

22 January 2016

HOUSING COMMITTEE

A meeting of the Housing Committee will be held on **TUESDAY, 02 FEBRUARY 2016** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **19:00**.



David Hagg
Chief Executive

Please Note: This meeting will be filmed for live or subsequent broadcast via the Council's internet site (www.stroud.gov.uk). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

AGENDA

- 1 **APOLOGIES**
To receive apologies of absence.
- 2 **DECLARATIONS OF INTEREST**
To receive declarations of interest.
- 3 **MINUTES - 22 DECEMBER 2015**
To approve and sign as a correct record the minutes of the meeting held on 22 December 2015.
- 4 **PUBLIC QUESTION TIME**
The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures.

DEADLINE FOR RECEIPT OF QUESTIONS
Noon on Thursday 28 January 2016 .

Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and sent by post, by fax (01453 754957), or by Email: democratic.services@stroud.gov.uk.

- 5 **WORK PROGRAMME - 2 FEBRUARY 2016**
To consider the work programme and update accordingly.
- 6 **HRA BUDGET MONITORING REPORT Q2 2015/16**
To present a forecast of the outturn position for the Housing Revenue Account and Capital Programme for 2015/16.
- 7 **SHELTERED HOUSING REVIEW UPDATE**
To receive a presentation on the review.
- 8 **PRESENTATION ON HOUSING SERVICE RE-DESIGN**
To receive a presentation on the re-design of the Housing Service.
- 9 **PERFORMANCE MONITORING**
To receive an update on Performance Monitoring.
- 10 **MEMBERS' QUESTIONS**
See Agenda Item 4 for deadline for submission.

Members of Housing Committee

Councillor Mattie Ross (Chair)	Councillor Liz Peters
Councillor Doina Cornell (Vice-Chair)	Councillor Gary Powell
Councillor Miranda Clifton	Councillor Lesley Reeves
Councillor Gordon Craig	Councillor Mark Rees
Councillor Kevin Cranston	Councillor Emma Sims
Councillor Jonathan Edmunds	Councillor Debbie Young

HOUSING COMMITTEE**22 December 2015****7.00 pm – 8:50 pm****Council Chamber, Ebley Mill, Stroud****3****Minutes****Membership:**

Councillor Mattie Ross**	P	Councillor Elizabeth Peters	P
Councillor Doina Cornell *	P	Councillor Gary Powell	P
Councillor Miranda Clifton	P	Councillor Lesley Reeves	P
Councillor Gordon Craig	P	Councillor Mark Rees	P
Councillor Kevin Cranston	P	Councillor Emma Sims	P
Councillor Jonathan Edmunds	P	Councillor Debbie Young	A

** = Chair * = Vice Chair

P = Present

A = Absent

Other Members In attendance

Councillor Geoff Wheeler

Officers in Attendance

Strategic Head (Tenant and Corporate Services)	Strategic Head (Finance and Business Services)
Head of Housing Contracts	Principal Accountant
Head of Housing Management	Asset Manager (Tenant Services)
Head of Asset Management	Sheltered Housing Project Manager
Business Development Manager	

Others Present

Ian Allan – Chair of Stroud Council Housing Forum

The Chair made some announcements prior to the meeting starting.

- The Council had received two awards
 - The Best Partnership Scheme, for working with Lovells at Minchinhampton.
 - Sunday Times award for quality design and innovation at Littlecombe.
- The General Needs and Sheltered Housing satisfaction surveys are very positive and the full reports will be available in the New Year.

HC.028 **APOLOGIES**

An apology for absence was received from Councillor Debbie Young.

HC.029 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

HC.030 **PUBLIC QUESTION TIME**

A question had been received from Councillor Emma Sims relating to the District Council Garden Competition. An answer was read out by the Chair.

HC.031 **MINUTES – 22 SEPTEMBER AND 12 OCTOBER 2015**

RESOLVED **That the minutes of the meetings held on 22 September and 12 October 2015 are confirmed and signed as a correct record.**

HC.032 **WORK PROGRAMME**

The Work Programme was discussed, a request was made to bring an update to Committee in February on the position of voids and any improvements which had been made since previously discussed.

RESOLVED **To agree the Work Programme with the following additions:-**

Update on Voids – 2 February 2016.

HC.033 **HOUSING REVENUE ACCOUNT REVISED ESTIMATES 2015/16 AND ORIGINAL ESTIMATES 2016/17**

The Principal Accountant presented the report. He explained that 2016/17 will be a time of legislative changes that will affect the HRA income. These will be:

- a) Mandatory 1% reduction in social and affordable rents following the implementation of the Housing and Planning Bill 2015-16.
- b) Extension of Right to Buy (RTB) from April 2016 will be phased in for 1.3m tenants of Registered providers (RP's). Local authorities with housing stock will be required to fund the discount offered by RP's to their tenants wishing to purchase their property. What this means to SDC is still unknown and no provision has been made in the Medium Term Financial Plan.
- c) From April 2017, tenants with a combined taxable income of £30,000 or more will be required to pay a higher 'Market rent' as opposed to the current social or affordable rent.
- d) From April 2016, five year fixed term tenancies will be introduced for new tenants which has the potential to trigger RTB applications.

The priorities for the service are:

- New build programme
- Sheltered Housing Assets
- Redevelopment of estates

During questions from Members the following was raised:

- There is currently no data on how many people will be affected by the market rent charge for the threshold of £30,000 taxable income. SDC will not benefit from market rent, this will go to government.
- Members asked for figures relating to the RTB, increase/decrease in rents, £30,000 threshold, when they are available.
- Councillor Lesley Reeves was concerned that there had been no consultation with Wotton Town Council on Fountain Crescent.

Councillor Lesley Reeves proposed the motion that item (d) be taken out of the resolution and voted on separately as there had been no time for consultation on Fountain Crescent. This was seconded by Councillor Liz Peters.

During discussion the majority of members felt that nothing could be gained from voting on this separately.

The motion was put to the vote there were 3 Members in favour of removing (d) from the decision, 6 against and 1 abstention.

Following discussion on garage rents, IT project and pension costs a vote was taken on the resolution. This was proposed by Councillor Kevin Cranston and seconded by Councillor Gary Powell with 9 in favour and 2 abstentions.

- RECOMMENDED TO STRATEGY & RESOURCES COMMITTEE**
- a) **i) The revised HRA budget for 2015/16 and original HRA revenue and capital budgets for 2016/17 are approved;**
 - ii) The movements to and from earmarked reserves as detailed in table 3 are approved.**
 - b) **That from 01 April 2016:**
 - i) Subject to implementation of proposed government legislation namely, the Housing Bill, social rents and affordable rents be decreased by 1% as calculated in accordance with such legislation;**
 - ii) Garage rents increase by 1% (as detailed in Appendix A);**
 - iii) Other landlord service charges at general needs properties remain at 2015/16 levels (as detailed in Appendix A);**
 - iv) Landlord service charges at Sheltered Housing Schemes are increased by 1% (See para 24 and Appendix A).**
 - c) **That the Capital Programme for 2016/17 be approved.**
 - d) **That the Head of Asset Management be authorised to**

- dispose of the freehold interest in land at Fountain Crescent, Wotton Under Edge on the open market.
- e) To appropriate the former Ship Inn site, Stonehouse from the General Fund to the Housing Revenue Account at market value to add it to the new build programme for social housing.
 - f) To appropriate land at Wharfdale Way, Stonehouse from the Housing Revenue Account to the General Fund at market value for canal related development.

HC.034

QUEEN'S COURT, BRIMSCOMBE

The Principal Estates Surveyor presented the report. The building is approximately 60 years old and is not financially viable to repair. Around 30% of the tenants have applications to move. Keeping it in Council ownership is not recommended. The decanting policy would be used to re-house tenants.

Members were generally in favour of selling the property on the open market.

On being put to the vote Members voted unanimously.

RESOLVED

1. To dispose of the Council's freehold interest in Queen's Court on the open market.
2. That Initial Demolition Notices be issued for all dwellings at Queen's Court.
3. That the Council's Decanting Policy will now apply to the residents of Queen's Court.
4. To acquire land and buildings at Queen's Court by Compulsory Purchase Order (CPO) under Section 226(1)(a) of the Town and Country Planning Act 1990 if private flats cannot be acquired by agreement, and specifically a) progress a CPO b) establish the public interest case for the CPO c) provide evidence that the disposal referred to at (1) above would be delivered if a CPO were granted d) bring a further report to Committee seeking formal authority to make a CPO when a Statement of Reasons has been drafted.
5. To make budget provision of £400,000 to meet the costs of interim management, property acquisition, relocation and producing a redevelopment scheme.

HC.032

MEMBERS' QUESTIONS

There were none.

Meeting ended at 8.50 pm

Chair

2015/16 WORK PROGRAMME FOR HOUSING COMMITTEE

Date of meeting	Matter to be considered (i.e. insert report / project title)	Notes (e.g. lead member and officer)
23.06.2015	i. Work Programme 2015/16	Leads: Chair and Strategic Head Corporate Services
	ii. Council New Homes and Regeneration Programme Update	Lead: Business Development Manager
	iii. Housing Revenue Account Outturn 2014/15	Lead: Principal Accountant
	iv. Performance for 2014/15.	Lead: Cllrs Debbie Young and Lesley Reeves
	v. New Housing Contracts for North and South of the District	Lead: Head of Housing Contracts
	vi. Investment in Information and Business Processes to Support Tenant Services	Lead: Business Consultant
	vii. Sheltered Housing Asset Review	Lead: Head of Housing Management
	viii. Supporting Tenants via the Stroud Valleys Credit Union	Lead: Head of Housing Management
22.09.15	i. Work Programme	Leads: Chair and Strategic Head Corporate Services
	ii. Council New Homes and Regeneration Programme Update – Information Sheet	Lead: Business Development Manager
	iii. Budget Monitoring Report 2015/16 Q1	Lead: Principal Accountant
	iv. Future of SDC Garage Stock	Lead: Head of Housing Contracts
	v. Performance Monitoring verbal update	Leads: Cllrs Debbie Young and Gordon Craig
12.10.15	i. Sheltered Housing Assets Report	Lead: Head of Housing Management
22.12.15	i. Work Programme	Leads: Chair and Strategic Head Corporate Services
	ii. Council New Homes and Regeneration Programme Update – Briefing Note	Lead: Business Development Manager
	iii. HRA Revised Budget 2015/16 and Original Estimates 2016/17	Lead: Principal Accountant
	iv. Review of Queen’s Court, Thrupp	Lead: Principal Estates Surveyor

02.02.16	i. Budget Monitoring Report 2015/16	Lead: Accountancy Manager
	ii. Update on Sheltered Housing Review	Lead: Head of Housing Management
	iii. Housing Service re-design service	Lead: Head of Housing Management
29.03.16	iv. Work Programme	Leads: Chair and Strategic Head Corporate Services
	v. Council New Homes and Regeneration Programme Update	Business Development Manager
	vi. Budget Monitoring Report 2015/16 (Q3)	Principal Accountant
	vii. Update report on the global procurement contract	Lead: Head of Housing Contracts
	viii. Update report on the future of the garage stock.	Lead: Head of Housing Contracts

Information sheets (to be sent to committee members)

Date sent (ref no.)	Topic	Notes (e.g. responsible officer)
23.6.15 H-2015/16-001	Shared ownership scheme	Kevin Pring
18.6.15 H-2015/16-002	Tenancy Agreements and Conditions	Nick Jermyn
21.7.15 H-2015/16-003	Local Connection and Allocation of Affordable Housing	Laura Stephen
20.10.15 H-2015/16-004	Progress Report on ICT project	Philip Skill
7.12.15 H-2015/16-005	New Homes and Regeneration Programme Update	Leonie Lockwood
4.1.16 H/SCHF-2015/16-006	Tenant Services Procurement	Kevin Topping
5.1.16 H/SCHF-2015/16-007	Solar Panel (PV) Installation on SDC Housing Stock subject to RTB	Kevin Topping
H-2015/16-008	Void Properties	Joe Gordon

Task and Finish Groups

Title	Membership	Date Established
To review The effectiveness of the tenant consultation mechanisms in place		

STROUD DISTRICT COUNCIL

AGENDA
ITEM NO

HOUSING COMMITTEE

2 FEBRUARY 2016

6

Report Title	HRA BUDGET MONITORING REPORT Q2 2015/16
Purpose of Report	To present to the Housing Committee a forecast of the outturn position for the Housing Revenue Account and Capital Programme for 2015/16.
Decision(s)	The Committee RESOLVES to note the outturn forecast for the HRA Revenue budget and the Capital programme for 2015/16
Consultation and Feedback	Budget holders have been consulted about issues in their budget areas. Their feedback has been incorporated into the report to explain differences between budget and forecast outturn income and expenditure.
Financial Implications and Risk Assessment	Expenditure should be made to budget to ensure the revenue and capital programmes continue to deliver on the planned timescales. Ian Garrett, Principal Accountant Tel: 01453 754344 ian.garrett@stroud.gov.uk
Legal Implications	The report is provided for information only, for which there are no significant legal implications. Karen Trickey, Legal Services Manager and Monitoring Officer Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk
Report Author	Ian Garrett, Principal Accountant Tel: 01453 754344 ian.garrett@stroud.gov.uk
Options	None
Performance Management Follow Up	Budgets will be monitored on a monthly basis by budget holders, supported by Finance. Further updates will be reported to the Committee in December 2015, February 2016 and an outturn report in June 2016.
Background Papers/ Appendices	No background paper Appendices A and B

Background

1. This report provides the second budget monitoring position for the financial year 2015/16. Its purpose is to notify members of any significant forecast variances to the budget, highlight any key issues and to inform members of any actions that are required to be taken.
2. The outturn forecasts are calculated based upon a combination of the actual financial performance up to the 31st December 2015, plus an assessment of known and predicted variables for the coming year.

HRA Budget position

3. The original HRA budget for 2015/16 was for a net spend of £1,041k. This has since been revised to £495k as detailed in the HRA Revised estimates report presented to Housing Committee on 22nd December 2015.
4. The latest forecast as shown in Table 1 shows a projected net spend of £468k. This is a variance of (£27k) to the budgeted position of £495k. The variance is comprised of (£148k) of revenue variations, which are detailed in Appendix A and £121k of capital expenditure detailed in Appendix B.

Table 1 – HRA budget position

Housing Committee	2015/16 Original Budget (£'000)	2015/16 Latest Budget (£'000)	2015/16 Actual to 31st Dec (£'000)	2015/16 Forecast Outturn (£'000)	2015/16 Outturn Variance (£'000)
Expenditure					
Supervision & Management	4,815	5,077	3,599	4,924	(154)
Sheltered Housing	871	820	482	820	0
Repairs and Maintenance	4,129	4,018	2,546	3,953	(65)
Gross Capital Expenditure NB&D	11,126	9,193	6,460	9,193	0
Gross Capital Expenditure - Other	10,127	8,575	5,399	8,696	121
Support Service Charges	333	323	323	323	0
Other Income and Expenditure	3,745	3,657	2,069	3,657	0
Gross Expenditure	35,145	31,662	20,878	31,564	(98)
Income (Rents & Charges)	(22,515)	(22,515)	(17,090)	(22,445)	70
Net Housing Expenditure	12,630	9,147	3,789	9,119	(27)
Funding (Borrowing, Grants)	(11,589)	(8,651)	(1,663)	(8,651)	0
TOTAL HRA	1,041	495	2,126	468	(27)

Areas of risk and uncertainty

5. The forecast net under spend in table 1 is based on a range of assumptions and estimated outcomes. Some of the issues that can affect this forecast are:
 - budgets that are reactive in nature, e.g. response and void repairs
 - the timing of complex projects such as new homes and regeneration projects and renewable energy projects

- seasonal factors such as severe weather preventing contractors undertaking work
- the uncertainty in timing of income from shared ownership sales, government grants and Right to Buy Sales

Capital Programme

6. The fourth year of self financing sees a continuation of the extensive programme of improvements to existing stock and investment in new housing. The total capital programme of £17.768m is detailed below in table 3. For clarity, the budgets are split between those for work on new homes and those for work on existing stock.

Table 3 – Capital programme

Housing Committee	2015/16 Original Budget (£'000)	2015/16 Revised Budget (£'000)	2015/16 Actual to 31st Dec (£'000)	2015/16 Outturn (£'000)	2015/16 Outturn Variance (£'000)
New Build & Development					
Minchinhampton	19	53	43	53	0
Berkeley	247	408	312	408	0
Chapel Street, Cam	578	50	6	50	0
Hillside, Coaley	270	144	(16)	144	0
Littlecombe	1,945	1,897	1,880	1,897	0
Purchase of Properties	0	0	3	0	0
Southbank, Woodchester	349	47	(18)	47	0
The Corriett	259	387	165	387	0
Moseley Crescent	0	0	6	0	0
Wharfdale Way	392	12	3	12	0
Development-Leonard Stanley	4,096	3,501	1,635	3,501	0
Development-Top of Town Phase 1	2,792	2,068	1,720	2,068	0
Development-Top of Town Phase 2	0	0	40	0	0
Development-Top of Town Phase 3	0	0	45	0	0
Fountain Crescent	0	524	453	524	0
Contingency	179	102	182	102	0
TOTAL New Build & Development	11,126	9,193	6,460	9,193	0
Other Schemes					
Central Heating	1,598	1,598	919	1,598	0
Disabled Adaptations	250	250	182	275	25
Estate Works	800	1,000	639	900	(100)
Kitchens and Bathrooms	2,025	2,025	1,441	2,175	150
Major Voids	1,400	600	485	600	0
Professional Fees	50	50	161	200	150
Roofing	600	700	432	700	0
Scheme Renovations	430	30	1	30	0
Asbestos / Radon	400	400	228	300	(100)
Doors and Windows	500	600	445	600	0
Electrical Works	120	300	191	300	0
Renewable Heating	805	805	208	805	0
Non-Traditional Properties	550	70	2	70	0
Gas In-House Provider	47	47	41	43	(4)
Door entry	100	100	19	100	0
Suited Locks	140	0	0	0	0
Gas installs	312	0	4	0	0
TOTAL Other Schemes	10,127	8,575	5,399	8,696	121
TOTAL Capital Expenditure	21,252	17,767	11,859	17,888	121

Due to the volume of information in this report, it would be helpful if members with questions on matters could contact the report author or the appropriate service manager before the meet

Appendix A –Revenue variations in excess of £20k

8. Supervision and Management – (£154k underspend)

The main variations within Supervision and Management are salary savings of £40k as a result of posts not being filled while the service goes through a staff redesign.

A further £33k has been unspent on training budgets due to the redesign and it is likely this budget will need to be carried forward to 2016/17. Along with an underspend of £8.5k for sheltered laptops due to an App release date delay until after April.

A number of small savings across Tenant Involvement budgets have led to an underspend of nearly £70k. These include £15k on environmental funds these budgets will be reviewed in 2016, a £14k reduction on the printing of promotional materials, £10k saving achieved on the procurement of the STAR survey and £9k saving due to changes to Keynotes deliveries.

9. Repairs and Maintenance – (£165k underspend)

The poor condition of properties being returned to us this year has led to an increase in costs on the minor voids budget. This coupled with a KPI payment to the contractor, and undertaking increased amounts of remedial works following the removal of asbestos, has led to a projected overspend of £168k.

The average job cost per property has risen by circa £900 compared to the previous financial year. Void property costs currently stand at £2,500 per property.

This overspend is offset by an underspend of £143k on the responsive maintenance budget due to a reduction in the number of jobs against profile by 400 and a budget of £100k set aside for tenancy audits has not been utilised.

In addition an underspend of £90k on cyclical maintenance has been realised due to early determination of the pilot programme.

10. Rents Income - £70k under collection of income

A combination of some properties being held void awaiting development and variation in the timing of new properties being added to the housing stock results in a lower than anticipated income. The variation equates to 0.3% of the annual rent budget.

Appendix B – Capital Variations in excess of £20k**11. New Home and Regeneration**

The New Homes and Regeneration budget is broadly due to be spent in 2015/16, however it is unlikely that forecast will be exactly as budget by then end of the financial year. This will be dependant on the weather over the next few months and the speed with which the contractor progresses the scheme. Any unspent budget will need to be slipped to 2016/17.

12. Disabled Adaptations - £25k overspend

The number of referrals passed by Social Services has been higher than anticipated.

13. Estate Works – (£100k underspend)

Delays caused by extra work identified once works underway have reduced the number of properties that can be completed by the end of the financial year.

14. Kitchens and Bathrooms - £150k overspend

This overspend relates to a number of kitchen and bathroom replacements identified as a property becomes void in addition to those programmed to be replaced in the financial year and will reduce future spend on this programme.

15. Professional Fees - £150k overspend

There has been a substantial increase in procurement activity during the financial year due to critical business needs. A number of contracts have, or are coming to an end where final accounts need to be audited and agreed prior to sign off.

The volume of activity and critical business requirement has seen the need to acquire additional specialist professional support.

16. Asbestos and Radon – (£100k underspend)

A delay in the procurement of the Asbestos survey and removal contracts has delayed delivery of the programme.