

HOUSING AND COMMUNITY SERVICES COMMITTEE

6th October 2005

PRESENT:-

Labour Group

Councillor Southern (Chair), Councillor Richards (Vice-Chair) and Councillors Carroll, Lane (substitute for Councillor Wilkins), Mulgrew, Stone and Whyman MBE.

Conservative Group

Councillors Harrison, Mrs. Littlejohn and Shaw.

Independent Member

Councillor Mrs. Walton.

In Attendance

Councillors Bell and Taylor (Labour Group).

APOLOGIES

Apologies for absence from the Meeting were received from Councillors Dunn and Wilkins (Labour Group) and Councillor Hood (Conservative Group).

HCS/42. **MINUTES**

The Open and Exempt Minutes of the Meeting held on 25th August 2005 were taken as read, approved as true records and signed by the Chair.

MATTERS DELEGATED TO COMMITTEE

HCS/43. **MEMBERS' QUESTIONS AND REPORTS**

(a) Derbyshire Sport

Councillor Richards submitted a report following his attendance at a recent partnership meeting for Derbyshire Sport. He outlined the main topics discussed and referred particularly to the appointment of its Executive Group and concerns about the arrangements for nominations. The priorities for the Executive Group were also reported. After the Partnership Meeting, there was a Derbyshire Sport Conference, attended by over 120 delegates from sport providers, local authorities, the education sector as well as sporting associations. The Conference included five workshop sessions and Councillor Richards outlined the topics covered. He referred particularly to a presentation by Tim Garfield, the Regional Director of Sport England. This provided a context on the proportion of young people that were actively involved in sport. England was at the bottom of the European league table for participation in sport. He referred to the International Olympic Committee decision to award London the 2012 Olympic Games. Throughout the Conference, the excitement associated with the 2012 Olympic Games was apparent and the opportunities for Derbyshire to capitalise on the Games

were obvious. Councillor Richards felt the County had not only the sporting talent, but also the resources and facilities to help develop sporting talent and he mentioned Rosliston Forestry Centre in particular.

The Head of Leisure and Community Development advised that a report would be submitted to the next Committee Meeting on Sports Development.

(b) Derbyshire Arts Partnership

Councillor Richards reported that a meeting of this Partnership had been held the previous day. He referred to the National Framework for the development of three-year partnership agreements. Following work through a local steering group, the Council had entered into a partnership agreement with Arts Council, England for the period 2004 - 2006. The agreement required the commitment of funding equivalent to the Arts Council subscription and for South Derbyshire this was approximately £1,080 each year.

The Partnership met formally every six months and one of the first decisions taken was to appoint a Partnership Manager. Councillor Richards outlined the business considered at this Partnership meeting.

RESOLVED:-

That the Committee receives the Reports from Councillor Richards following his attendance at the meetings of Derbyshire Sport and the Derbyshire Arts Partnership.

(c) Sports Development Officer

The Chair reported that Pam Baskerville, the Sports Development Officer, would leave the Authority the following week. It was agreed to write on behalf of the Committee thanking Mrs. Baskerville for her service.

HCS/44. **COMMUNITY PARTNERSHIP SCHEME**

It was reported that the Community Partnership Scheme offered capital grants of up to £25,000 to projects brought forward from the voluntary and community sector. The Panel comprising five Members assessed projects against set criteria and made recommendations about grant distribution.

An application had been considered from the Hill Street Baptist Church, for its weekday welcome project requesting the sum of £19,643. This project was a re-submission for a scheme submitted in December 2003 and approved for grant assistance of £5,000. The report outlined the increased costs associated with this project, which had required a revised funding strategy. The original aim of the project remained to create a user friendly, accessible, welcoming entrance and improved toilet facilities at the Church. Further information was provided on the services delivered to particular sectors of the community.

The total eligible project cost was £78,572 and details were given of the funding obtained from other sources. The Community Partnership Scheme Assessment Panel had scored the application and Members were reminded of the weighted criteria involved. Overall, the project had scored well above the

previously used cut off point in making positive recommendations for grant aid. The Panel had therefore recommended a grant of £19,643.

Clarification was provided to Councillor Harrison on the funding stream for this programme. Councillor Bell was slightly concerned that only one application had been received. He questioned whether there were other projects that were still to be progressed and requested that such information be provided to Members. The Partnership Development Officer offered to include this information in future reports. A comprehensive review was currently being undertaken of this scheme. Councillor Shaw also spoke in support of this application.

RESOLVED:-

That the Committee approves the recommendations of the Community Partnership Scheme Assessment Panel and awards a grant of £19,643 to the Hill Street Baptist Church for its weekday welcome extension project.

HCS/45. **PERFORMANCE REPORT**

A report was submitted to inform Members of the first quarter's performance within Environmental Services. This was shown by the available Performance Indicators and 100% of all available Environmental Services Best Value Performance Indicators (BVPI) were on target. In addition, 59% of all local indicators were on target and 78% were either on target or within 5% of that target.

The only available housing BVPI relating to Environmental Services was BVPI 64, for which comparative data was not currently published. Current performance on this indicators suggested achievement of the target. The local performance indicator for Disabled Adaptations showed poor performance levels. Operational improvements to address this situation had already been put in place and were expected to begin to register in the statistics over the coming months. The Officer gave a verbal update, providing statistics for indicators on private sector housing. He also summarised the measures in place to improve performance in this area.

The Chair complained about the size of font used in this document. The Director of Community Services explained that the report's format would be altered to address Members' concerns. Councillor Richards referred to a particular example to demonstrate the improvements in dealing with housing adaptations. The Director of Community Services added that a further £50,000 of resources had been provided for Disabled Facilities Grants.

RESOLVED:-

That the first Quarter Performance Report for Environmental Services be noted together with the first formal report on Disabled Facilities Grants, via the agreed Local Performance Indicators.

HCS/46. PROPOSED DEVELOPMENTS OF PRIMARY CARE SERVICES

It was reported that consultation documents had been received from the Derbyshire Dales and South Derbyshire Primary Care Trust (PCT) on the development of primary care services in the Swadlincote urban area and that for the Hilton, Willington, Etwall and Repton areas. A copy of the full consultation documents were submitted. Both consultation documents followed the same format, providing a strategic context on the health needs of the area, a summary of the PCT's Primary Care Strategy and detail on the proposals.

It was proposed that the Repton Health Centre and existing practice building in Willington be relocated to a new site, to be purchased within the village of Willington. The PCT wished to hear views on which services at the Centre would be of benefit to the local community. It also sought views on whether all new services should be based at a single centre in Willington, or whether some services should be delivered from Hilton and some from Willington.

Proposals had been submitted with regard to the Midway surgery and its request to the PCT to relocate into the area of highest population growth in Church and Castle Gresley. The PCT wanted first to ensure that no better site was available in Midway, but had not been able to find a site in the immediate Midway area. The preferred location was in Castle Gresley. If this development went ahead, patients currently registered with the Midway and Gresley practices would have the opportunity to transfer to the new practice. However, with the Swadlincote Primary Care Centre, including a new general practice, patients would have choice on their new practice.

Councillor Taylor spoke of the impact of these proposals on the Woodville area. He noted the need for additional services due to the growth of the urban core, but Woodville was growing significantly and there had been no increase in doctors' facilities in that area. He did not feel it was practical or sustainable for Midway residents to travel to a practice in Castle Gresley. The proposals were not in the interests of the community and he wished to see a solution with realistic improvements for the urban core.

Councillor Mrs. Walton explained that some Hilton residents used the Tutbury doctors' practice. There was not sufficient space to enable the expansion of the Hilton practice and there was disquiet about the move to Willington. There was a need for improved public transport. Councillor Mrs. Littlejohn shared these concerns, particularly regarding the transport links. Councillor Carroll strengthened these points further as she felt the proposals to transfer to Willington were not sustainable. She felt it was unlikely that public transport improvements would be secured and the relocation of the Tutbury surgery would have a further impact. The PCT should look to buy another site in Hilton and there was some confusion about the services to be provided. She spoke about the grouping of some surgeries for services like vaccination. With regard to the urban core, she agreed that it was too far for Midway residents to travel to Castle Gresley. Councillor Mulgrew echoed these points, reminding of the loss of facility in the Midway area and the fact that the Newhall, Swadlincote and Woodville surgeries were all at full capacity.

Councillor Lane felt the report was disappointing. There was a difference between population figures and those who used the local surgery, which

showed the general under resourcing of provision in the South Derbyshire area. He found it difficult to believe that a suitable site could not be identified within the Midway area. Councillor Richards pursued this point and identified a potential site that could serve the Midway, Hartshorne and Woodville areas. He was concerned at the proposed location of a facility at Castle Gresley and also touched on the lack of dentists' provision within the area. This was pursued by the Chair who was concerned that many dentist practices were no longer offering NHS care.

The Leader noted the views of local Ward Members. He requested that a copy of the response to the Primary Care Trust be circulated to all Members. Councillor Harrison felt that the report's recommendations were flawed, that strong representations should be made and the Member of Parliament should be briefed. Councillor Shaw questioned the PCT's vision for the next 20 years and whether a strategic view was being taken, or the proposals sought to give a short-term solution.

The Director of Community Services suggested inviting representatives of the PCT to attend the next meeting. Councillor Taylor noted that the PCT had been invited to attend relevant Area Meetings, which would give another opportunity for the community to air its views. Members discussed whether to accept this report, but the Leader noted that the Council must respond to this consultation document and seek the PCT's attendance to discuss its strategy.

Councillor Stone felt that the new facility in Swadlincote would help, but he was mindful of the continual house building in the urban area. He noted problems at the Queen's Hospital in Burton on Trent and there was a need for a hospital in the South Derbyshire area. The Chair pursued this reminding of the closure of the Bretby Hospital and the promises made at that time, to replace this with a facility at Darklands Road in Swadlincote. He repeated that all Members should receive a copy of the consultation response.

RESOLVED:-

That Members' comments be amalgamated to form a written response to the consultation document from the Derbyshire Dales and South Derbyshire Primary Care Trust.

HCS/47. **EMPLOYMENT OF MODERN APPRENTICE - GROUNDS SERVICE**

It was reported that there was a commitment to increase the skill base of the Council's Grounds Maintenance workforce. Particular mechanisms included the appointment of parks based, senior grounds staff and the subsequent appointment of a modern apprentice. An update was provided on the senior grounds staff appointments made and the benefits of employing a modern apprentice. The report identified the options for apprenticeships available in horticulture at the foundation and advanced levels. If funding was available, an appointment would be made and an initial meeting had taken place with a training provider. In terms of process, staff consultation had taken place and this would continue as details of the appointment become more certain. The financial implications were reported and the Officer updated the report, explaining the costs involved for this initiative.

Councillor Mrs. Walton was delighted that the Council was appointing apprentices. Councillor Richards added his support and referred to the training process.

RESOLVED:-

That the Committee approves the submission of a Service Development Proposal in the 2006/07 budget process to fund the appointment of a modern apprentice in the Grounds Maintenance Service.

HCS/48. **ANNUAL REVIEW OF STOCK OPTIONS**

The Committee was reminded of the decisions taken in November 2004 regarding the future management of the Council's housing stock. The first annual update was submitted for the Committee's consideration. The Committee was reminded of the recommendation submitted in 2004 and the reasons for the suggested transfer of the housing stock. The Tenants' Advisory and Consultation Team (TACT) was in favour of a stock transfer, but the majority of tenants, at that time, were not. The consultation process had been successful in raising awareness of the key issues, but it was reported that attitudes amongst tenants had hardened and for a successful transfer vote to be obtained, the specialist communications consultant had stated a number of essential criteria that would need to be met. Given the tenants' preference for the status quo, it had resulted in the decision to retain the housing stock.

The report examined current financial projections and it had been forecast that there would be a deficit on the HRA of around £2.5 million by 2015. The current operating account projections now indicated that the account would be around £500,000 in surplus by this date. This brought the Council into line with the minimum Government requirement to make the account viable over the next 10 years. However, the same appendix projected a deficit of over £39 million over the 30-year planning period, as required in the Business Planning process. The movement in this projection was down to four main points, which were set out within the report. In particular, there had been some changes in projections and where appropriate, these had been revised in accordance with a detailed Government Business Planning model. There were considerable areas of risk associated with the projections, particularly relating to assumptions about the status quo being maintained over a long planning period.

The report included a risk analysis section, which focussed initially on service development. It was projected that staffing levels and broad service delivery would remain the same over the planning period. There were competing pressures, a projection of reduced housing stock over the 10-year period and no commensurate reduction in staff. There were new pressures and requirements being brought to bear on the service and examples were provided. A restructuring report would be brought to the Committee before the end of the calendar year and if approved, this would lead to additional costs of around £30,000 per annum.

The Risk Analysis Section then looked at internal recharges. The cost of running the Housing Service included an element for the cost of internal services provided by other departments. Overall, these costs equated to 34% of the total cost of providing the Housing Service and particular significant

recharges were highlighted. Some work had been undertaken on recharges, with particular reference made to the IT recharge, the costs relating to Human Resources and those for Legal Services. Whilst some recharges were made on a transactional basis, a number were historical and might not reflect current practice and time commitments. A more auditable approach was needed given the costs involved and impact on the viability of the HRA. It could be argued that the use of costed Service Level Agreements (SLA's) might be counter productive, but the Housing Division was in a unique position of being separately funded. There was no guarantee that making internal recharges more auditable would lead to lower charges. They could, of course, be higher once the detailed analysis and assessment was carried out.

A further risk area was the negative housing subsidy. In the current financial year, it was projected that the Council would contribute £2.05 million to the National Pool or 23.7% of its total income. It was also projected that the proportion of contributions would increase further over the next 10 years. If the Government continued to redistribute resources through the subsidy system, then because of the large number of stock transfers there would be fewer contributors to the National Pool. There was pressure on the Government to amend the subsidy system. Reducing the burden of negative subsidy for Councils such as South Derbyshire would allow them to keep more of their income, to invest in the housing stock. The Government had not yet indicated that it would move on from its current position. Members were reminded of an Audit Commission report to review the funding of Council housing. Overall, it was a fair conclusion that the subsidy system would have to change to some degree over the 10-year planning period, although it was difficult to predict the direction of change.

Housing repairs were also considered. Current projections of spending on repairs did not allow for an acceleration of improvement programmes or additional work to meet higher tenant aspirations. There was comment about the overall stock condition Nationally and the potential implications for South Derbyshire. Whilst the Council compared well to the Government's decent home standard, there had been wide comment that the standard was quite low. Continuing repair and improvement expenditure at current levels allowed very little scope to establish a vision for the stock. No real increases had been built into repair cost projections and it was well established that building sector inflation was consistently higher than that of general inflation. There were further pressures around how repairs were carried out and the potential to refuse requests, together with comment on the performance of the Housing DLO.

The Chair commented on the recent press article on this item, which could cause concern for tenants. He added that there were no guarantees that tenants would benefit from a transfer of the housing stock. Councillor Harrison felt it was very important that Members did not lose sight of the best interests of tenants. He commented on the amount of subsidy returned each year to Central Government, which could be utilised to improve the standards of housing more rapidly. The Chair reminded that the subsidy arrangements were introduced by a previous Government. The Vice-Chair was disappointed with the report. It had been agreed to review the position on the HRA each year and the financial predictions had improved over the previous year. He was upset particularly about the media treatment of this issue and the resultant affect on tenants. Until the Council was certain of a

factual benefit for tenants, its position on stock transfer would not change. He also referred to the potential stock transfer value and felt that the Council was better placed to borrow than many housing associations, as it was debt free.

The Leader of the Council reminded of the decision to retain the housing stock last year and he had seen nothing within the report to change his view on that. With regard to the detail of the report, the majority group could not disagree with the recommendations submitted. He questioned whether the report was needed, as it had caused concern for staff and tenants alike. It had not been anticipated that the purpose of such annual reports would be to revisit the debate on the disposal of the housing stock. He reminded of the process undertaken to give a full and considered decision to retain the stock. He felt that this report sought to revisit the decision, that it was based on opinion rather than fact and lacked the required supporting evidence. He quoted sections of the report to demonstrate this and challenged points made on the benefits of stock transfer. He referred to the positive changes made since the decision was taken, touched on the valuation process and equated this to the average value of a Council property. Some Councils disposing of their stock had achieved no capital receipt, or had even to fund a deficit. The Council was not going to reopen this debate each year and it was committed to retaining social housing provision. The only time that an alternate decision would be considered was if the Council was not able to afford to provide quality accommodation. The Committee wished to receive an annual financial health check and he repeated that this level of detail was not required in the future.

The Leader then referred to the financial projections and he noted the risk associated with such projections over the 10 and 30-year time frame. He referred to the risk analysis section on additional pressures for the service. Whilst these were recognised, similar problems were experienced throughout the Council and indeed by housing associations. With regard to internal recharges, Members could of course agree to an auditable process. Finally, he commented on the view from TACT that stock transfer was considered the way forward. He felt it would interesting if TACT representatives had the opportunity to discuss these issues with Members. He reiterated that the intention was to retain the housing stock and in future, Members wished to receive an abbreviated report, providing a financial health check.

The Director of Community Services replied that Officers considered that the context was required for this report. It had also been shaped following recommendations by the Community Scrutiny Committee. The Head of Housing added that the report provided Officers' professional view. At the time of the decision, it was their view and that of consultants, that transfer was the best option for South Derbyshire. The report sought to provide a representation of issues that affected the HRA. The Leader replied that Members were comfortable with the decision taken and felt that much of the report submitted was not required. The Head of Housing referred to available evidence that the Council would be in a better position under a large-scale voluntary transfer and he agreed to provide this evidence to all Members of the Committee. Councillor Harrison felt it would be useful to have a peer group assessment, to assess the impact after transfer for tenants. Councillor Shaw felt this was one of the most important decisions a Council could make and it should revisit it. He considered that the information presented to

Members should not be reduced. Members had a duty to represent the whole of the District as well as the Council's tenants.

Councillor Taylor felt that TACT representatives should have access to Members to express their opinion. Arising from this, there was a discussion about the recent involvement of TACT. The Head of Housing explained its representation on the working group that conducted the stock options process. There was a wish to reinvigorate this group.

RESOLVED:-

- (1) That the Committee accepts the revised financial projections for the Housing Revenue Account to 2014/15 and notes that the account is now projected to be viable over that period.***
- (2) That the Committee notes that 24% of all rent income into the HRA is still 'lost' to Government in terms of 'negative subsidy' and that whilst this situation is maintained, the account cannot be sustained in the longer term.***
- (3) That a recommendation be made to the Finance and Management Committee that costed Service Level Agreements be developed between central services and the Housing Division, to ensure that central service recharges are made on the basis of an auditable assessment of work undertaken.***
- (4) That in future, the annual review reports be more concise, focused and digestible, looking at finance and risk issues and that the content of the report be agreed in advance with the Chair and Vice-Chair of the Committee.***

HCS/49. **DRAFT HRA BUSINESS PLAN**

It was reported that all Councils with retained stock were required by Government to produce a separate Business Plan for their Housing Service. Given the separate funding and ring-fenced nature of the HRA, it made good business sense to have a plan that projected the business into the future.

A draft Business Plan had been prepared by a working group of three Members and three TACT representatives, supported by Officers and an external consultant. A representative of the Government Office for the East Midlands was also present at the majority of the meetings held between May and September 2005.

The last HRA Business Plan was published in 2002. In accepting the Plan, GOEM gave feedback on its content and style. This was summarised as the report not being clear enough and the unnecessary inclusion of too much of the business financial modelling tool. The Government had issued guidance about the content of plans and a summary was provided for information in the draft Plan attached to the report. The document was still to be designed into a suitable layout, but the Committee's approval was sought to its content. As with housing strategies, Government had set a target that HRA Business Plans should achieve and this was referred to as becoming 'fit for purpose'. It had been indicated at the start of the process that the Plan would automatically fail to achieve that target, because the HRA business

could not be projected as viable over the 30-year planning period. Although this might well still be the case, at a recent meeting the GOEM representative indicated that this position was under review.

Members gave consideration to the draft Business Plan. The Leader sought further information with regard to the stock condition survey data and this was duly provided. With regard to the stock options appraisal, the report stated that it was inevitable that the housing stock would be transferred. The majority group did not agree with this opinion and was not happy with the statement being included within the Plan. The Chair and Vice-Chair were urged to revisit this section of the Plan, before it was finalised. The Head of Housing reminded that the document had been prepared in consultation with a working group and he offered to work with the Chair and Vice-Chair on this issue. The Leader suggested an alternate form of wording around annual monitoring and if it proved necessary to look at stock transfer, this should be undertaken in good time. Councillor Harrison could not disagree with the wording of the draft document. The Leader felt Members were trying to be constructive in finalising the document.

RESOLVED:-

- (1) That the Draft Housing Revenue Account Business Plan be amended in line with Members' comments and, subject to consultation with the Chair and Vice-Chair of the Committee, that it be issued for wider consultation.***
- (2) That following the wider consultation, primarily through the tenants' newsletter 'Tenants' Extra', if there are no material changes to the report, as verified by the Chair and Vice-Chair of the Committee, that the final designed report be submitted to the Government Office for the East Midlands for approval.***

R.W. SOUTHERN

CHAIR

The Meeting terminated at 7.45 p.m.