

HOUSING AND COMMUNITY SERVICES COMMITTEE

7th October 2004

PRESENT:-

Labour Group

Councillor Southern (Chair), Councillor Richards (Vice-Chair) and Councillors Carroll, Isham, Lauro, Taylor, Whyman, M.B.E. and Wilkins.

Conservative Group

Councillors Mrs. Hood, Harrison, Mrs. Renwick and Shaw.

Independent Member

Councillor Mrs. Walton.

In Attendance

Councillors Bambrick and Mulgrew (Labour Group).

HCS/35. **MINUTES**

The Open Minutes of the Meeting held on 26th August 2004 were taken as read, approved as a true record and signed by the Chair.

HCS/36. **DECLARATIONS OF INTEREST**

Councillor Mrs. Hood declared a personal interest in the item relating to the Community Partnership Scheme.

**MATTER RECOMMENDED TO FINANCE
AND MANAGEMENT COMMITTEE**

HCS/37. **SUPPORTING PEOPLE CHARGES – SHELTERED HOUSING**

The Committee was reminded that under the Supporting People legislation which came into effect on 1st April 2003, Housing Benefit could no longer be paid towards support costs associated with a tenancy. For South Derbyshire, this related to the costs associated with providing the Community Warden and CareLine services. A costing exercise was carried out which showed that the support cost for the Sheltered Housing Service was £8.60 per week. This charge had been reviewed and for the current financial year the actual cost was £10.13 per week. Councillor Harrison referred to this increase of 17.7% but was advised by the Head of Housing that this increase was actually over a three year period.

Members were advised that it had been publicised widely that nationally, the Supporting People funding stream was over-subscribed. As a result of this, the Office of the Deputy Prime Minister (ODPM) had announced that all administering authorities would be asked to make efficiency savings and that individual funding levels would not be decided until those proposals had been received and analysed.

At the end of April 2004, the Council was requested to submit proposals detailing how it would make an efficiency saving of 2.5%. The Council responded by stating that as it was a high performing authority with costs in the lower quartile, there was no scope for an efficiency saving from within existing budgets, without there being a detrimental impact upon the service.

On 6th September 2004, the Council was advised that rather than making an efficiency saving, it had been awarded an increase of 2.29%, increasing the charge from £8.60 per week to £8.82, with a provision to backdate it to April 2004. Whilst this news was welcomed, as it allowed the Sheltered Housing Service to continue to improve, it was noted that the charge could not be backdated to 1st April 2004. Part IV Section 103(4) of the Housing Act 1985 stated that an increase could not take effect until a Notice of Variation giving at least four weeks notice of the increased charge had been served. Taking into account the approval required from the Finance and Management Committee, the earliest this charge could be applied was 22nd November 2004.

RECOMMENDED:

That the proposed increase to the Supporting People Charge for the Sheltered Housing Service as detailed in the report be referred to the Finance and Management Committee for approval.

MATTERS DELEGATED TO COMMITTEE

HCS/38. **COUNCIL'S VEHICLE FLEET – OPTIONS APPRAISAL FOR A “GREEN” FLEET**

Under Minute No. EDS/23 of the Environmental and Development Services Committee on 19th August 2004, a report on the environmental impact of the Council's vehicle fleet was considered. At that time, it was noted that the main pollutants from vehicle emissions were:-

sulphur dioxide, particulate matter, uncombusted hydrocarbons, nitrogen oxides and carbon monoxides.

It was reported that the Council changed from using conventional diesel to using ultra low sulphur diesel (ULSD) in 1999. ULSD produced 90% less sulphur dioxide emissions than conventional diesel and also reduced particulate matter by around 20%. Members received a detailed report, similar to that presented to the Environmental and Development Services Committee outlining the following vehicle categories:-

- (a) Heavy duty vehicles (Refuse freighters and similar)
- (b) Medium duty vehicles (Housing Maintenance vans and similar)
- (c) Light duty vehicles (Environmental Health vans and similar)

The Committee was advised that based on the current vehicle replacement programme, the additional capital cost to the Council over the next three years if the continuously regenerating particulate traps (CRT)/selective catalytic reduction system (SCR) diesel option as chosen would be as follows:-

2005/06	£6,000
2006/07	£6,000 (to be added to the 2005/06 cost)
2007/08	£16,000 (to be added to the 2005/06 and 2006/07 costs)

Currently, new vehicles were purchased through financial leases spread over the expected working life of the vehicles. The costs of the CRT/SCR systems could be financed in the same way. The additional annual costs over the next three years would be as follows:-

2005/06	£1,080
2006/07	£1,080 (to be added to the 2005/06 cost).
2007/08	£2,880 (to be added to the 2005/06 and 2006/07 costs).

The capital costs allowed for 75% grant funding through either the Powershift Grant or the Clean Up Grant, both of which were administered by the Energy Savings Trust. The funding, however was budget limited and therefore, could not be guaranteed. Members were advised that this Trust ran out of money halfway through last year and this year's budget had been cut by 30%. The cost detailed above would quadruple if no grant funding was obtained. In addition, the annual maintenance costs would be as follows:-

2005/06	£750
2006/07	£750 (to be added to the 2005/06 cost).
2007/08	£2,200 (to be added to the 2005/06 and 2006/07 costs).

These annual costs were based on current fuel duty levels. There had however been a gradual lowering of the fuel differential between diesel/petrol and alternative fuels in recent years.

The Committee was advised that in general terms, there was a need to balance financial benefits with operational advantages such as that currently provided by a single source of fuel. The Council's current specification for its heavy-duty vehicles delivered significant environmental advantages as well as operational effectiveness already. The addition of SCR systems would further increase the environmental benefits at a relatively low cost whilst still maintaining the current operational performance. The same technology was now available for medium-duty vehicles and its application would enhance further the Council's green credentials.

The Committee was advised that technology was developing rapidly and whatever options were adopted at this time would need to be kept under review. The trial of an electric vehicle in a suitable application would be a useful exercise at this stage. Members were advised that there was a considerable mountain of information around this subject, much of which was highly technical and complex and some of which was quite contradictory in terms of the claims made by different providers.

RESOLVED:-

That the following be approved, subject to the availability of funding to meet the financial implications arising:-

- (1) To retain current fuel sources for heavy and medium duty vehicles, making use of technology to reduce emissions of pollutants.***

- (2) To explore with partners, options for the trial of an electric/petrol dual fuel light duty vehicle.**
- (3) That future fleet specifications take into consideration developments in technology.**

HCS/39. CHANGING ROOM PROVISION – EX-MOD FOOTBALL PITCHES, HILTON

The Committee was advised that progress had been made in the development of this Scheme and the Project Team were now in a position to submit a bid for external funding. Project budget estimates indicated that if the bid was successful there would be a gap in the partnership funding element of the project. Other partners would be making every effort to increase their contribution but to support the viability of the bid an additional financial contribution in the region of £30,000 was required.

Councillor Mrs. Walton advised the Meeting that whilst she would be supporting this project, she was concerned that in the past, senior officers of the Council had stated that Section 106 monies would not be spent without community consultation being undertaken hitherto. The general public of Hilton felt that decisions were being made “behind closed doors”. The Hilton Community Leisure Group had been established to ensure that all residents had their say in drafting a Parish Plan. Councillor Mrs. Walton stated that this bid had been drawn up by the same senior officers who had stated that public consultation would be undertaken. There was now a perceived lack of trust between the community and the Council. Mrs. Walton advised that coincidentally, the community consultation, which had been undertaken in the village had revealed that a project for Hilton Harriers would be supported. The Council’s Facilities and Development Manager advised that the consultation had not been undertaken as due to timescales, any further delays could result in funding no longer being available. Councillor Whyman asked that in future, formal consultation be undertaken before any further Section 106 monies were spent.

RESOLVED:-

That the allocation of an additional £30,000 from Section 106 monies towards a project to provide changing rooms to service the Ex MOD football pitch site at Hilton be approved.

HCS/40. PROVISION OF A FLOODLIT ALL WEATHER TRAINING PITCH (ATP) AT THE PINGLE SCHOOL, SWADLINCOTE

The Committee was reminded of the need to provide an ATP within the Swadlincote urban area as identified in the South Derbyshire Facility Strategy and the Derbyshire Local Football Partnership priority list. The Committee was also reminded that approval had been given for Officers to work with the Pingle School as the preferred partner.

Under Minute No. HCS/110 of 11th March 2004, approval was given to a select list of specialist consultants to provide professional services to assist in the delivery of the project. From this, consultants were appointed on the basis of the lowest tender received. The project had progressed well, with Project Team members preparing business, sports development, maintenance

and management plans for the facility, all of which were required for the Football Foundation (FF) bid. In accordance with the appointment, consultants had carried out the initial feasibility and design work. The next phase of the work would be dependent on the outcome of the FF bid.

Members were advised that, following guidance received from the FF and representatives of the Football Association (FA), the Partnership intended to apply to the FF for 65% of the total project cost. It was felt that in the current climate this request was both realistic and achievable. The preparation of the FF bid was in its final stages and the project team members were proposing to submit the bid in October 2004. The partnership expected to know the outcome of its bid by March 2005, following a 20 week decision period. If the funding bid was successful, a tender process would be undertaken with a main contractor being appointed mid-April 2005 with completion of the facility during August 2005. A full project programme was circulated for information. The Committee was advised that a planning application for the facility would be submitted in October 2004.

RESOLVED:-

That a bid be submitted to the Football Foundation to obtain funding to assist in the delivery of this project.

HCS/41. **PROGRESS REPORT AND PROCUREMENT STRATEGY – MAURICE LEA MEMORIAL PARK**

The Committee was advised that since their appointment, the consultants had undertaken a series of design and cost checks to ensure that design proposals outlined in Stage 2 of the bid to the Heritage Lottery Fund (HLF) were achievable. No anomalies had been found. Efforts had continued to bridge the partnership funding gap for this project. In September, news was received that the Council had been successful in a bid to Waste Recycling Environmental (WREN) and had been awarded £25,000 towards the restoration of the Park's ornamental gates. In June 2004, £20,000 of Section 106 monies was also allocated to the project leaving the gap between secured and unsecured funding of £17,533.20. Efforts would continue to be made to bridge the gap and also to fund the elements of the project identified as ineligible by the HLF.

Members were advised that a public meeting had been organised for 12th October 2004. This meeting was intended to apprise the local community of progress and to continue the process of community involvement in the delivery and the future management of the project.

Members were reminded that the restoration project contained various elements of hard and soft landscaping and also a substantial amount of architectural ironwork. Identifying the correct procurement route for these elements was vital in ensuring the successful delivery of the project.

In summary, the overall approach to the project would be to employ an experienced landscape contractor as the main contractor with a specialist ironworks fabricator as nominated sub-contractor. Ad-hoc lists for these contractors would be produced in accordance with the Council's Contract Procedure Rules. Of the £660,000 total estimated contract value, £350,000 had been allocated for architectural ironworks. The Committee was advised

that all firms expressing an interest in both areas of work would be invited to complete a Pre-Qualification Questionnaire (PQQ). Compliant PQQ's would be scored against a scoring matrix from which a select list of six contractors would be formed. A copy of the PQQ and scoring matrix was circulated for information. It was reported that this procurement strategy met the criteria of the HLF for subjecting work to competition and a full programme was circulated for information.

RESOLVED:-

That progress being made on the project be noted and the Procurement Strategy as detailed in the report be approved.

HCS/42. **COMMUNITY PARTNERSHIPS SCHEME**

The Committee was advised that the Community Partnership Scheme for 2003/04 had continued according to the same processes and procedures as agreed when the Scheme was launched last year with the addition of formalised Terms of Reference. In addition to allocating grants, the Scheme allowed for funding advice and project development support to the voluntary and community sector.

Members were advised that five applications had been received in total for the second bidding round of 2004/05 asking for £126,882 against a remaining budget for the year of £169,975. One application was ineligible and accordingly the Panel assessed and ranked four applications according to the Scheme's criteria. A positive recommendation to fund three of the four projects had been made.

The Committee received a detailed report outlining applications received from the Findern Parish Rooms Restoration Group, Hilton Harriers Football Club for a community football ground, Phoenix After School and Holiday Club for a Zone Young Persons Project and West Street Community Partnership for Phase 1 of the West Street Church redevelopment.

RESOLVED:-

That grants be awarded totalling £67,500 to Findern Parish Rooms Restoration Group (£17,500), Hilton Harriers FC (£25,000) and West Street Community Partnership (£25,000).

MATTER REFERRED TO FINANCE AND MANAGEMENT COMMITTEE AND COUNCIL FOR RECOMMENDATION

HCS/43. **STOCK OPTION FINAL REPORT**

Further to Minute No. HCS/28 of the Meeting held on 26th August 2004, Members again received a detailed report on the Council's stock options. The Committee was advised that the Officer recommendation was for a transfer of the Council's housing stock to secure future improvements to Council homes. It was stated that the Right to Buy initiative drained the stock of houses and affected income. The Housing Subsidy arrangements meant that further income was continually lost. It was stated that strategically, transfer was more likely to deliver improvements to the private sector stock and potential development of new-build social housing. The Tenant Advisory and

Consultation Team (TACT) were in favour of transfer, although clearly the majority of tenants at this time were not.

Mr. Nic Carly of the October Communications Consultants was in attendance at the Meeting and advised the Committee that the consultation process with tenants had been very successful in raising awareness of key issues. He stated that the clear option preferred by tenants was for no change. He advised the Committee that regardless of the decision made on the Council's stock options there still remained much work to be done with the community in this area.

Councillor Whyman stated that Councillors always endeavoured to act in the best interests of the tenants. He stated that 86% of the Council's tenants wished to remain in Council control. He was aware that TACT had expressed a preference for the transfer of the Council's housing stock. He stated that he had spent a large amount of time studying financial information presented at this meeting and the previous meeting regarding the Council's housing stock options. He had examined statistics provided which stated that the financial position was unstable if the Council chose not to transfer the stock in that there was a large projected deficit in the year 2010. He referred to the regeneration of the financial capital receipts but advised that the transfer of the housing stock would have a significant impact on other departments within the Council. He stated that the Housing Revenue Account (HRA) was not sustainable because it paid money from rents to the Government. He referred to the important criteria of the negative subsidy, which was currently £3.6 million. He referred to the Housing Revenue Account being grossly under pressure because of the £1.7 million in negative subsidy, which had to be paid to the Government each year. He also stated that the HRA rules were subject to change on an annual basis. Councillor Whyman referred to the statement made by Officers that the Council could benefit from a reduction in negative subsidy each year if the Government moved the allowances for management and maintenance towards their target. It was unlikely that this would happen in one year. However, the Government appeared committed to phasing in the differences to compensate Councils such as South Derbyshire between now and 2012 who were losing income overall through the national formula for setting rents. Councillor Whyman referred to the final figures proving favourable for the HRA and its reserve balance was £293,000 better than estimated. Councillor Whyman asked who could realistically determine what was going to happen in 30 years time. He referred to the pressure on the HRA stating that 50% of the costs were management costs, 25% attributable to other departments.

(At this point in the Meeting, in accordance with Procedure Rule 14.4 the Chair agreed to allow Councillor Whyman to continue speaking).

Councillor Whyman stated that the Council's housing stock numbers were reducing and questioned whether the Authority would need as many staff if this continued to happen. He referred to £4 million over the next four years for being available as the Council was a debt free Council and stated that this could be used to reduce pressure on the HRA resulting in the HRA figures for 2010 being much more positive. He referred to the uncertainties of a new Government on issues such as Right to Buy and stock transfers. He felt there was no need to make a decision imminently as the Council could maintain a healthy HRA to 2010 and beyond.

Councillor Harrison praised the excellent work undertaken by October Communications, Officers and TACT. He stated that it was very difficult to make a balanced decision in view of all the information available. He stated that he was not attracted by the windfall in capital sums and advised that Councillor Whyman's conclusions were correct but he felt were shrouded in uncertainty. He felt that Members of the Council had only "seen one side of the coin" and could not make a final decision until a consultation process had been undertaken with registered social landlords on the proposals. He referred to the Decent Homes standards and the aspirations for silver/gold standards. He stated that the long-term financial trend was crystal clear against a background of Right to Buys. Councillor Harrison felt that the Housing Revenue Account would not remain stable if stock was retained and there was no prospect of raising standards. He referred to the interests of tenants in the future and the fact that the Council was no longer able to build Council houses. Councillor Harrison stated that he believed a Registered Social Landlord/Housing Association could fill a gap in the housing market. Based on evidence supplied he could only support Officer recommendations in principle as he required further information on proposed Housing Associations and clarification of future rent levels.

Councillor Taylor stated that he was committed to the principle of social housing. He felt that Councillor Whyman had proposed an excellent sustainable financial argument. Councillor Wilkins referred to the major risks associated with transfer and the fact that once the Council had agreed to transfer its Council housing stock the decision could not be turned back. Councillor Carroll emphasised the importance of monitoring the situation properly. Councillor Lauro referred to the decision that was taken on the Council's housing stock affecting all Council Tax payers and not just Council tenants. He drew attention to the fact that the majority of Council tenants wanted to maintain the status quo. Councillor Mrs. Walton felt there was a need to honour the Council's responsibilities to 86% of the residents and listen to the people that Members were representing. Councillor Mrs. Renwick advised that she was sceptical of Not for Profit organisations and therefore required more information from Registered Social Landlords as to their future operations and proposals.

Councillor Richards stated that much of the information proposed was lacking in fact. He stated that Council houses provided an essential Council service. The transfer of housing stock had an impact on general Council services and he presented statistics to support such an argument. Councillor Richards advised the Meeting that in authorities where stock had been transferred, the figures for homelessness in those areas had risen. Rents with Housing Associations were on average 16% higher and in some cases 50% higher where a transfer had taken place. He stated that many registered social landlords charged service charges which were not covered by Housing Benefit. He also stated that a benefit for a local authority was that it could borrow money far cheaper than registered social landlords.

Following a detailed debate on the issues proposed by Officers, the Chair thanked all Officers, TACT and the consultants for the work undertaken on this issue.

RECOMMENDED:

- (1) That the status quo is maintained and the Council retains its housing stock with the requirement that Officers examine possible efficiency savings and examine revenue and capital resource deployment to ensure that projected deficits are addressed.
- (2) That the Council maintains a monitoring role and provides annual updates on medium to long-term predictions so that the situation is kept under continuous review.

In accordance with Procedure Rule 16.5, it was agreed that a recorded vote on this matter would be taken. The results of the vote on the above recommendation was as follows:-

In Favour of the Recommendation

Councillors Carroll, Taylor, Isham, Lauro, Whyman, Wilkins, Mrs. Walton, Richards and Southern.

Abstentions

Councillors Shaw, Mrs. Renwick, Harrison and Mrs. Hood.

HCS/44. **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [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 Meeting held on 26th August 2004 were received.

SUTTON-ON-THE-HILL VILLAGE HALL (Paragraph 9)

The Committee agreed to defer a decision on this matter to allow Officers to continue to discuss the matter further with representatives of Sutton-on-the-Hill Village Hall.

R. W. SOUTHERN

CHAIR