

**HOUSING BOARD held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN at 10.30AM on 27 JANUARY 2015**

Present: Councillor Perry (Chairman)
Councillors A Dean, J Loughlin, J Menell and J Redfern

Also present: Mr David Parish and Mrs Carol Mandy (Tenant Forum representatives).

Officers in attendance: M Cox (Democratic Services Officer), P Evans (Housing Business and Performance Manager), E Horner (Accountant), D Malins (Housing Development Manager), R Millership (Assistant Director Housing and Environmental Services), J Snares (Housing Needs and Landlord Services Manager), M Tokley (Principle Accountant) and S Wood (Housing and Planning Policy Manager).

HB24 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Felton, Freeman, Ranger, Rose and Smith.

HB25 MINUTES

The minutes of the meeting held on 13 November 2014 were agreed as a correct record and signed by the Chairman.

HB26 MATTERS ARISING

(i) Minute HB17 – Development update

It was reported that Cabinet had approved the proposal to contribute funding towards the Radwinter Road extra care scheme. The Planning Committee had considered the application at its recent meeting but the item had been deferred for further clarification around the extra-care element.

An explanatory leaflet on extra- care provision had since been prepared and would be circulated to all members of the council.

(ii) Minute H233 – next meeting

It was intended that the next meeting of the group would be held at Walden Place Saffron Walden, and members would also have the opportunity to visit the site.

HRA – PROPOSED RENT AND SERVICE CHARGES

The Board received the report setting out the proposed rent and service charge increases for 2015/16.

In relation to the rent level, Members were informed that the Government had confirmed a number of key changes to be introduced from April 2015 as part of the national rent policy. The new Government guidance recommended the use of CPI plus 1% for the calculation the inflationary rate for the 10 year period 2015/16 – 2024/25 and the cessation of the rent convergence policy for existing tenants from 2015/16.

In the light of the new guidance the financial impact of the 3 possible options had been modelled

- 1 Assume rent increase by CPI plus 1% (as in the new guidance)
- a rent increase of 2.2%
- 2 Assume rent will increase by CPI plus 2% (Alternative strategy)
- a rent increase of 3%
- 3 Continue to assume a rent convergence policy in which case many rents would converge in 2015-16
- a rent increase of 3.5%

Although options 2 and 3 would give additional income to the HRA, the rent increase would place an additional burden on tenants when welfare reforms continued to impact on families. It was council policy to generally follow Government guidance and it was recommended to support option 1 as being in the best interest of tenants. It was also possible that the Government would seek to cap rent increases above the new guidance level.

The financial impact on the business plan when option 1 was modelled was a shortfall of around £200,000. This is because the original business plan assumed a rent increase in line with formula rents. However, officers were confident that with adjustments the Business Plan was still sustainable.

Mr Parish said the Tenants Forum had discussed the report and strongly recommended option 1.

AGREED to recommend to Cabinet that the preferred option for HRA dwelling rent be in line with Government guidance of CPI + 1%.

Members were given details of the suggested increases for garage rents and service charges.

Members discuss the proposed rent increase for garage rents and commented that they represented good value when privately rented and used for storage. The Assistant Director explained that a number of the garages were in poor condition, too small and not fit for purpose. There were around 40 units that were currently empty. The proposed increase was in line with inflation and was intended to fund continued maintenance. Looking forward there was an ongoing project looking at the future of the council's garage sites and assessing potential for development.

AGREED to recommend to Cabinet for approval the increases in garage rent and service charges as detailed below:

- Garage rents are increased by RPI of 2.3%.
- Heating, Service and Sewerage charges are increased in line with actual costs.
- Service charges for common services in sheltered schemes continue to be subsidised for tenants at 31st March 2012 who are not in receipt of housing benefit. Subsidy reducing by 25% annually.
- Charge for Sheltered support services is increased by RPI of 2.3%
- Sheltered support services for tenants as at 31st March 2003, who are not eligible for supporting people grant, continue to receive transitional relief protection
- Lifeline basic charge is increased by RPI of 2.3%

HB28

HRA BUDGET 2015-16

Members received the proposed HRA budget and reserves position for 2015/16 and a proposed 5 year financial forecast for the period from 2015/16 to 2019/20.

The HRA budget for 2015/16 reflected the service arrangements and investments in relation to the council's services for the fourth year under 'self financing'. The arrangements enable the service to stand-alone financially and take local decisions for housing services. The overall aims and objectives over a 30 year period reflected that approved in the HRA business plan.

The HRA business plan was a 5 year working plan which detailed priorities and projects up to 2018/19. It was an ambitious plan, which continued to deliver a significant programme of investment. The HRA Capital Programme showed that in 2016/17 it would no longer have any reserves or external funds to finance the programme but this could be met by internal borrowing within the restrictions of the HRA debt cap. Officers would continue explore efficiencies within the projects.

The 5-year budget forecast demonstrated how the budget over the medium term was able to meet loan payments, manage projects in the business plan and provide a consistent level of service to residents. The budget identified an operating surplus of £3,498,000 which had been allocated to fund agreed projects in the business plan.

The Assistant Director explained that the 2015/16 budget had been based on the assumption of the lowest income, and included the dwelling rent increase based on CPI +1 %. There were pinch points in the HRA as the

council had embarked on a large development programme, incorporated several ideas for improvement and many of these elements were now coming to fruition. Recent tenders had been higher than expected due to the current high build costs in the district.

Members were advised of the possible action that could be taken to increase funds to the HRA and efficiencies and readjustments that could be made. In line with the agreed strategy the council had still not repaid any capital from the loan and was using the in year surplus to fund a significant programme of development and investment. It was important for the council to take this opportunity at this time.

In answer to a question, it was explained that the large increase for bad debt provision was a contingency for managing the effects of the introduction of Universal Credit. The Housing Business and Performance Manager explained the action being taken to prepare for its introduction, but whilst being as proactive as it could be, this was a moving target and there was now expected to be a phased introduction in June /July 2015.

The Assistant Director drew attention to the Supporting People funding that was currently under review by Essex County Council. The outcome of these discussions would be considered by ECC Cabinet so would not be known until Feb/March. However from recent discussion it seemed likely that there would be a significant cut this year.

The loss of funding would equate to £185k and put an extra burden on the HRA revenue costs. This would affect around 370 tenants mostly in sheltered units and those who used the lifeline service. Officers would investigate the likely effect on tenants and options for the funding any possible shortfall. Members expressed concern at the possible shortfall in funding and asked that this be brought to the attention of Cabinet.

AGREED

- 1 To recommend to Cabinet for approval
 - The 2015/16 budget as set out in the report.
 - The use of headroom funds for Business Plan Projects.
 - The working balances and allocation of earmarked reserves

- 2 To alert Cabinet to the implications of the reduction of Supporting People funding.

HB29

DRAFT HOUSING STRATEGY 2015 – 18

The Planning and Housing and Policy Manager presented the draft housing strategy for 2015 – 18, which set out the council's vision and aims for housing in the district for the next 3 years. It described the key issues

affecting the local housing market and how the council intended to overcome these and support growth and improve housing outcomes for local people.

The previous strategy had been published in 2012 and the report highlighted the key priorities, which had been achieved over the past 2 years. The new strategy would be subject to a 6 week consultation, and members were asked to submit any comments that they had on the document.

The following points were raised by Councillor Dean

- The strategy should mention the council's commitment to manage and improve estate infrastructure and the general environment of existing housing estates.
- The shortfall in the delivery of affordable housing should be addressed in the document.
- For average earnings, include figures for those who worked outside the district as well as for those within the district.

Members raised concern about the Right to Buy legislation and the likelihood of losing newly built houses from the council's stock. It was explained that the council retained the right to buy receipts and there was a policy for one for one replacement of dwellings. However, land had to be found for any new build and receipts were to be used within a certain timescale. The business plan showed that there was an optimum number of Right to Buy sales per annum but to date there hadn't been a significant increase in the take up of Right to Buy.

Councillor Dean passed on his congratulations to the Empty Homes Officer who had been very helpful in relation to a property in Stansted. This appointment appeared to be a positive initiative in addressing the issue of void properties in the district.

AGREED that the Housing Board notes the report and considers the initial draft Housing Strategy 2015 -18 and provides comments by 10 March to the Planning and Housing Policy Manager

HB30

DEVELOPMENT UPDATE

The Housing Development Manager reported progress on on-gong Development Schemes. The Mead Court 1st phase handover would be between 13 -20 February. The 2nd phase, demolition would commence mid to late March.

The Catons Lane development was going through the procurement process. There had been issues with the tender price but it was expected to commence shortly.

The Reynolds Court scheme would be considered at the March meeting of the Planning Committee.

HB31

REGULATORY PANEL – UPDATE

The Housing Business and Performance Officer reported that the Regulatory Panel's next project would be to undertake a review of the council's sheltered housing schemes, with particular reference to the sheltered standards. Recommendations were expected by the end of the year.

The action plan resulting from the Panel's previous review of voids had been reviewed at officer team meetings and was now around 70% complete. Some of the recommendations had proved to be worthwhile and it was encouraging to recognise the contribution that the Regulatory Panel made to the performance of the service

HB32

PERFORMANCE REPORT –Q2 JULY – SEPTEMBER 2014

The Board received a summary of the quarter 2 performance figures for all housing related performance indicators.

Councillor Dean commented that performance indicators PI 14a (number of people presenting as homeless and 14b (the number of cases where positive intervention by the council had prevented homelessness) were not a true a measure of performance as the outcome was not under the council's control. It was unfortunate to have a red indicator, as it appeared that the council was failing in these areas

The Assistant Director explained that these figures were reported to Government, and were useful as they showed the extent of the problem with homelessness in the district. In respect of interventions it demonstrated that in an affluent district like Uttlesford, there was a lack of affordable private rented accommodation to assist with the housing need.

The Chairman said a lot of information had been presented to this meeting and he thanked all officers involved for the work they had undertaken in producing the reports.

HB33

DATE OF NEXT MEETING

The next meeting would be held on Thursday 23 April 2015 at 2pm at Walden Place, Saffron Walden.

The meeting ended at 12.05pm.