

**HOUSING STRATEGY WORKING PARTY held at 6.00 pm at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 30 JULY 2001**

Present:- Councillor M A Hibbs – Chairman.  
Councillors E C Abrahams, Mrs C A Bayley, Mrs D Cornell and Mrs C M Little.

Tenant Panel Representative:- Mrs J Bolvig-Hanson.

Officers in attendance:- R Chamberlain, M R Dellow, Ms H Frost, Mrs R Millership and P Snow.

**HSWP4 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs J E Menell, A R Row and R W L Stone and from Mr J Sumner-Smith (Tenant Panel Representative).

**HSWP5 HOUSING REVENUE ACCOUNT 30 YEAR BUSINESS PLAN**

The Chief Accountant presented a report explaining the background to the new financial framework introduced by the Government for the management of local authority housing. The Council was required to submit a 30 year business plan setting out its long-term views on the management and development of the housing stock and this plan would link in to the Council's Housing Strategy. The plan would enable the Council to assess its maintenance programmes taking account of the availability of resources and would be constantly reviewed and updated in the context of the Council's strategic objectives and the principles of Best Value.

A draft business plan was submitted for information and comment. A revised draft plan would be submitted to the Department for Transport, Local Government and the Regions (DTLR) by 13 August. The final draft document would be submitted to the Health and Housing Committee in September before being sent to DTLR.

The business plan model itself was extremely complex and officers had, as yet, taken no definite view of the medium to long term position. The plan had been drafted to act in support of a vast number of spreadsheets needed to follow the Government's financial framework model. This information had been condensed as far as possible in the information presented to Members.

The Chief Accountant stated that a number of assumptions had been made in preparing the draft plan and he suggested a number of specific areas for the working party to focus upon in order for their views to be reflected in the draft document.

The Programme Officer referred to the backlog of repairs work highlighted by the stock condition survey. This had identified a figure of £12.4m but on close examination had erroneously included a number of projected expenditure

items such as new kitchens and bathrooms for all properties. There was general agreement that it was not possible at this stage to assess the true shortfall figure on backlog repairs but the estimate in the report had to be seen as a starting point, and had to be treated with some caution. The situation would be clarified in time.

The Working Party went on to consider the areas identified for discussion by the Chief Accountant.

**(i) Right to Buy Figures**

The report had examined the effect of the Right to Buy (RTB) policy and had tried to identify future trends. It had been assumed that the level of sales would continue at much the present level.

There was also reference to the Council's policy not to dispose of bungalows. The Housing Services Manager said that very few bungalows had been sold on appeal and he was aware that a change of policy may increase demand to purchase this type of accommodation. The current RTB policy had resulted in a reduction in the stock of general needs housing but the stock of bungalows had remained fairly constant. The Working Party discussed the implications of offering bungalow accommodation for sale and agreed that the existing policy should be retained to maintain social housing provision for future generations of elderly people.

**(ii) Disposal of Sheltered Units**

The Chief Accountant said that the draft business plan had assumed that some disposal of sheltered units to registered social landlords would continue to occur. It was likely that some bedsit accommodation would become difficult to let over the next few years and the Working Party considered the most advantageous course of action for the Council and its tenants. It was agreed that the Council should continue to retain sheltered accommodation except where, for financial reasons, other options would need to be considered.

**(iii) Balance Between Planned and Responsive Repair Programme**

It was recognised that expenditure on responsive repairs rather than planned maintenance was not cost effective or a good use of limited resources. The level of expenditure on ad hoc repairs would continue to create pressure on the Housing Revenue Account. The Programme Officer said that officers were well aware of these pressures and an attempt was being made to group together certain types of repair work which would enable these items to be included in the planned maintenance budget. This would enable a greater proportion of capital expenditure and remove some of the pressures for rent increases which would otherwise arise. The Working Party supported the proposed change of emphasis in the balance between planned and responsive maintenance.

**(iv) Management Costs**

The Chief Accountant advised the Working Party that fixed management costs would become relatively more expensive per unit as the stock continued

to diminish and this should be flagged up as an emerging issue. The Chairman commented that Members considered the authority's management costs were at an effective level but could not be further reduced. It was agreed that it would be necessary to investigate the split between fixed and variable costs.

#### **(v) Target Rents**

It was likely that the Government would continue to move towards a policy of target rents which would take account of local property values. Although it was inevitable that rents would have to rise, they were already at a relatively high level in this area and it might be easier to achieve the target level than would otherwise be the case. The Chief Accountant also referred to the concept of the decent homes standard which was likely to lead to the introduction of a quality standard in the future.

The Chairman concluded that the intention to change the balance between planned and ad hoc repair expenditure would help to ease the transition towards target rents.

#### **(vi) Supporting People**

The Working Party was advised that the Supporting People Initiative would in future be funded by Government grant and would not therefore have to be included in the Housing Revenue Account budget. Members discussed a range of possible projects for which the released funding could be used. There was general agreement that the Council should explore extending the availability of computerised links for use by tenants to assist with customer care. Such a project would help towards the achievement of e-Government targets in the housing field and would, at the same time, provide a further source of information for tenants' use.

In conclusion, the Chief Accountant said that a full presentation of the business plan model would not have been practicable at this meeting because of the complexity of the processes involved. After further consultation a draft document would be submitted to the Health and Housing Committee in September.

HSWP6

#### **LAST MEETING OF THE WORKING PARTY**

The Chairman thanked Members and officers for their help and support during the working life of the Working Party.

The meeting ended at 7.25 pm.