

COMMUNITY SERVICES COMMITTEE (SPECIAL)

10th July 2002

PRESENT:-

Labour Group

Councillor Southern (Chair), Councillor Lauro (Vice-Chair) and Councillors Carroll, Dunn, Pabla (substitute for Councillor Mrs. Mead), Routledge and Whyman.

Conservative Group

Councillors Hood, Shaw (substitute for Councillor Douglas) and Mrs. Wheeler (substitute for Councillor Lemmon).

In Attendance

Councillors Bambrick, Bell and Rose (Labour Group).

APOLOGIES

Apologies for absence from the Meeting were received from Councillors Mrs. Mead and Mrs. Rose (Labour Group) and Councillors Douglas and Lemmon (Conservative Group).

CS/14. **MEMBERS QUESTIONS AND REPORTS**

The Chair welcomed the return of Councillor Hood following his recent illness.

MATTERS DELEGATED TO COMMITTEE

CS/15. **HOUSING REVENUE ACCOUNT BUSINESS PLAN - PRESENTATION**

The Committee received a presentation from Chantelle Hayes of Pennington Consulting on the Housing Revenue Account Business Plan submission for July 2002. The need to prepare an HRA Business Plan had been introduced by resource accounting in 2001/02 and promoted the efficient use of housing assets. Members were informed of the requirement to produce the HRA Business Plan, possible outcomes for failure to meet this process and the need to consider various options for service delivery. It was however clarified that this did not mean the Council had to sell its housing stock. This important point was emphasised by the Leader of the Council who explained that disposal of the housing stock had never been discussed and any such decision would be the subject of thorough consultation with all tenants. The Chair endorsed these sentiments stating that there had been no secrecy in the process undertaken despite the recent press headlines. Any proposed stock transfer would have to be the subject of a formal tenants' ballot. Such a ballot could also be undertaken if, for example, a private finance initiative was identified as the preferred option.

The new financial framework would feed into and from Best Value. The Housing Strategy would consider needs, resources and objectives/priorities. Business planning was an ongoing process which developed over time. Details were given of what the plan must achieve and how it would be used for decision making. The issues for the Council to consider were rent

restructuring, supporting people, preparing for the split of the landlord and enabling functions, Best Value Reviews, voids and arrears. The reasons for separation of the landlord and enabling roles were discussed by Members, together with examples of enabling and the step-change process of Best Value. There was recognition of the progress made within the Housing Service in recent months and this had included positive feedback from external organisations which worked with the Department.

Key performance information was presented. Members discussed particularly the income lost through void properties damaged by tenants, which had to be repaired before the property could be re-let. The Chair commented on the criticism that the Council had received previously over its approach to “difficult to let” first-floor flat accommodation.

Stock condition issues were considered and the final stock condition survey was nearly complete. The updated information would assist decision making. Members commented on the amount of stock investment required, the relevance of this sum over a thirty year period and the impact on stock valuation for transfer purposes, where significant investment was required.

A summary was given of the achievements made by the Service over the last year, notably to establish a working group to consider future options, to set a vision, commission the stock condition survey, prepare an asset management policy and introduce performance management. For the years to come, the issues were:-

- Recommendation from the working group looking at stock options.
- Financial position.
- Meeting the decent homes standard.
- Increasing numbers of ‘Right to Buy’ applications.
- Rent restructuring.
- Need to update policies over a twelve month period.
- Meeting targets – including voids.
- Management controls and capacity.
- Increasing public scrutiny.
- Standards of sheltered housing schemes.
- Using tenants’ panels for reality checks.
- Identifying the services tenants want.
- The need for a new integrated IT system.
- Change in demand/needs.
- Investment in IT systems.
- Cost efficiencies to offset reduced ‘Right to Buy’ income.
- Investment in management support.
- Cost of sheltered improvements.
- Monitoring and evaluation.

The priorities and action plan would build on the change and improvement programme and significant improvements were needed within a twelve month period, both in terms of the organisation and its performance. Members commented on the proportion of sheltered housing stock and the perceived housing need which justified its provision. The option appraisal process would enable consideration of differing tenants’ needs and take account of the wishes of elderly residents, who might not want to transfer into ‘traditional’ schemes.

The Chair of the Committee and the Leader of the Council recognised the progress made in recent months, the difficult issues addressed and the open way in which these had been handled. There was an awareness of the challenges ahead which the Council would strive to meet. Praise was voiced for the staff involved and thanks given to Pennington for their support.

Members reviewed the draft HRA Business Plan document, referring particularly to the statement of purpose section on landlord business and certain key findings. The role of Members in representing their constituents was discussed and reference made to the new Member complaint procedure which had been put in place. Other issues considered were the inclusion of garages in the stock condition survey, housing need for single male persons and a proposed protocol to provide options to deal with anti-social behaviour. Members confirmed their support for the content of the plan submitted to date. The stock condition survey would be submitted to the Meeting of the Committee scheduled for 18th July 2002, if it was received in time. Otherwise negotiations would be undertaken with the Government Office for the East Midlands and it was proposed that the stock condition survey information be submitted to the Council Meeting on 15th August 2002.

Note:- At 7.05 p.m. Councillor Whyman left the Meeting.

RESOLVED:-

That the Committee receives the Presentation on the Housing Revenue Account Business Plan.

CS/16. **SOUTH DERBYSHIRE HOUSING MARKETING AND NEEDS STUDY - PRESENTATION**

The Committee received a presentation on the findings of the recent South Derbyshire Housing Market and Needs Study. This had been undertaken to inform the 2002 Housing Strategy and was made by Mr. Bob Line, the external specialist appointed to undertake this work. An executive summary of the main findings had been circulated.

Initially, Mr. Line outlined Government guidance for the Housing Strategy and the link to the Housing Market Study and Needs Assessment. The presentation included numerous charts and maps showing house price trends over a five year period and more recent house price changes by property type and post code sector. House price rises had been greatest in the Derby fringe area of the District and in specific southern parishes. Statistics of geographic movement patterns of persons coming into and leaving the District were shown. There was a small outflow to Birmingham but similarly a recent influx of buyers from the Birmingham and Tamworth areas. South Derbyshire had been one of the fastest growing districts in the Country with almost 6,000 additional houses built over the past ten years. Information was provided on developments by parish since 1991 and the population growth for South Derbyshire since 1995.

Note: At 7.25 p.m. Councillor Pabla left the Meeting.

Income profiles were provided and the average household income was just over £22,000 per year. Higher average incomes were reported for certain rural parishes, notably around the Derby fringe area. Council and Housing

Association stock numbers were then reported. By understanding the housing market it was possible to estimate housing need and particularly the need for affordable housing. The research suggested that some 25-30% of the new housing supply should be affordable to meet housing needs. A table was shown of current affordable housing provision, estimated need and the anticipated shortfall in provision. Mr. Line gave a sub-area analysis distinguishing the Derby fringe from the southern part of the District. This compared estimated house prices, average incomes and housing need. Options for the delivery of affordable housing were provided, together with issues for developers to address. The Chair thanked Mr. Line for the presentation.

RESOLVED:-

That the Committee receives the Presentation on the Housing Revenue Account Business Plan.

CS/17. **2002 HOUSING INVESTMENT PROGRAMME (HIP)**

It was reported that new arrangements were put in place in 2001 for the Housing Investment Programme (HIP). There was now an increased focus on local authorities' strategic housing role. The Housing Policy statement "The Way Forward for Housing" stressed the importance of the strategic housing role and the need to separate this from the landlord function. In March 2001, the Government put in place new arrangements following the introduction of the Single Capital Pot (SCP) and the new financial framework for Council housing. This year, there had been a shift in the assessment of authorities' performance. In future it would be assessed against whether the housing strategy and HRA Business Plan were "fit for the purpose". This required that the housing strategy addressed certain criteria which were detailed in the report.

During 2001/02, progress had been made in the following areas of weakness identified by GOEM last year:-

- Setting 'Decent Homes' targets and appraising options to meet targets
- Improving the availability of information on housing needs and market trends.
- Tenants involvement in determining future stock options.
- Presentation of the Housing Strategy.

Financial implications were reported and details given of the resource funding streams for 2003/04 and subsequent years. In future, the majority of resources would be allocated as part of the SCP, providing a cross-service allocation, based partly on indices of relative need and partly on a discretionary basis. As part of the current process, the Council had to show planned expenditure for 2003/04 and 2004/05. Appended to the report were details of the proposed HIP submission. These had been prepared on the basis of assessed need. The Council had identified total capital resources of £1.5M for 2002/03 of which £875,000 was devoted to housing related schemes. Financial calculations were being finalised to assess the capital resources likely to be available for housing purposes. The HIP capital proposals would then be fed into corporate discussions for future capital programmes and appraised in accordance with the Council's capital strategy.

RESOLVED:-

- (1) That Members note the detail of the required content of the 2002 HIP submission.***
- (2) That Members' comments on the Housing Strategy 2002 and the Housing Revenue Account Business Plan 2002 be noted and that these documents be recommended for approval by the Council.***
- (3) That the Committee approves the proposals submitted for the Housing Capital Programme for 2003/04 for submission as part of the HIP and subsequent consideration as part of the Council's future Capital Programme under the Single Capital Pot.***
- (4) That authority be delegated to the Head of Community Services to finalise the 2002 HIP submission and that this be presented to the Council in August.***

CS/18. HOUSING STRATEGY - PRESENTATION

The Committee received a presentation from the Head of Community Services on the Council's Housing Strategy. A copy of the Draft Strategy had been circulated. A context was provided and the over-arching aim of the Strategy was: "To address the needs of South Derbyshire residents for good quality and affordable homes, located in healthy, safe and pleasant environments".

The current objectives were reported together with the capital objectives. A corporate and policy context was provided with detail of each of the main corporate and housing policy issues. Details were given of partnership working and proposals to develop the strategy and secure its delivery. Information was supplied on the likely available resources through the major repairs allowance, credit approvals, capital receipts and revenue contributions. Other funding sources were planning agreements, Housing Corporation grants and RSL investment.

The presentation highlighted priorities for the service, possible options and examples were provided. An action plan would be formulated and submitted to the Government Office for the East Midlands. Details were given of the significant progress achieved to date in delivering ten of the seventeen identified key actions from last year's strategy update. Areas for future delivery and progress were outlined.

Note:- At 8.20 p.m. Councillors Dunn and Hood left the Meeting.

Members took the opportunity to ask questions on the Draft Housing Strategy. Further information was sought on the provision of specialist accommodation for young males and reference made to a foyer scheme. It was suggested that a period of one month be allowed for further Member input into the Draft Strategy. The Chair voiced his thanks to the Head of Community Services, to Chantelle Hayes and to Bob Line for the presentations made. Thanks were also voiced to representatives of TACT for their input into the Strategy document.

RESOLVED:-

That the Committee receives the presentation on the Housing Strategy.

R.W. SOUTHERN

CHAIR

The Meeting terminated at 8.25 p.m.