

SPECIAL HEALTH AND HOUSING COMMITTEE held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN at 7.30 pm on 21 JANUARY 2003

Present:- Councillor Mrs S Flack – Chairman.
Councillors R P Chambers, Mrs C M Dean, R D Green, A J Ketteridge and R W L Stone.

Also present:- Mr W Gladman and Mr R Perry (Tenant Panel representatives).

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

HH34

APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Mrs J Bolvig-Hanson and Mr J Grimshaw (Tenant Panel representatives).

Councillor R D Green declared a personal interest in the item relating to Rent Setting for Council Garages.

HH35

DRAFT HOUSING REVENUE ACCOUNT ESTIMATES AND RENT SETTING 2003/04

The Director of Resources presented a detailed report explaining the background to the Draft Estimates for the Housing Revenue Account (HRA) and inviting the Committee to determine rent levels for 2003/04, in the context of the statutory requirements for rent restructuring and convergence ('Formula Rents'). These requirements included the need to "un-pool" warden service costs and make 'Supporting People' charges from April 2003 and to consider possible options for charging for common services.

He explained that the report was very technical because it was set out on the basis of the guidance issued by the Office for the Deputy Prime Minister (ODPM) and reinforced the tight statutory constraints involved in this process. The report was further complicated by constant changes in the rules issued by ODPM, some of which had been confirmed very late in the day.

He also referred to the new 'Supporting People' arrangements that would be applicable from April this year. However, many of the new arrangements for common service charging need not take effect straight away. A summary of the main changes was included in the report. It had become apparent that the expected 'windfall' associated with Supporting People had already diminished considerably.

The Head of Housing Services reported on the outcome of a combined meeting of tenant panel representatives held on the previous evening. He explained that there was broad support for recommendation (a) in the report and that the tenant's representatives had been keen to ensure that existing tenants would be protected under the 'Supporting People' arrangements.

They had taken the view that service charges for furniture provided in common rooms should be a pooled cost, met by all tenants.

The Chairman directed the Committee's attention to appendix HRA 2 setting out detailed rent increase information for various categories of property. Councillor Stone asked how the proposed increases compared with those for properties managed by Registered Social Landlords (RSLs). It was anticipated that RSL rents would go down over the next nine years whereas local authority rents would increase and that the gap between them was already in the process of narrowing.

The Committee considered each of the recommendations contained in the report and expressed a view as to the general approach to be adopted in each case. It was felt that garage rents should continue to be reviewed from time to time as at present. Members also agreed that the costs of furniture supplied for use in common rooms, should not be included in any disaggregated service charges.

As far as the general principle of disaggregating service charges was concerned, Members were anxious that officers would be able to accommodate the additional work. The Chief Accountant assured the Committee that although the separation of charges was an added and unwelcome complication, the transition period would be difficult to overcome anyway. More importantly, the common service charges element would add a further level of change and uncertainty for tenants in sheltered accommodation.

It was generally agreed that those tenants in sheltered accommodation most likely to be affected by these changes were among the most vulnerable of the Council's tenants. The Head of Housing Services explained that a leaflet was being prepared which would explain the changes being made and this would be phrased in easy to understand language. Members were concerned that the leaflet should be carefully monitored before it was issued and agreed that the Chairman should be given the opportunity to view the proposed contents before final publication.

It was also considered vital that the Council's wardens readily understood the changes to be made and detailed briefing sessions would take place to achieve this aim within the next few weeks.

The Committee agreed that charges for common services at flats should not be disaggregated at the present time, but that this option should be reconsidered for the following financial year. This action would avoid too many changes from taking place at the same time, affecting the same group of tenants.

After further discussion, the Committee

RECOMMENDED that

- (a) the draft HRA estimates for 2003/04, reflecting current ODPM expectations, be accepted on the basis that the effect of those

matters set out below would be reflected in the published budget book;

- (i) a weekly dwelling rent increase of 3.25% plus or minus one ninth of the resulting difference from the ODPM formula rent for 2003/04, limited so that no tenant would have an increase exceeding 2.2% plus £2;
 - (ii) Supporting People weekly charges to tenants of £13.94 for warden services and £3.09 for Lifeline services;
 - (iii) protection against the 'un-pooled' £8.38 element of the warden services charge for all those tenants at 31 March 2003 who would be ineligible for grant assistance under 'Supporting People' from April 2003;
- (b) garage rents should rise from April 2003 to a standard rent of £6 per week (plus VAT for non-tenants)
 - (c) heating charges be increased from April 2003 by amounts equivalent to a 3.5% increase;
 - (d) charges for common services at flats be not disaggregated from rents for 2003/04, but that this option should be reconsidered for 2004/05; and
 - (e) charges, when proposed, should not reflect the costs of furniture for common rooms.

The meeting ended at 8.10 pm.