

HOUSING AND COMMUNITY SERVICES COMMITTEE

16th October 2008

PRESENT:-

Conservative Group

Councillor Lemmon (Chairman), Councillor Grant (Vice-Chairman) and Councillors Ford (substitute for Councillor Roberts), Harrison, Hewlett, Murray, Mrs. Patten and Mrs. Wheeler (substitute for Councillor Atkin).

Labour Group

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

In Attendance

Councillors Mrs. Farrington and Jones (Conservative Group), Councillor Lane (Labour Group) and Councillor Mrs. Brown (Independent Member).

APOLOGIES

Apologies for absence from the Meeting were received from Councillors Atkin and Roberts (Conservative Group) and Councillor Mrs. Gillespie (Labour Group).

HCS/27. **MINUTES**

The Open Minutes of the Meeting held on 2nd September 2008 were taken as read, approved as a true record and signed by the Chairman.

MATTERS DELEGATED TO COMMITTEE

HCS/28. **WORK PROGRAMME**

The Committee was asked to consider and approve the updated work programme.

RESOLVED:-

That the updated Work Programme be approved.

HCS/29. **VALIDATION OF STOCK CONDITION INFORMATION RELATING TO HOUSING STOCK**

A report was submitted informing Members that the current stock condition detail required full proportional validation, to ensure that the Council's records were as current as possible. It was probable, that following the proposed validation surveys, that existing improvement programmes may need slight adjustments to re-target the decent homes standards, and ensure compliance by 2010. Undertaking the survey now allowed sufficient time to adjust programmes as necessary.

Since 2003, the Housing and Community Services Committee had approved annual improvement programmes aimed at meeting the Decent Homes Standard. These programmes had been based on a Stock Condition survey that was carried out in 2002 by external specialist consultants. Maintaining this data ensured that full recognition of the investment being made in the stock was reflected in monitoring the progress towards achievement of the Government's Decent Homes Target by 2010. However, the degree of deterioration in other components that were not reported for repair/replacement, or that didn't warrant immediate repair/replacement did not get updated. It had become established good practice in the housing sector to update the stock condition survey every five years.

Further background information was given, and it was recommended that a specialist external surveying company be used to undertake the re-survey exercise to update/validate the information currently held from the previous 2002 survey.

It was proposed to undertake a 100% external survey and a 25% internal survey of the stock, which would equate to approximately 3,081 surveys being conducted. Additional information relating to the energy performance of properties was also recommended to be collected at this time. This would enable heating and insulation works to be better targeted and aid in the production of energy performance certificates (a legal requirement from 1st October 2008 for all Right to Buy applications and all lettings). The current cost for undertaking the full extended surveys was estimated to be approximately £75,000 to £85,000, excluding VAT.

RESOLVED:

- (1) That a full proportional validation of the Housing Services stock condition be undertaken, by employing an external specialist to carry out external and sample internal surveys to ensure compliance with the Decent Homes Standard by 2010, and to ensure data is robust enough to complement the HRA business plan.***
- (2) That an advertisement be placed for companies interested in providing the stock condition expertise required and a tender exercise be undertaken amongst those companies interested in completing the works. The appointment process to include the Chairman of Housing and Community Services.***
- (3) That a budget of £85,000 be approved to cover both the stock condition survey and the production of information to enable Energy Performance Certificates to be readily produced.***
- (4) That, as the report has financial implications, it be referred to the Finance and Management Committee for consideration.***

HCS/30. **DISTRICT STRATEGIC HOUSING MARKET ASSESSMENT**

Members were advised that research was now complete and a report was submitted on the District Strategic Housing Market Assessment.

The District Strategic Housing Market Assessment had been prepared by Bob Line Consultants. The Core Strategic Housing Group of the Council had already considered this assessment and made amendments to some of the conclusions drawn from the research. A copy of the amended executive summary was attached to the report. A summary of the findings was also included.

RESOLVED:

- (1) That the net shortfall of 396 affordable homes per year be noted.***
- (2) That the Core Strategic Housing Group monitor the supply of affordable homes, providing an annual report to this Committee.***

HCS/31. **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 scheme had previously had an annual budget of between £50,000 and £150,000, since its reintroduction in 2002/03. However, there was currently no annual budget and the scheme was currently operating through scheme or project underspend, and from situations where grants had been allocated but projects had not managed to progress, and awards had been taken back into the scheme. The remaining total budget currently stood at £55,656.

The following applications were received and considered for the first round of the scheme in 2008/09:-

- Barrow-on-Trent Village Hall.
- Etwall Primary School.
- Eureka Bowls Club.

The Community Partnership Scheme Assessment Panel met on 11th September 2008 to score the applications against the previously agreed questions and weightings. Details were given of each project's final score, once weightings had been applied. The panel's recommendation was to distribute grants to Barrow-on-Trent Village Hall and Eureka Bowls Club. The Panel requested that the application from Etwall Primary School be developed further, prior to resubmission at a later date.

Prior to making the recommendation, the panel considered the scheme's past performance, current budget position of £55,656 and the projected receipt of further applications.

RESOLVED:

- (1) That the recommendations of the Community Partnership Scheme Assessment Panel be considered and grants awarded of:-***
 - ***£2,664 to Barrow-on-Trent Village Hall, to support the refurbishment of the hall, to include the addition of double-glazing, installation of non-slip safety flooring in the kitchen and remodelling of the stage area to enable more flexible use of the hall.***

- ***£5,250 to Eureka Park Bowls Club to support the development of facilities for the bowls club.***

(2) That progress of the Community Partnership Scheme as detailed in the report be noted.

HCS/32. **PRIVATE SECTOR LEASING SCHEME**

The Private Sector Leasing Scheme was one of a range of measures introduced in the Private Sector Housing Policy 2008/09 to “improve the quality and supply of housing in the private sector, especially for vulnerable groups”. The purpose of this scheme was to secure the double gain of returning empty homes to occupation and securing the use of these homes for residents on the Council’s waiting list.

Full details of the benefits of the scheme to the property were included within the report.

It was confirmed that external funding for 2008/09 of £642,000 had been received from the Regional Housing Group for a range of initiatives to provide “decent homes for vulnerable people”. It was proposed to earmark £50,000 for the private sector leasing scheme, to fund any initial works of repair and refurbishment. The Housing Service would undertake management of the leased property for the duration of the contract period, utilising the existing resources and the 7% management fee.

RESOLVED:-

That the operation of a Private Sector Leasing Scheme as detailed in the report be approved.

HCS/33. **EXTRA CARE HOUSING PROJECT: SITE OF WILLOUGHBY HOUSE/GRANVILLE COURT**

A report was submitted advising Members that Willoughby House and Granville Court were two sheltered housing schemes in Hall Farm Road, Swadlincote. Until 2006, when it was demolished, the County Council’s Oaklands property, centred on dementia sufferers, was also adjacent. These three sites were also surrounded by elderly persons bungalows in Hall Farm Road, Hall Farm Close and Wideshaft.

In sheltered housing inspections by the audit commission in 2001 and 2002, the Council was criticised for having out dated accommodation and for not having a vision of the kind of sheltered housing service it wished to deliver. Since this time, the District Council had sold two large sheltered housing properties that did not meet the standards, Bass’s Crescent and Smallthorne Place, and established a vision and standards for the remaining stock.

The poor level of provision and accommodation offered by Willoughby House and Granville Court were detailed in full within the report.

In 2007, the Housing and Community Services Committee requested that Officers progress the refurbishment and redevelopment options in relation to Willoughby House and Granville Court. The demolition of the County

Council's Oaklands unit, which sat between the Granville and Willoughby sites, made it an opportune time to look meaningfully at providing more modern accommodation on the combined site.

The cost of refurbishment of both units and development into traditional sheltered accommodation had been estimated by the District Council's in-house Quantity Surveyor, to be in the order of £750,000. It was also confirmed that this estimate was likely to be on the conservative side. Currently the District Council did not have the resources to fund such work without substantially changing existing spend commitments or substantially reducing balances on the HRA.

It was confirmed that the new proposal was to deliver an Extra Care Housing Village project, which would also include the existing bungalows in Hall Farm Road and Close. The Extra Care concept included making the elderly persons unit self sufficient in terms of many social and community activities.

As a housing-with-care provider, already delivering specialist accommodation within the District, Trident Housing Association were invited, along with the County Council and District Council to develop the project further. A bid was made to the Housing Corporation for funds, and an award of over £2m was made on the basis that the land package would be given at nil value. The Housing Corporation grant would help fund the Extra Care Housing and a proportionate part of the village centre. Architects were originally engaged at risk and had subsequently developed proposals jointly funded by Trident and the County Council. The overall development value of the proposed total Extra and Special care scheme was well in excess of £20m.

Financial implications of the project were reported, and it was confirmed that the Council's land contribution would lever in around £18m investment into the area.

Members expressed their concern at this proposal, and further details of the financial proposals were debated, however, Members disagreed on the financial values that were being considered. It was requested that the land at Granville Court and Willoughby House be given a current valuation and that this valuation be made available to the public.

RESOLVED:-

- (1) That Officers continue to progress options for the redevelopment of the Willoughby House and Granville Court sheltered housing properties into a new Extra Care Housing project.***
- (2) That the project fits within the Investment and Resource Strategy for Affordable Housing, as approved at the February 2008 cycle of Committee Meetings, and amended by this report, i.e. Sheltered Housing Vision and Standards to include the replacement of elderly persons' accommodation with that of a higher standard.***
- (3) That the buildings and the associated land at Granville Court and Willoughby House be contributed at nil cost to the overall development of the project. Before this transaction is enacted, the approval of the Council's auditors is required to ensure that it***

is exempt from government ‘pooling’ rules as they relate to the disposal of housing assets.

- (4) That, as this report relates to the disposal of Council assets, it be referred to the Finance and Management Committee for consideration.**

(Councillors Dunn, Mrs. Lane, Rhind, Richards and Shepherd wished for it to be recorded that they had voted against this decision).

HCS/34. **STOCK OPTION APPRAISAL**

A report was submitted to establish the rationale for revisiting the 2004 Stock Option Appraisal (SOA), confirm the method and timetable for the SOA and provide it with the necessary resources and authorities to complete its work.

It was confirmed that the District Council last carried out a full stock option review in 2004. Stock Option Appraisal was a process which considered the long term viability of the local Housing Revenue Account, including the standard of property maintenance, the standard of service being delivered to tenants and the level of rents. There were four different models of looking at the future of the HRA business, all of which would be covered in an SOA. These were:-

- stock retention.
- transfer of the stock to a Housing Association.
- Private Finance Initiative.
- Arms Length Management Organisation (ALMO).

Further details were provided on PFI's and ALMOs, as they were considered to be the least understood of all the options.

It was proposed to report back by the end of the financial year on the options available, the preferences of tenants, and any next steps to be taken. Guidance had been produced by the Government Office and CLG (Communities and Local Government Department) on the approach to Stock Option Appraisals, which were required to be followed.

This review would be carried out by a specifically formed group of nine people made up of equal numbers of the three main stakeholders, Members, tenants and staff. The Group would work to agree Terms of Reference and Proposed Terms were attached as an Appendix to the report. The Group would meet at least four times in the period from adoption of this report through to reporting in March 2009. Further details of the proposed process were also included within the report, and in addition, it was recommended that to support the 2008/09 stock options process, the following were appointed:-

- Lead consultants to advise and guide on best practice, support the Review Group and provide initial financial analysis.
- An Independent Tenant Adviser.

Costs to support the stock options process were assessed and detailed in full within the report. The total cost of the stock option appraisal process was to

be in the region of £50,000, and these costs would be met from HRA balances.

Members raised their concern at undertaking the SOA at this time, and it was pointed out that a Government review was due in 2009, and suggested that the SOA should be considered following this review, not in advance.

Officers confirmed that it was imperative to consider this early enough, before the HRA went into the red. It was confirmed that any review completed by the Government would be reported to the Housing and Community Services Committee when received.

Members also expressed their concern that the result of the review may be predetermined. Officers responded that this was an independent review with no prejudices and assured Members that the District Council would consider what was in the best interest of the tenants.

RESOLVED:-

- (1) That a report be submitted to Members in March 2009 following the revisiting of the 2004 Stock Option Appraisal.***
- (2) That the Head of Housing be authorised to establish a Review Group and finalise its Terms of Reference and recruitment to places not held by Members.***
- (3) That the Committee nominate 3 Members to serve on this Review Group.***
- (4) That the indicative event timetable for the SOA Review Group be confirmed.***
- (5) That Contract Procedural Rules be suspended (Tendering Provision) and it be delegated to the Head of Housing, subject to the approval of the Director of Corporate Services, to appoint a lead consultant for the period of the Appraisal and with timeliness, to enable them to be in place to support the SOA Group. The cost of this lead consultancy not to exceed £15,000.***
- (6) To delegate to the SOA Review Group, subject to the approval of the Director of Corporate Services, the authority to appoint, within Financial Regulations, an Independent Tenant Adviser for the period of the Appraisal.***
- (7) That a working budget of £50,000 for the Appraisal process be approved.***
- (8) That the Head of Housing be authorised to hold exploratory discussions with CLG and Government Office East Midlands on process and timetable to ensure the Appraisal meets all party's requirements.***
- (9) That as the report has financial implications, it be referred to the Finance and Management Committee for consideration.***

(Councillors Dunn, Mrs. Lane, Rhind, Richards and Shepherd wished it to be noted that they had voted against this decision).

HCS/35. **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 Meeting held on 2nd September 2008 were received.

SELECTION OF REGISTERED SOCIAL LANDLORD PARTNERS
(Paragraph 3)

The Committee accepted the recommendation of the Core Strategic Housing Group, and selected the Council's preferred partners for delivering general purpose affordable housing across the District.

CARELINE DEVELOPMENT (Paragraph 1)

The Committee approved an amended staffing structure for the Careline Team.

J. LEMMON

CHAIRMAN