

Plymouth Community Homes response to PCC Budget Scrutiny 2015

1. The budget challenges faced by the City Council are considerable but we welcome the determination to protect front line services, to deliver early interventions, to reduce health inequalities and the commitment to a preventative approach
2. Plymouth Community Homes will remain a strong partner for PCC going forward. Our own financial pressures come from a number of directions.

Welfare Reform - the impact of the bedroom tax has not significantly increased rent arrears but it is still early days. It has certainly caused hardship for our residents and we have resourced a significant increase in staffing to support our residents. Universal Credit will, if fully implemented, cause further hardship while posing a significant threat to our income stream. Pilots around the country show rent arrears increasing to over 15%.

Right to Buy – the increases to the available discounts have meant a dramatic rise in RTB applications. We currently have 175 expressions of interest from tenants. The level of receipt we receive is not enough to provide one for one replacement. For example, we recently sold a 2 bedroom house valued at £100,000 for £30,000 because of the £70,000 discount. This reduces the level of affordable rented housing in the City and the scale of RTB will inevitably have an impact on our services in the future.

Rent Convergence – the sudden changes to housing association rent policy from DCLG has meant that PCH is no longer allowed to increase our rents in line with the Business Plan agreed with DCLG when the housing stock transferred. Simply put we will no longer be allowed to add an additional £2 per week to rents to deliver a more coherent rent policy across the City this despite the fact that our social rents are some £10 a week cheaper than other social landlords in Plymouth. It also takes £50m out of our Business Plan and will have a major impact on PCH's development of new homes.

3. There are important areas of future work that PCC needs to be able to deliver on for the benefit of the city as a whole in relation to housing.
 - The supply of new homes. The current Council has made a major contribution to increasing housing supply in the City. This commitment to land disposals and funding packages needs to be sustained in order to see more affordable homes built in the City.
 - The private rented sector. The Fairness Commission has highlighted the need to improve the quality of the private rented sector in Plymouth. There are too many poor quality homes and too many poor landlords. The continuing role of enforcement, registration and regulation that the council provides must be maintained in order to help improve the quality of the homes on offer.
 - Health inequalities and integrated commissioning. There is significant and welcome progress and leadership on these issues. A concern remains on the availability and

access to mental health services for vulnerable people whose needs do not meet the 'substantial' or 'critical' thresholds but who are struggling with a range of complex problems. Our Housing Officers are dealing with residents everyday who need access to services that will sustain them in their homes. A focus in commissioning services on this large group of residents is essential to improve their sense of independence & wellbeing.

- Economic Development – PCC & partners have had success in promoting jobs via initiatives like Jobs Task Force and 1000 Apprentice Scheme. This needs to remain a key focus for PCC as is the support for more locally focussed procurement and issues such as the Living Wage. The continued focus on construction jobs and the supply of young people to fill is another area that PCC needs to retain a strong leadership role. PCH is one of the few Living Wage employers in the City and we are committed not only to using local suppliers where possible but also paying them quickly and supporting the sustainability of the SME and small enterprise sector.

Other points in brief:

- PCH will continue to engage strongly in Cities of Service and see this as a key initiative for the city.
- The agendas around discrimination and community development are highlighted by the Fairness Commission and the response from PCC but also other partners needs to be prioritised and supported.
- Small but important improvements to green spaces can be delivered by a transfer of amenity land from PCC to PCH and this is now in hand but momentum needs to be maintained.
- There is a current discussion about the use of our RTB receipts after April 2015 when the council will over a period receive £10m of receipts without a legal obligation to share these with PCH. Intervention in the private rented sector, more construction apprenticeships, buying back homes from owner occupiers in North Prospect, more aids & adaptation funding and replacing 'lost' RTB homes are on the table as propositions for how these receipts can be used to support housing in the city.

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