

Body:	CABINET
Date:	25 October 2006
Subject:	EASTBOURNE HOMES LTD
Report Of:	Director of Housing, Health & Community Services
Ward(s)	All
Purpose	<p>To provide an update on the progress of Eastbourne Homes Ltd, Eastbourne's Arms Length Management Organisation (ALMO). In particular, to provide an update in relation to progress in the development of key draft strategies relating to Asset Management and Older People's services.</p> <p>To seek delegated authority for the Director of Housing, Health & Community Services in conjunction with the Portfolio Holder to agree the draft terms of the Asset Management and Older People's strategies and to agree arrangements in relation to the future (2007) Audit Commission Inspection.</p>
Decision Type:	Key Decision
Recommendation	<p>Cabinet is recommended to:</p> <ul style="list-style-type: none">(a) Note and endorse progress made by EHL to date.(b) Delegate authority to the Director of Housing, Health & Community Services in conjunction with the Cabinet Portfolio Holder to agree the draft terms of the Asset Management and Older People's strategies and to agree arrangements in relation to the future (2007) Audit Commission Inspection.
Contact:	<p>Ian Fitzpatrick, Assistant Director (Housing & Health) 01323 415935 or internally on extension 5935. E-mail address: ian.fitzpatrick@eastbourne.gov.uk</p>

1.0 Background

- 1.1 Eastbourne Homes Ltd was launched on the 1st April 2005 to provide housing management services to Council tenants and leaseholders. This followed agreement of the then Office of the Deputy Prime Minister (ODPM) and extensive consultation with tenants and leaseholders. The Council's submission to the ODPM concluded that only the ALMO option would allow the Council the opportunity to drive up standards and to increase investment in the housing stock sufficient to meet the decent homes standards.
- 1.2 Members will note that this report forms one of a series of progress reports,

the last of which was presented to the 6th September 2006 Cabinet meeting.

2.0 EHL Senior Management Recruitment

- 2.1 Members will recall that two posts within EHL's senior management team were vacant at the date of the last progress report. Both the Director of Asset Management & Property Services and Director of Finance & Resources posts have now been advertised and, at the time of writing, short listing and first stage interviews had taken place. EHL report that subject to final interviews, it is expected that the successful candidates will be in post by January 2007.
- 2.2 Advertising for the vacant Board member positions has now also taken place. Again, subject to the final selection process, it is anticipated that recruitment will be complete by end October.
- 2.3 Members may also wish to note that Bob Granville, newly appointed Director of Housing Services as of the 25 September, has now joined EHL. In addition, Jo Ellis who is due shortly to take up the position of Chief Executive, has, to date, spent approximately 10 days with EHL's Board and staff prior to her commencing employment formally on the 25 October.

3.0 Audit Commission Inspection – arrangements

- 3.1 Following the most recent Audit Commission Inspection in March 2006, the Council has anticipated that a further inspection of services provided by EHL would take place in 2007, with an initial indicative start date tabled for February.
- 3.2 At this stage the Council and EHL are considering the outcome of the Council commissioned 'Health Check' completed by the Audit Commission in September. It is anticipated that the final arrangements for inspection will be set following discussion between the Council, EHL, the Department of Communities & Local Government (DCLG) and the Community Housing Task Force representative from the Government Office for the South East (GOSE).
- 3.3 EHL are currently considering the implications of the Health Check report and it is expected that they will take a risk based approach to inform discussions concerning the final arrangements for the 2007 Audit Commission Inspection. In particular, the organisations capacity to drive progress towards achieving standards required to achieve a two star rating (necessary to unlock Decent Homes funding) will be a key consideration given the recent senior management team changes that have, and will continue to take place over the coming months. It is anticipated that a revised Delivery Plan (including an updated action plan) taking into account Health check recommendations will be produced by EHL the end of November.
- 3.4 As noted above, the Council will need to consider the assessment by EHL as to the organisation's progress towards successfully achieving a two star rating which will in turn inform discussion with DCLG, GOSE and the Audit Commission. Delegated authority is therefore sought to enable the Council to agree a revised Delivery Plan and make final arrangements for the 2007 Audit Commission Inspection.

4.0 Strategy Development – Older People’s & Asset Management

4.1 A key recommendation arising out of the EHL Audit Commission inspections has been the need to put in place the key strategies covering Older People’s services and Asset Management.

4.2 EHL are now at a stage where the main principles of the strategies have been identified and they are on target to fully complete both documents by the end of November 2006.

4.3 The Older People’s and Asset Management strategies are key in terms of ensuring the strategic relevance and sustainability of the housing stock over the longer term and as such, will form the basis upon which the Council will review investment/financial assumptions within the existing Housing Revenue Account Business Plan.

4.4 The draft Older Persons Strategy develops a strategic approach to the delivery of services to older people living in Eastbourne. The drivers which necessitate the need for an older persons strategy include:

- More than a quarter of Eastbourne’s residents are over 65 years of age and almost 5% are over 85 years of age
- EHL are the largest provider of social housing in the area and largest supplier of supported housing
- Only 25% of the Council’s retirement housing meets modern standards for retirement housing
- There are ‘difficult to let properties’ within the current retirement housing stock and many homes do not meet current customer expectations
- The support service provided by EHL for older people is restricted to sheltered housing schemes and is not accessible by those in need in the wider community

4.5 The draft Older People’s Strategy is likely to be based on three guiding principles which have been developed in conjunction with the Council. The principles have been developed to reflect the intended direction for older people’s services and are set within the wider context of national, regional and local strategic priorities. Whilst, consideration of a variety of strategies has taken place, the draft Older People’s Strategy take particular account of the East Sussex Supporting People Strategy, draft Eastbourne Downs Locality Strategy for Older People, Eastbourne Housing Strategy and Audit Commission recommendations.

4.6 The three key principles developed by EHL are:

- a) the need to participate actively in the development of services to older people

- b) the need to develop services which support individuals according to their needs and so aid independent living
- c) the need to provide housing that is fit for purpose

- 4.7 Whilst the Older People's Strategy is yet to be completed, it is anticipated that the document will outline key policy direction relating to investment/remodelling or disposal and replacement of existing retirement housing stock and provide a framework within which decisions to remodel supported housing services will be made.
- 4.8 The Draft Asset Management Strategy will consider the long term factors that impact upon the Council's assets and EHL's business and will identify a way forward for these assets. It is designed to provide a framework for asset management over the next 5 years with reviews taking place annually to ensure continued relevance. The draft strategy will be aligned to existing strategic priorities and will take account of all relevant documents, including the EHL/EBC Delivery Plan, draft Older People's Strategy, Asbestos Strategy, Void/Lettings Plan, Eastbourne Locality Older People's Strategy, HRA Business plan etc.
- 4.9 The strategy will take account of all 3,800 of the Council's housing stock and will set out how investment decisions will be made to achieve the Decent Homes Standard, and ensure the continued strategic relevance and sustainability of the stock whilst incorporating the aspirations of residents and other key stakeholders. When complete, the strategy will provide a framework and action plan to ensure best use is made of these assets in terms of meeting current/future housing needs and maximising the quality and long term value of the Council's housing stock.
- 4.10 A survey of 100% of the stock is being carried out. At this point, based on initial analysis of data from 30% of the stock, it is anticipated that the majority (over 90%) of the existing housing stock will be directly incorporated within the planned decent homes works programme. The remaining 10% (relating mainly to non-self contained accommodation and/or retirement housing) will be subject to more detailed options appraisals linked to EHL's draft Older People's Strategy and other relevant local strategies.
- 4.11 EHL staff, in conjunction with Council officers, are currently completing work on the draft Asset Management and Older People's strategies. It is anticipated that the final strategies will be put before EHL's Board on the 23 November with the intention that a recommendation is brought to the Council to formally agree these strategies.

5.0 Financial Implications

- 5.1 There are no direct financial implications arising out of this report at this time.
- 5.2 The nature of the strategies being developed requires full and detailed analysis of the financial implications as a result of policy decisions. The direct and indirect financial implications for the Council will be fully considered within the development process, prior to the agreement or endorsement of

any strategy that will, or could, have a significant impact on Housing Revenue Account or general fund resources.

6.0 Other Implications - Environmental, Human Rights, Community Safety

6.1 The achievement by EHL of a two star rating is a key priority to enable investment in the housing stock to meet decent homes standards and provide neighbourhood based environmental improvements.

7.0 Conclusion

7.1 Cabinet is recommended to:

- a) Note and endorse progress made by EHL to date.
- b) Delegate authority to the Director of Housing, Health & Community Services in conjunction with the Cabinet Portfolio Holder to agree the terms of the Asset Management and Older People's strategies and to agree arrangements in relation to the future (2007) Audit Commission Inspection.

Ian Fitzpatrick
Assistant Director, (Housing and Health)

Background Papers:

Cabinet Report – Eastbourne Homes Ltd - 6 September 2006
Cabinet Report – Eastbourne Homes Ltd - 15 March 2006
Cabinet Report – Eastbourne Homes Ltd – 31 October 2005

Eastbourne Homes Ltd – Audit Commission report March 2006
Eastbourne Homes Ltd - Self Assessment October 2005

To inspect or obtain copies of background papers please refer to the contact officer listed above.

2006 - October.25 - EHL Update - final version.doc