

HOUSING AND COMMUNITY SERVICES COMMITTEE

3rd February 2011

PRESENT:-

Conservative Group

Councillor Lemmon (Chairman) and Councillors Bale (substitute for Councillor Hewlett [Vice-Chairman]), Mrs. Brown, Grant, Harrison, Mrs. Hood, Murray and Roberts.

Labour Group

Councillors Mrs. Gillespie, Rhind, Richards, Shepherd and Taylor (substitute for Councillor Mrs. Lane).

In Attendance

Councillors Atkin, Jones and Wheeler (Conservative Group).

HCS/51. **APOLOGIES**

Apologies for absence from the Meeting were received from Councillor Hewlett (Vice-Chairman (Conservative Group)) and Councillor Mrs. Lane (Labour Group).

HCS/52. **MINUTES**

The Open Minutes of the Meetings held on 25th November and 15th December 2010, were taken as read, approved as true records and signed by the Chairman.

HCS/53. **DECLARATIONS OF INTEREST**

Councillors Mrs. Gillespie and Richards declared a prejudicial interest in Minute No. HCS/67, Supported Housing Restructure, as they had relatives in receipt of Sheltered Housing. Councillor Taylor declared a prejudicial interest in Minute No. HCS/65, Land at Newhall, as he as was involved with the Scout Group.

MATTERS DELEGATED TO COMMITTEE

HCS/54. **RELOCATION OF MAURICE LEA MEMORIAL PARK BOWLS PAVILLION**

A report was submitted which provided the background to the proposal to relocate the Maurice Lea Memorial Park Bowls Pavilion to Gresley Old Hall, and sought Members approval to transfer an asset.

Detailed history was provided for the Pavilion, which was built in March 1996. However, since the Pavilion had been built, it had been a focus for anti-social behaviour and its appearance had degraded due to lack of use. The building was widely advertised to community groups and organisations for long term

use, but as the building was on common land and the District Council had no legal title to the land, it could not issue a lease, which would prevent public access to the building.

Since November 2010, the District Council had been working with Gresley Old Hall to look at how they could develop their outdoor space through the use of Section 106 money allocated for the site as part of a housing development in Church Gresley. One of the proposals was to provide a new pavilion for the Bowls Club based at the Hall, so that they could attract new members. In order to save on the expensive provision of a new pavilion and also the cost of the likely demolition of the Maurice Lea Pavilion, it was considered that the best option was to relocate the Maurice Lea Park Bowls Pavilion to Gresley Old Hall, with the costs of removal, reinstatement and relocation being taken from the Section 106 funds.

A final report would be sent to the Finance and Management Committee requesting the formal disposal of the asset, by transferring the ownership and responsibility for the relocation, to the Gresley Old Hall.

Further details were provided on the continued use of the bowling greens at Maurice Lea Memorial Park.

RESOLVED:-

That the principle of relocating the Maurice Lea Memorial Park Bowls Pavilion to Gresley Old Hall be approved, and, subject to there being a feasible project, recommend to the Finance and Management Committee at a later date, that this asset be disposed of.

HCS/55. **HOUSING REVENUE ACCOUNT BUDGET 2011/12 – INCLUDING PROPOSED RENT INCREASE AND MEDIUM TERM FINANCIAL PROJECTIONS**

The Head of Finance and Property Services advised that, as part of the annual financial planning cycle, the report detailed the Housing Revenue Account's (HRA) base budget for 2011/12, together with an updated financial forecast to 2021. The report also set out the details of the proposed rent increase for consideration together with the Government's subsidy settlement for 2011/12.

It was reported that the Council was required to maintain a 10-year business and financial plan to ensure that the service was sustainable in the longer-term. The HRA could not operate in deficit and must maintain a minimal level of general reserves as a contingency. For South Derbyshire, this minimum level was currently £1/2m, as approved in the Council's financial strategy.

Housing subsidy was based on a system that was 'self-financing', and designed to balance nationally. Authorities assessed as having good stock, low costs and/or high rent levels, paid money to a national pool, which was then redistributed to authorities who were assessed as having a poorer stock, higher costs and/or lower rent levels. Almost 2/3rds of 180 housing authorities across the country, including South Derbyshire, paid into the national pool and were deemed to be in negative subsidy. The subsidy system assessed that

income from rents in South Derbyshire was greater than expenditure on managing and maintaining the housing stock and this difference was put back into the national pool.

Further details were provided on the Government's consultation, which considered allowing authorities to buy out of the national system, by taking on a proportion of housing debt assumed to be outstanding at a national level. All rent income would then be kept locally. The Council had submitted a formal response to this consultation. Following the Comprehensive Spending Review it was confirmed that the Government was committed to reforming the HRA and this would be effective from April 2012. It was considered that a revised debt settlement with updated details of a self-financing scheme would be issued shortly. Members were provided with full details on the projected deficit and reserves as at October 2010. In addition they were provided with details on current rent levels in South Derbyshire, which compared average, guideline and formula figures.

A full review of the business plan was taking place. However, it was difficult to complete this whilst the Government was still considering its policy. Consultants had been appointed and the working group had met. Full details of the remit of the review of the business plan were included within the report, and it was planned to take a 30-year view as well as a concentrated look at the requirements for the next five years. The plan was scheduled for completion in June/July 2011.

One of the key issues was rent convergence which was a key variable in the Council's HRA, as rent made up the largest part of the income, and also impacted upon the amount of negative subsidy. The Council's average rent was below the national formula by 9.5% for 2010/11. In principle, the quicker convergence took place, the greater the benefits to the HRA, as the income base increased. In setting the budget for 2010/11, the projection assumed that increases would occur in order to align with the national position with convergence by 2013/14. However, many South Derbyshire tenants (around 2/3rds) would not converge within this timescale. Reasons for this were provided, and it was confirmed that, consequently, many individual rents had fallen further behind the formula rent.

As the Council's average rent was still below the national formula, this meant that overall, the HRA's income base had been lowered, compared to national assumptions which were reflected in the Council's negative subsidy payment. For 2010/11 alone, this had cost the HRA approximately £156,000 in 'lost' income, which then lowered the base position for future years with a cumulative effect.

An updated position following the review of the HRA's base budget and Government's subsidy settlement was also provided and the 10-year financial projection had been updated. This showed a slightly better position compared to October 2010, and the first year the HRA fell below the £1/2m minimum was postponed until 2016/17, compared to 2014/15 previously.

Full details were also provided on rents, and it was confirmed that changes had once again been made to rent restructuring with the convergence date

now being moved from 2013/14 to 2015/16. This was to coincide with the Government's current proposals for self-financing.

The report proposed that the average increase for South Derbyshire tenants for 2011/12 was 7.22%. The average increase nationally had been set as 6.8%. The level of increase was due to the current level of inflation which stood at 4.6% as at September 2010. Also, the Government had allowed a 0.5% real terms increase, in line with previous years, plus, for South Derbyshire, a further 2.12% increase to achieve rent convergence by 2015/16.

The HRA was currently operating in deficit, and maximising income into the HRA was vital to ensure that the projected deficit would be offset as much as possible. It was suggested that an additional way of achieving higher income would be to relet properties that became vacant, at the full formula rent. It was important that the average rent did not increase above the Government guideline to avoid penalisation through the subsidy system.

It was also noted that the Council's payment to the national pool would increase by 19% from £3,363,479 in 2010/11 to £4,011,638 in 2011/12 (around 39% of rent income). This was approximately £185,000 greater than estimated in the previous projection, mainly due to a higher guideline rent increase and lower capital costs. The subsidy system assessed that the Council's HRA was in surplus, with the associated payment to the national pool being the largest expenditure item in the HRA.

The Chairman responded that it was important that Members took into account the effect any rise would have on tenants. He understood that 7.2% was justifiable. However, in 2012/13, a new arrangement was likely to be proposed, which was already being considered by a working group, and it might provide an opportunity to reconsider this again in further detail.

The Chairman proposed that the average rent increase be decreased to 5.4%. He understood that this would cost £180,000 of lost income. However, this amount gave the District Council 2 years to manage any further changes that might arise following further Government proposals.

It was also suggested that Members might wish to consider a further decrease of 0.2%, and that rents be increased by 5.2%. In addition, concerns were raised about the proposal of allowing vacant properties being relet at the Government's assessed formula rent.

RESOLVED:-

- (1) That an average rent increase of 5.4% be agreed for 2011/12 in accordance with Government guidelines for tenanted properties.***
- (2) That the average rent increase be adjusted for individual tenants in accordance with the Rent Restructuring Formula.***
- (3) That properties becoming vacant from 1st April 2011 onwards, be relet at the Government assessed formula rent.***

- (4) *That the revised proposed estimates of income and expenditure for 2011/12 for the Housing Revenue Account be referred to the Finance and Management Committee for approval.*
- (5) *That the updated financial projection, including the associated assumptions and analysis for the Housing Revenue Account to 2021 be noted.*
- (6) *That the outcomes of the current review of the HRA Business Plan are reported to the Committee in June 2011.*

(Councillors Mrs. Gillespie, Rhind, Richards, Shepherd and Taylor requested that it be recorded that they had voted against this proposal).

HCS/56. **ANTI SOCIAL BEHAVIOUR POLICY**

A report was submitted advising Members of the process used to review the Anti-Social Behaviour (ASB) Policy. It was confirmed that the Policy was last reviewed in October 2007. In the last three years much had changed in terms of best practice management and prevention of ASB and this proposed new Policy reflected those changes. Views and opinions of residents had shaped the new policy, and residents who had experienced ASB in the last 12 months had been invited to two challenge days, and a number of proposed changes directly reflected their involvement.

The proposed ASB Policy was a comprehensive policy document which:

- Clearly outlined South Derbyshire District Council's statutory duty to tackle ASB;
- Listed the tools and powers that could be used; and
- Covered the standards South Derbyshire District Council aimed to meet and what residents could do if they felt that the service was not to an appropriate standard.

RESOLVED:-

That the process used to review the Policy be noted, and the proposed new Policy be approved.

HCS/57. **RESULTS OF THE HOUSEMARK BENCHMARKING EXERCISE/ INVESTORS IN EXCELLENCE**

Housing Services was a member of the Housemark organisation, which was a not-for-profit organisation, dedicated to improving housing standards. Over 400 housing organisations were members of Housemark, and submitted performance information on a regular basis in order that they could compare their performance with that of their peers. In addition, Housemark also carried out an annual benchmarking exercise with volunteer member organisations to determine overall cost levels, management costs, costs of delivering specific services, performance and customer satisfaction. The collated data was presented in a final report where comparisons were made to other local authorities in England.

The results of the exercise reported that South Derbyshire District Council's performance was above average in 35 out of the 38 indicators, and upper quartile in 25 out of the 38 measures. Full details were provided, and some of the highlights of the performance were listed within the report.

RESOLVED:-

That the Housing Services performance, compared to other local authorities taking part in the 2009/10 English Local Authority Housing Sector Benchmarking Exercise conducted by Housemark, be noted.

HCS/58. **FIVE YEAR MAINTENANCE AND IMPROVEMENT PROGRAMMES FOR COUNCIL HOUSING 2010 - 2015**

A report was submitted which provided an update following last year's approval of a five-year Major Repairs, Planned Maintenance and Improvements Programme, which was subject to available finance.

All of the Council's properties were recorded as meeting the Decent Homes Standard at the target date of 31st December 2010. However, due to the anticipated available finance being less than indicated, it was felt that the Council would not be able continue to meet the Decent Homes Standards. The 2009 Stock Condition Survey indicated a spend requirement of £23.4m over the five year period 2010 – 2015, and the likely available finance was reported as being £11.2m, creating a shortfall of £12.2m.

Full details were provided on the Major Repairs, Planned External Maintenance and Improvements programme, and it was reported that the amount due from the Housing Revenue Account (HRA) in 2011/12 for planned external maintenance was proposed to be £620,000. This was a reduction of £52,500 from the budget from the current 2010/11 financial year, as a result of increased demand on the HRA. The breakdown of available finance for 2011/12 financial year was included within the report, along with the anticipated spending plan. Full details were provided on contracts commencing 2010/11, including renewable heating schemes, disabled adaptations and digital TV switch over.

RESOLVED:-

That the expenditure proposals contained within the report be approved, subject to annual approval of the Major Repairs Allowance and contributions from the Housing Revenue Account.

HCS/59. **ALLOCATIONS POLICY**

It was reported that the Allocations Policy had been reviewed, and a revised Policy was included as an annexe to the report. Background details were provided on the existing Policy, which was last reviewed in June 2008 in preparation for the introduction of Choice Based Lettings. Since this date, the Department for Communities and Local Government had issued a statutory Code of Guidance on how local authorities should allocate properties. The proposed new Policy was based on previous experience, and would ensure

that the way in which the Council allocated properties continued to be fair, transparent and flexible. The views and opinions of residents were important in shaping the Policy and residents who had direct experience of the allocations system had been invited to two challenge days.

Full details were provided on the process of reviewing the Allocations Policy, and proposed changes were highlighted throughout the document.

RESOLVED:-

- (1) That the process used to review the Allocations Policy be noted.**
- (2) That the proposed new Allocations policy be approved.**
- (3) That the approved targets for allocations for the coming 12 months be; Emergency Band 25%; Band A – 47%, Band B – 25%, Band C – 3%.**
- (4) That the discontinued use of the automated telephone bidding and information service be approved.**

HCS/60. **COMMUNITY SERVICES BUDGET REVIEW 2011/12**

It was reported that the Council needed to make considerable savings, and further to areas of expenditure being examined, proposals for budget reductions were submitted for consideration. It was proposed that:

- The Council ceased its partnership agreement with Groundwork Derby and Derbyshire, giving 12 months written notice, to expire on 1st April 2012, at a saving of £32,500;
- Part of the Homelessness grant from the Government be used to off-set part of the Housing Options budget in the sum of £20,000;
- Public relations support work be bought in-house, at a saving of £5,000;
- Costs of Liberation day be reduced by £3,000 per annum;
- The budget of the South Derbyshire Partnership be reduced by £4,000 per annum;
- Other savings be utilised to reduce the departmental budget by £2,000.

RESOLVED:-

- (1) That the recommendations as detailed in the report for the reduction of cost centres in the Community Services Directorate, be approved.**
- (2) That £7,000 of the savings from the Groundwork Derby and Derbyshire budget be used to support the economic development function of the Council.**

**HCS/61. CORPORATE PLAN 2009 – 14: PERFORMANCE MANAGEMENT REPORT
(1ST JULY 2010 – 31ST DECEMBER 2010)**

A report was submitted detailing achievements for the quarter ending 31st December 2010, in relation to the Council's Corporate Plan 2009-2014.

The Corporate Plan Action Plan consisted of four main themes, of which this Committee was responsible for actions and relevant performance indicators within the Safe and Secure and Lifestyle Choices themes. An appendix detailed the progress made against the Corporate Plan Actions on relevant performance indicators. Full details were provided on key achievements during the quarter, performance indicators against targets and performance indicators which were at risk of failure.

It was asked what impact the removal of free swimming had had on the numbers of public attending swimming pools. The Director of Community Services agreed to circulate swimming figures for both the Green Bank and the Etwall Leisure Centres.

RESOLVED:-

- (1) That the Council's key achievements and performance for the quarter ending 31st December 2010 be noted.***
- (2) That where performance has failed to achieve the specified target, the response be noted.***

HCS/62. WORK PROGRAMME

Members were asked to consider the updated work programme and to review its content where appropriate.

RESOLVED:-

That the updated work programme be approved.

HCS/63. LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT ACT (ACCESS TO INFORMATION) ACT 1985**RESOLVED:-**

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

MINUTES

The Exempt Minutes of the Meetings held on 25th November and 15th December 2010 were received.

LAND AT NEWHALL (Paragraph 3)

It was agreed to recommend to the Finance and Management Committee that the completion of new leases on terms, as detailed within the report.

FORMER TENANTS' ARREARS (FTA's) WRITE OFF (Paragraphs 1 & 5)

It was agreed to recommend to the Finance and Management Committee that the full amount of arrears as detailed in the report, be written off in accordance with Financial Procedure Rule D2.4(b).

SUPPORTED HOUSING SERVICE RESTRUCTURE (Paragraph 2)

It was agreed to recommend to the Finance and Management Committee the proposed new model of service delivery, as detailed in the report.

J. LEMMON

CHAIRMAN