative Action and why not Recommended

- 1.4.1 The current housing needs assessment uses data that is now 5 years old. A 'desktop' based housing needs refresh could be carried out – at a cost of some £15,000 - but it would have an extremely limited useful life, and could not be relied upon as an evidence base for either the Core Strategy or the new Housing Strategy 2010-14.

1.5 Impact on Corporate Objectives

- 1.5.1 The proposed contract to carry out a Maidstone SHMA will contribute to the community strategy aims of planning for sustainable communities where people want to live and work, and value for money. Key elements of the SHMA will be capable of being updated every 12-18 months by council staff at minimal cost to the Council.

1.6 Risk Management *COMPULSORY*

- 1.6.1 The main risks with not commissioning an up to date SHMA are that the Council's planning and housing policy work will be severely compromised by not having a credible evidence base on which to base relevant housing and spatial policies.
- 1.6.2 Relevant project risks will be identified as part of the project management approach: they will be agreed with the Council as client, and managed by Fordham Research.

1.7 Other Implications

1.7.1

1. Financial
2. Staffing

X

3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	X
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	X
9.	Asset Management	

1.7.2 Financial: The proposals contained herein will cost £34,850 to be funded by the housing and planning delivery grant. An amount of £50,000 has previously been set aside from HPDG funds to undertake a SHMA. There may be further costs incurred if the consultants appointed are required to appear at Core Strategy Examination.

1.7.3 Legal: A new contract will be formed between the Council and Fordham Research Ltd.

1.7.4 Sustainable development: The proposal will assist in the formation of housing and planning policies that will impact on Maidstone's population.

1.7.5 Procurement: The recommendation complies with the provisions of the Council's constitution.

1.8 Background Documents

1.8.1 Costed quotations received from the four firms who submitted proposals.

Annex 1

CLG guidance states that:

The value of strategic housing market assessments is in assisting policy development, decision-making and resource-allocation processes by:

- a. enabling regional bodies to develop long-term strategic views of housing need and demand to inform regional spatial strategies and regional housing strategies;
- b. enabling local authorities to think spatially about the nature and influence of the housing markets in respect to their local area;
- c. providing robust evidence to inform policies aimed at providing the right mix of housing across the whole housing market – both market and affordable housing;
- d. providing evidence to inform policies about the level of affordable housing required, including the need for different sizes of affordable housing;
- e. supporting authorities to develop a strategic approach to housing through consideration of housing need and demand in all housing sectors – owner occupied, private rented and affordable – and assessment of the key drivers and relationships within the housing market;
- f. drawing together the bulk of the evidence required for local authorities to appraise strategic housing options including social housing allocation priorities, the role of intermediate housing products, stock renewal, conversion, demolition and transfer; and
- g. ensuring the most appropriate and cost-effective use of public funds.

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes ☐ No ☒

If yes, when did it appear in the Forward Plan? _____

Is this an Urgent Key Decision? Yes ☒ No ☐

Reason for Urgency

The decision is urgent because officers require the recommended consultant (Fordham Research) to conduct the housing needs survey fieldwork in the most advantageous time of the year (late September) when the response rate is likely to be maximised.

How to Comment

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

Councillor Malcolm Greer - Cabinet Member for Regeneration

Telephone: 01634-862876

E-mail: malcolmgreer@maidstone.gov.uk

Duncan Bruce

Housing Policy Officer

Telephone: 01622-602609

E-mail: duncanbruce@maidstone.gov.uk

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