

**COMMUNITY AND HOUSING COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30pm on 20 JANUARY 2011**

Present: Councillor R H Chamberlain – Chairman.
Councillors J E Hudson, J E Menell, M Miller, D J
Morson, J A Redfern, G Sell and S V Schneider.

Also attending: Councillor A J Ketteridge.

Co-opted
members: David Parish and Sam Sproul – Tenant Forum.
Jan Bullen and Paul Salvidge – Museum Society Ltd.

Officers in attendance: W Cockerell (Principal Environmental Health
Officer), T Cowper (Principal Accountant), E Evans
(Home Ownership and Administration Officer), S
Joyce (Assistant Chief Executive – Finance), R
Millership (Divisional Head: Housing and
Environmental Services), R Procter (Democratic
Services Officer), G Smith (Head of Environmental
Health) and J Snares (Housing
Options/Homelessness Manager).

CH42 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors E C Abrahams, S
Anjum, E L Bellingham-Smith, E Gower and S J Howell.

CH43 MINUTES

The Minutes of the meeting on 11 November 2010 were confirmed and
signed by the Chairman as a correct record.

CH44 MATTERS ARISING

(i) Minute CH32 – Olympics Working Group

In response to a Member question, the Divisional Head: Housing
and Environmental Services reported that no meeting had yet taken
place, but that representatives of Essex County Council had held
very positive discussions with the Council with a view to
encouraging visitors to return to the District following the Olympics.
The Chairman asked officers to continue to pursue the issue.

(ii) Minute CH33 – Day Centre Review

In response to a question, the Divisional Head: Housing and
Environmental Services said a report on funding of day centres
would be brought to the March committee meeting.

(iii) Minute CH35 – Supporting People Cuts

Members asked for an update on the staffing cuts which it had been reported might affect the Supporting People service. The Divisional Head: Housing and Environmental Services said no further information on cuts was available, despite the fact that the Supporting People service was required to set a budget by the end of January. A reference to this situation was made in the report on the Housing Revenue Account budget later on this evening's agenda.

(iv) Minute CH40 – Tenant Forum

Councillor Morson referred to concerns expressed by Tenant Forum representatives regarding future participation of bodies such as the Tenant Forum and Museum Society under new cabinet arrangements. He said at a meeting of the Constitutional Working Group this week, assurances had been given that these bodies would continue to have the same level of representation as they had now.

(v) Minute CH41 – Area Forums

Councillor Menell said she had not received any representations regarding ideas for the improvement of the area forums.

CH45

CHAIRMAN'S ITEMS

The Chairman referred to the letter to Members which had been previously circulated, giving reasons for English Heritage's policy of excluding Audley End House from its programme of open days. He was disappointed by the content and by the fact that no representative would be attending to speak to the Committee.

Turning to the running order of the agenda, the Chairman explained that the financial items would be addressed in a different order to that set out, in the interests of logical progression.

CH46

LEAD OFFICER'S REPORT

The Committee considered the report of the Divisional Head: Housing and Environmental Services, which gave updates on empty homes; the impact of the recession on housing options and homelessness; the progress of works at Holloway Crescent; the response to the government's consultation *Local Decisions: A fairer future for social housing* and an overview of section 106 monies.

The Principal Environmental Health Officer explained in further detail the summary of progress on empty homes. He said progress with the PLACE scheme was being made, and in particular the process of accepting properties onto the scheme was at an advanced stage for properties in Henham, Thaxted, Wicken Bonhunt, Manuden and Saffron Walden. A

report seeking authority for a compulsory purchase order was being submitted to the next meeting of Full Council.

In reply to questions regarding the process and funding of the PLACE scheme the Principal Environmental Health Officer said the scheme had recently been modified to remove certain funding constraints, so that it could now be used for enforcement. He said enforcement action would be taken only after three letters had been sent.

Members then considered an update on the impact of the recession on homelessness and the housing options service. In reply to a query about the impact of increased pressures on officers, the Housing Options/Homelessness Manager said this situation was one which officers had to handle. She said the Council managed to maintain one duty officer in the office at all times. In response to a Member question she confirmed there had been an increase in housing options enquiries of approximately 25%.

The Divisional Head: Housing and Environmental Services reported briefly on progress at Holloway Crescent, Leaden Roding, which continued to be ahead of schedule by two weeks.

Members considered the section of the report detailing a consultation paper on the future of social housing. The Council's response to the consultation had been lodged within the deadline of 17 January following thorough scrutiny by the Housing Initiatives Working Group and Tenant Forum. The Divisional Head: Housing and Environmental Services circulated a copy of the final response document. She said the overriding concern of Tenants and Members was the fragmenting of rural communities such as Uttlesford's if some of the proposals were implemented, but there was agreement to most of the principles as long as the Council retained choice, in consultation with Members and Tenants.

The Chairman noted the response had already been submitted, and asked Members to put any questions they might have to Mrs Millership outside the meeting.

Regarding the section of the report setting out section 106 obligations, Councillor Morson enquired whether the Council could take a proactive approach in using some of the funds for social housing.

The Chairman said the money had originated with Stansted Airport and had been used to attract other funding. It should be noted that delegated powers to use this money had been given to the Director of Public Services for affordable housing schemes.

In response to a further question, the Lead Officer said the intention was that the Housing Initiatives Working Group should explore possible schemes. The Chairman noted Members wished to be kept informed.

Councillor Sell referred to the work undertaken by Scrutiny Committee in identifying the capital infrastructure contributions received by the Council

but not expended. In his view the money should not lie unused and possible schemes which could be progressed should be identified.

Officers confirmed that the percentage of funds under the Stansted Area Housing Partnership for schemes in Uttlesford was 60%.

CH47 **2010/11 BUDGET MONITORING**

The Committee considered the report of the Assistant Chief Executive-Finance, setting out financial performance for the period April to November 2010 and a forecast outturn to the end of the financial year.

The Assistant Chief Executive-Finance explained the report dealt with the various General Fund Service Budgets, the Housing Revenue Account (HRA) budget and Capital Programme Schemes. He said the Committee's General Fund expenditure was forecast to end the year with a net adverse variance of £259,000, which was principally due to the termination of the Supaloos contract, and he advised the cost would be met from the Change Management Reserve.

There were no significant issues regarding the HRA, which was forecast to end the year with a net underspend of £62,000, although this position could change due to adverse weather conditions and any increase in urgent responsive repairs. Capital schemes were forecast to end the year with a net favourable variance of £1,011,000 due primarily to the continued delays relating to the Heritage Quest Centre project.

The Assistant Chief Executive-Finance said there was an update to the information in the report, as funding of £48,000 had now been secured for the Thaxted play equipment and this project would now go ahead.

RESOLVED to note and approve the report of the Assistant Chief Executive-Finance on 2010/11 budget monitoring.

CH48 **2011/12 FEES AND CHARGES**

The Committee considered the report setting out proposed fees and charges for the next financial year.

Members were asked to take into account economic conditions, service objectives and expected activity levels, all of which factors had been the subject of a review by officers. Members were asked to note that the rate of inflation stated in the report was now 3.7%, but no changes had been made to the proposed fees and charges, as none were specifically tied to it, and the rate of inflation was expected to fall again by the end of the year.

The Assistant Chief Executive-Finance drew Members' attention to the new pricing and concessions policy, the intention of which was to achieve greater fairness and consistency on the basis of entitlement to benefits rather than age, and to ensure fee collection should cover the cost of the service. The exception was pest control fees, which would not cover the cost of the service due to a policy decision to provide a free rat service.

This matter was highlighted in the report as a matter for the Committee's approval.

The Assistant Chief Executive-Finance said regarding pest control there were no significant changes, but drew attention to a minor correction required to two lines in the appendix, regarding a list of pests covered by the treatment fee and follow up visit fee.

Regarding public health there were modest inflationary increases and the higher rate of VAT was being passed on to customers in most cases.

Regarding Lifeline, there was an increase to the charges.

Regarding the Museum, there was no change to admission fees, but there were increases to reproduction charges to reflect cost.

Councillor Menell asked about the prevalence of bed bugs; and officers advised instances of treatments for bed bugs had increased over recent years.

RESOLVED to approve the 2011/12 fees and charges as set out in the appendix to the report.

CH49

2011/12 REVENUE BUDGET

The Committee considered a report requesting approval of the 2011/12 revenue budget, which would be subject to approval by Finance and Administration Committee on 8 February and to final determination by Council on 24 February.

The Assistant Chief Executive-Finance gave an overview of the context for the budget, in that this Council would next year suffer a government budget cut of 17% and over the next two years 28%. Whilst there was therefore no significant investment in the budget for new services, nor were there very significant cuts.

The Assistant Chief Executive-Finance said there was an error in the report for which he apologised. The narrative regarding the budget reduction in relation to the Museum was incorrect in that it should state that savings of £20,000 had been achieved due to the reduction of the Learning Officer's hours.

The Assistant Chief Executive-Finance highlighted for Members the main points of the report. He said most of the budget reduction arose from the decision to terminate the Supaloos contract.

Councillor Sell expressed concern that Stansted had no alternative provision for public toilets and said he had made enquiries of local businesses about a community toilet scheme. He asked that officers pursue this option with Yeoman's Café in Stansted, as the owners had been agreeable to entering into the scheme. The Assistant Chief Executive-Finance said he would ask the Director of Corporate Services to contact Councillor Sell.

RESOLVED to approve, for recommendation to the Finance and Administration Committee on 8 February, the Committee's 2011/12 revenue budget as set out in the appendix to the report.

CH50

2011/12 HOUSING REVENUE ACCOUNT BUDGET AND RENT SETTING

The Committee considered a report setting out the 2011/12 HRA budget and rent levels.

Councillor Ketteridge, with the consent of the Chairman, addressed the meeting. He wished to read out to Members a letter he had written to the Minister in December, expressing concern at indications given in a briefing that the amount of debt the Council might face regarding housing stock could be greater than at first suggested. Councillor Ketteridge said he had referred in the letter to this Council's lobbying of the government to end the housing subsidy system, and to his concerns that national housing debt fell on a decreasing number of tenants. He had questioned whether it was fair that housing associations did not share this debt, as a more equitable distribution would ease the burden to tenants and reduce the debt more quickly. The new system being proposed could be made much fairer.

The Chairman thanked Councillor Ketteridge for his comments.

The Assistant Chief Executive-Finance introduced the report. He explained that this was the final year of the present regime of the negative housing subsidy, and that a strong policy was necessary in order to ensure the HRA was in good shape prior to the major reforms expected after 2012. The levels of increase being proposed were necessary in order to take account of the comparatively high rate of inflation and to enable progression towards rent convergence, to be achieved by 2015. The Assistant Chief Executive-Finance drew Members' attention to the detail of the proposals. He said the rent increase had been discussed by the Tenant Forum, and the Forum had accepted that the increase in rent was necessary for the long term health of the HRA, although it had expressed concern at the burden on tenants and on the taxpayer via the Housing Benefit system, and also the effect on debt this Council would take on in 2012. The Councils' intention to buy out of the negative housing subsidy system had also been debated previously, and a figure of £82m had been discussed, to be taken out as a loan and repaid over a period of 30 years. The cost of doing so would be less than the cost to the Council through the negative housing subsidy. It was now clear the government expected to make this a mandatory change, furthermore that it had been suggested that a higher figure would be required to buy out of the system. As an estimate, a figure of £90m had been employed in these reports. It should be noted that whatever the figure set by government, the level of repayment would assume the Council had increased rent by 6.8%. Departing from that figure would put the HRA in an unsustainable and unaffordable position.

The Assistant Chief Executive-Finance said there was also provision to invest £0.5m in housing stock. He drew attention to an error for which he apologised in the figure given for average garage rents, which was £8.18 exclusive of VAT rather than the £8.58 stated.

Regarding the inflationary increase proposed to the different levels of supporting people charges, the Tenant Forum had requested that he inform the Committee of their concerns about the cost for the 'bronze' service.

In conclusion, the Assistant Chief Executive-Finance said if the budget were approved, the HRA would end the year with a balance above a safe level, with a level of rental income to meet the challenges of 2012.

Sam Sproul, Chairman of the Tenant Forum, said tenants had considered the rent increase with a heavy heart. This increase was something many tenants could not afford. At the moment nationally 65% of council tenants were on benefit so only 35% of tenants were paying full rent. Also through paying tax they would be subsidising the 65%, which was unfair. Mr Sproul tabled a copy of the letter he had sent at the Forum's request to Sir Alan Haselhurst MP.

Regarding the increase in the sheltered housing service charges, he said the issue about which some tenants had been concerned was the equity of charging the same fee to those tenants whose sheltered accommodation had no communal facilities. The Committee noted this point, and officers said the issue would be looked at by the Sheltered Housing Task Group.

David Parish, tenant representative, said he had not attended the Tenant Forum meeting at which the rent increase had been discussed. He said five of the Tenant Forum members had since contacted him regarding the agenda for tonight's committee meeting and expressing their concern that the rent setting process was a 'fait accompli'. He said there was provision as mentioned at paragraph 13 of the report to protect tenants from excessive annual increases, and he therefore felt a lower rent increase could be set. He said those tenants who had contacted him had said they would have voted against the proposals and that all five of them had asked him to express their view. He was horrified by the proposed increase and he made a plea that the Committee should reject it and refer the report back to officers to cut the budget.

Sam Sproul replied that none of the seven tenant representatives at the meeting during which the proposed budget had been considered had expressed any dissatisfaction either with the proposals or with the information given.

The Chairman said Mr Parish was entitled to give his own opinion, as a tenant representative, but that Members should note the comments of both the officer who had attended and of the Tenant Forum Chairman.

Councillor Sell said the housing stock had decreased over time and he questioned whether the policy of Right to Buy had changed the nature of

the tenant profile, in particular whether it had increased the proportion of those in receipt of Housing Benefit.

The Divisional Head: Housing and Environmental Services said the Council's tenant profile had not changed substantially, and that approximately 40% were on benefits. This figure was lower than in many other authorities.

Councillor Menell asked how the Council's rents compared with those of housing associations. Mrs Millership replied the Council's rents were lower than those of housing associations.

Councillor Morson said this was a sorry business, particularly as the Council still had no clear indication of what it would have to pay under the housing finance reforms. In any other walk of life this would be unacceptable. He applauded the letter Councillor Ketteridge had sent to the Minister. He felt government was not acting in a professional way, and questioned how councils could be expected to budget for an indeterminate figure.

The Assistant Chief Executive-Finance advised that whatever the figure to be paid in 2012, the government would calculate it on the assumption that the Council had put up its rent by the amount proposed.

Councillor Morson asked whether the rents would cover a higher figure. The Assistant Chief Executive-Finance said this would be a good deal over the long term, and the reformed system would be less unfair than the present system. The Committee had to understand that departing from the evenly phased process towards rent convergence could cause greater problems down the line. Councillor Morson suggested a letter should be sent on behalf of the Committee in support of Mr Sproul's letter to show solidarity with the Tenant Forum's position.

Councillor Hudson asked a question about the interest which would be payable on the loan. The Assistant Chief Executive-Finance said the Council would have the option of borrowing from the Public Works Loan Board, at preferential rates, or to go to the external market. In practice he envisaged a combination of loans, which would be the subject of expert advice, and which would be fully reported to Members. He agreed that there was a risk that interest rates could suddenly increase, but despite the low rates at present he would not recommend immediate borrowing to take advantage of such rates, as the banking system was still fragile. The government had made it clear that local authorities should only borrow at need, and should not play the money markets.

Councillor Sell said the Assistant Chief Executive-Finance had made it very clear that if rents were not increased now this would only defer pain for tenants.

The Chairman noted the agreement of all Members that the Lead Officer in consultation with the Chairman should write a further letter to the MP supporting the letter sent by Mr Sproul on behalf of the Tenant Forum.

RESOLVED to approve, for recommendation to the Finance and Administration Committee on 8 February

- a) the Housing Revenue Account 2011/12 Original Budget as shown in appendix A
- b) An average increase in dwelling rents of 6.75%
- c) An increase in garage rents of 3.3%
- d) Other charges to increase in line with actual costs incurred.

CH51

2011/12 CAPITAL PROGRAMME

The Committee considered a report setting out the capital programme for 2011/12, which would be determined by Council on 24 February.

The Principal Accountant said there were no significant new items, and the capital programme and associated financing costs proposed for the Committee were affordable within the context of the Council's General Fund budget as a whole and the Medium Term Financial Strategy. The Principal Accountant drew to Members' attention various points, including the £500,000 revenue contribution to the HRA programme of works; the £90m factored into the 2012/13 budget as an estimated amount which the Council would have to borrow, as discussed earlier, to plan for the Government's reform of council housing finance; the fact that the Heritage Quest Centre project had dropped back from 2010/11 to 2011/12; and the increase in the Disabled Facilities Grant to reflect current and forecast levels of expenditure.

Members asked questions about the Museum Heritage Quest Centre, regarding any time limit applied to the proposed funding. The Principal Accountant said the Council had committed £100,000 and this sum would be the first to be drawn down. He said further progress would depend on the outcome of any appeal by Sainsbury's to the planning decision. Officers had met Lottery officials to keep them informed. At present funding was still available.

In response to a Member question, officers explained the funds set aside for empty dwellings were intended for use as a pump priming fund, and the money used for the PLACE scheme was excluded from the capital programme because it was shared with other councils.

In reply to a question about financing of CCTV in Great Dunmow, officers explained the Council had funded the installation but the Town Council would take on the maintenance.

RESOLVED

- 1 to approve, for recommendation to the Finance and Administration Committee on 8 February, the Committee's 2011/12 capital programme as set out in appendix A
- 2 to note the indicative capital programme for 2012/13 to 2015/16 as set out in appendix A.

CH52 HOLLOWAY CRESCENT TASK GROUP

The Minutes of the meeting of the Holloway Crescent Task Group held on 30 November 2010 were noted.

CH53 TENANT FORUM

The Minutes of the meeting of the Tenant Forum held on 8 November 2010 were noted.

CH54 ANY OTHER BUSINESS

Councillor Ketteridge reported on a visit he had made to the Newport depot with the Chief Executive to thank building repair staff for the work they had done over Christmas during adverse weather. He asked that the Council's appreciation be noted in the Minutes, to which the Committee agreed.

Councillor Menell asked the Lead Officer to look into a problem with overflowing bottle collection banks, which were not being emptied due to the failure of the weighbridge at Harlow.

CH55 EXCLUSION OF THE PUBLIC

RESOLVED that under section 100I of the Local Government Act 1972 the public be excluded for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 part 1 schedule 12A of the Act.

CH56 LAND ADJACENT TO 25 ASHDON ROAD, SAFFRON WALDEN

The Committee considered the report of the Home Ownership and Administration Officer regarding a request to sell an area of Council owned land at 25 Ashdon Road, Saffron Walden, to facilitate a private development.

Councillor Redfern said she would like officers to investigate whether social housing could be built on the site. She noted the District Valuer had valued the land without attending the site, and she considered this was insufficient. She asked that any monies raised from the sale be ring-fenced for housing use.

Mrs Evans explained that the reason the District Valuer had not attended the site was in order to expedite the valuation for this meeting. Mrs Evans said she considered the money from selling the land could contribute towards a housing project elsewhere.

Councillor Redfern proposed referring the matter to officers for further investigation of the value of the site and its potential for social housing use. Councillor Sell seconded the proposal.

The Assistant Chief Executive-Finance said any decision to dispose of this land for housing would have to be ratified by the Finance and Administration Committee.

RESOLVED to refer the matter to officers for further investigation of the value of the site and its potential for social housing use.

The meeting ended at 9.05pm.