

SPECIAL HEALTH AND HOUSING COMMITTEE held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30 pm on 23 JANUARY 2002

Present:- Councillor R W L Stone – Chairman.
Councillors Mrs S Flack, A J Ketteridge and Mrs C M Little.

Also present:- Mrs J Bolvig-Hansen, Mr W Gladman and Mr R Perry (Tenant Panel Representatives).

Officers in attendance:- R Chamberlain, Mrs A Dellow, M R Dellow and P J Snow.

HH24

APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors M A Hibbs and Mrs J I Loughlin.

HH25

HOUSING REVENUE ESTIMATES AND RENT SETTING 2002/03

The Chief Accountant presented a report incorporating the Housing Revenue Account (HRA) Draft Estimates and setting out the options available to the Council in deciding rent levels for 2002/03, in the context of the new statutory requirements for rent restructuring and convergence (“Formula Rents”) and the “Decent Homes” standards. The report had also taken account of the “Supporting People” agenda where possible.

Healthy working balances had been brought forward in the current year. The revised Estimates for 2001/02 indicated variations of £93,000 over the base position due largely to a reduction in direct management and maintenance costs. A significant contribution could again be made to the Housing Repairs Account as part of the switch of major repairs to capital.

The HRA Estimates for 2002/03 showed a decrease of nearly £130,000 against the original current year’s estimate, partly a reflection of the savings arising from Best Value.

The major issue to be faced in the coming financial year was that of formula rents. The Chief Accountant explained the principles behind this process which was intended, over a ten year period, to bring about a converging pattern of rents for all similar social housing properties. Under the formula to be adopted, rent levels would vary according to local property values and earning levels.

There was currently a mis-match between the Council’s rents and the pattern of formula rents and this difference would have to be bridged over a period of time. Unfortunately, the available computer system would not be able to cope with the complex calculations required to bring about the integration of formula rents and there would be no option but to make provision for the necessary computer system enhancements to be made. An indicative figure of £70,000 had been estimated for this purpose.

To begin the process of integrating the concept of formula rents into the Council's rent setting mechanism, Officers had calculated that an average figure of £2.13 per week was the maximum possible increase that could be applied in 2002/03 without difficulties with the DTLR rules being encountered. In this context, Members were advised that a system of rent capping would operate but that only one property would be affected by this arrangement at the present time.

The report presented five possible options for increasing rents next year, two of which were not considered to be practicable including the DTLR's preferred method. There were thus three possible options to consider which could be summarised as a straight percentage increase, a flat rate increase and a flat rate increase by type of property. Of these, adoption of the latter option would do most to move towards formula rents.

The Chief Accountant also explained the background to the recommendations in the report relating to the adoption of a single standard charge element for the warden service and the disaggregation from rent of the Lifeline charge points element. These changes were necessary because of the need to unscramble the existing methodology for all service charges by April 2003. The recommendation to abolish the two tier charge for the warden service had come about as a result of the Best Value Review this year which would lead to the same level of service being provided to all recipients. Service charges would eventually be treated independently of rent partly as a result of formula rents and partly as a result of the "Supporting People" agenda.

The Tenant Panel Representatives reported on the outcome of a Tenant Panel Meeting held on the previous evening to consider the options set out in the report to this meeting. Mrs Bolvig-Hansen stated that the Tenant Representatives had voted by seven to three in favour of a flat rate across the board increase of £2.13.

Members raised a number of questions about the detailed content of the HRA Estimates. Concern was expressed by Councillor Mrs Flack about the inclusion of a number of above inflation figures. Officers explained that the increase in cleaning costs at Common Services Flats had been highlighted as a variation in the report resulting from new cleaning arrangements. The increase under the Property Services heading was largely due to a reduction in the income generated from architectural fees. The Head of Housing Services explained that the opportunity to benefit from the use of in-house architectural services was not available at present. He also said that costs had risen in relation to estate maintenance as a conscious effort was being made to improve the appearance of housing estates and bring them up to acceptable standards.

Before Members voted on the range of options before them, Councillor Ketteridge said that he objected to the level of interference and direction by central Government and felt that this contributed to the frustration felt by many elected Members. These comments were endorsed by the Tenant Panel Representatives.

A number of comments were made about the poor attendance at this meeting and the Chairman expressed his personal disappointment that some Members had failed to offer their apologies for absence. He felt that Members should be reminded of their obligations in this respect.

After further discussion, the Committee voted on the range of options for increasing rent levels presented to them.

RECOMMENDED that

- 1 the Draft Housing Revenue Estimates as presented be accepted, using an average weekly rent increase of £2.13 in line with the DTLR limit, equivalent to 3.92%, on the basis that any effect of the decisions below would be reflected in the published budget book;
- 2 the Council set a flat rate rent increase of £2.13 across the board to be applied in 2002/03;
- 3 the Lifeline charge points element be disaggregated from rent and treated as a service charge of £3.00 in all those cases where the service was provided at the tenant's request and was not intrinsic to the property;
- 4 a single standard warden charge points element equivalent to £5.40 be applied to all properties in receipt of the re-organised warden service to reflect the changed nature of that service; and
- 5 the use be approved of a special adjustment points factor to limit rents in the one case subject to capping and any cases where an increase to the warden charge points element would cause the 2.2% plus £2.00 limit to be exceeded.

HH26

OAKROYD HOUSE GREAT DUNMOW

The Head of Housing Services reported on the result of the Tenants' ballot regarding a proposed change of management of Oakroyd House in Great Dunmow to the Swan Housing Association. Of those voting, 17 tenants had voted in favour of the transfer and one had voted against. It was noted that the completion of these transfer arrangements required the Secretary of State's permission but it was anticipated this matter would be brought to an early successful conclusion.

The meeting ended at 8.30 pm.