

20 March 2017

## HOUSING COMMITTEE

A meeting of the Housing Committee will be held on **TUESDAY 28 MARCH 2017** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm.**



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](http://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 for absence.
- 2 **DECLARATIONS OF INTEREST**  
To receive declarations of interest.
- 3 **MINUTES**  
To approve the minutes of the meeting held on 21 February 2017.
- 4 **PUBLIC QUESTION TIME**  
The Chair of Committee will answer questions from members of the public submitted in accordance with the Council's procedures.  
**DEADLINE FOR RECEIPT OF QUESTIONS**  
**Noon on THURSDAY 23 MARCH 2017.**  
Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud and sent by post or by Email:  
[democratic.services@stroud.gov.uk](mailto:democratic.services@stroud.gov.uk)

- 5     **WORK PROGRAMME**  
To consider the work programme.
- 6     **PERFORMANCE MONITORING**  
To receive an update on performance monitoring.
- 7     **HOUSING REVENUE ACCOUNT (HRA) BUDGET MONITORING REPORT  
2016/17 – REPORT 3**  
To inform members of the forecast 2016/17 outturn position on the HRA.
- 8     **TENANT SERVICES ENERGY STRATEGY**  
To approve the Tenant Services Energy Strategy.
- 9     **COMMUNITY HOUSING FUND**  
To seek authority to allocate Community Housing Funds received from DCLG to qualifying projects.
- 10    **TENANCY FRAUD POLICY**  
To adopt the revised Tenancy Fraud Policy.
- 11    **MEMBERS' QUESTIONS**  
See Agenda Item 4 for deadline for submission.

#### **Members of Housing Committee**

<p><b>Councillor Mattie Ross (Chair)</b>  <b>Councillor Chas Townley (Vice-Chair)</b>  Councillor Catherine Braun  Councillor Miranda Clifton  Councillor Colin Fryer  Councillor Julie Job</p>	<p>Councillor Norman Kay  Councillor Phil McAsey  Councillor Jenny Miles  Councillor Liz Peters  Councillor Tom Skinner  Councillor Debbie Young</p>
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#### **Tenant Representatives**

Ian Allan  
Sadie Tazewell

## HOUSING COMMITTEE

21 FEBRUARY 2017

7.00 pm – 8.55 pm  
Council Chamber, Ebley Mill, Stroud

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### Minutes

#### Membership

Councillor Mattie Ross **	P	Councillor Norman Kay	A
Councillor Chas Townley *	P	Councillor Phil McAsey	A
Councillor Catherine Braun	P	Councillor Jenny Miles	P
Councillor Miranda Clifton	P	Councillor Elizabeth Peters	P
Councillor Colin Fryer	P	Councillor Tom Skinner	P
Councillor Julie Job	P	Councillor Debbie Young	P

\*\* = Chair \* = Vice Chair  
P = Present A = Absent

#### Tenant Representatives

Ian Allan	P	Sadie Tazewell	P
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#### Other Councillors in Attendance

Councillors Steve Lydon and George Butcher

#### Officers in Attendance

Strategic Head (Tenant and Corporate Services)	Policy Implementation Manager
Head of Housing Management	Democratic Services Officer
Health & Wellbeing Development Coordinator	

Councillor Mattie Ross welcomed Sadie Tazewell to her first meeting of Housing Committee as the new Tenant Representative and confirmed that both representatives would be able to participate on all items being discussed.

#### HC.052

#### APOLOGIES

Apologies of absence were received from Councillors Norman Kay and Phil McAsey.

#### HC.053

#### DECLARATIONS OF INTEREST

There were no declarations of interest.

#### HC.054

#### PUBLIC QUESTION TIME

There were none.

**HC.055**                      **MINUTES – 24 JANUARY 2017**

**RESOLVED**                      **That the minutes of the meeting held on 24 January 2017 are confirmed and signed as a correct record.**

**HC.056**                      **WORK PROGRAMME**

The work programme was discussed and the following items were highlighted:

- Update on Community Housing Fund – 28 March 2017
- Information Sheet - Update on small sites, garages and disposals.
- Work programme for new Civic Year 2017/18.

**RESOLVED**                      **To update the Work Programme, accordingly.**

**HC.057**                      **PERFORMANCE MONITORING**

An update was received from Councillors Debbie Young and Catherine Braun. Councillor Young explained that the report had a new format. The targets on the report related to the HRA delivery plan.

**HC.058**                      **THE COMBINED TENANCY AND ESTATE MANAGEMENT POLICY**

The Head of Housing Management explained that this document set out expectations for both the Council and tenants.

Members commented that this was a short, useful document which was a good point of reference for tenants.

**RESOLVED**                      **1. Adopt the revised Tenancy and Estate Policy with any amendments determined by the committee, added.**  
**2. The committee gives delegated authority to the Head of Housing Management to make minor amendments, as necessary, and identified by the committee to the report, and to circulate the final document to committee members.**

**HC.059**                      **AFFORDABLE HOUSING THRESHOLD FOR SMALL SITES AND RURAL DESIGNATION FOR RIGHT TO BUY**

The Policy Implementation Manager outlined the above report explaining that this is Planning Policy and Housing law which will have an effect on right to buy (RTB) sales in designated rural areas.

Members asked questions which related to S106 contributions, second homes and imposing restrictive covenants on land not under the RTB scheme.

A motion was proposed and seconded by Councillors Chas Fellows and Catherine Braun to amend point 2 of the resolution. Following discussion this was withdrawn and a new motion adding a new point 3 to the resolution was proposed by Councillor Catherine Braun and seconded by Councillor Julie Job. When being put to the vote it was unanimously carried.

- RESOLVED**
- 1. Apply to DCLG for rural designation under Section 157 of the Housing Act for qualifying rural parishes.**
  - 2. Following designation, implement s.157 restriction on Right to Buy sales and in the relevant parishes.**
  - 3. Consideration could also be given to imposing the restrictive covenant on voluntary disposals pursuant to section 32 of Housing Act 1985.**

Agenda Item 10 was taken at this point in the meeting

**HC.060**                      **UPDATE ON THE HOUSING WHITE PAPER**

A verbal update was provided by the Policy Implementation Manager with a summary of issues given to Members. Guidance is still awaited from the Government.

**RESOLVED**                      **To note the update.**

**HC.061**                      **OLDER PEOPLE’S HEALTH AND HOUSING PLAN**

The Health & Wellbeing Development Coordinator presented the above report explaining the work which is currently being carried out in the District and acknowledging the concern for an ageing population. Work is taking place with communities in relation to becoming a dementia friendly District and to help people over 50 have an active life.

**RESOLVED**                      **To adopt the Older People’s Health and Housing Plan**

**HC.062**                      **UPDATE ON TENANT CONSULTATION MECHANISM**

A verbal update was provided by the Head of Housing Management. An information sheet was given out to Members and this would be published on the Council’s website. He explained how the Council was beginning to change the way it consults with its tenants.

**RESOLVED**                      **The update was noted.**

**HC.063**                      **MEMBERS’ QUESTIONS**

A question and supplementary question was asked by Councillor George Butcher and answered by Councillor Mattie Ross. To view the questions and answers please view at [Agenda Item 12](#) and the [webcast](#) of the meeting, on the Council’s website.

The meeting closed 8.55 pm.

Chair

**STROUD DISTRICT COUNCIL****AGENDA  
ITEM NO****HOUSING COMMITTEE****28 MARCH 2017****5****WORK PROGRAMME**

1. This meeting is the last for the committee within the civic year 2016/17. Consequently the committee may wish to consider in anticipation of its next meeting within civic year 2017/18 (anticipated to be 20 June 2017) matters for inclusion in next year's work programme.
2. In accordance with the Council's resolved Guide to Committees (2015), the committee should discuss and resolve its work programme for the year. Although the programme needs to include matters which have to be considered as a matter of law, the content of the programme should be driven by members of the committee. The items listed below, in Table 1, are simply those which the lead officer for the committee considers, or are otherwise anticipated as matters that, will in any event need to be addressed.
3. For the avoidance of doubt the second table below records the committee's Information Sheets which have been circulated to all Members.

**Table 1 – Preliminary work programme for 2017/18**

<b>Date of meeting</b>	<b>Matters to be considered at the meeting</b>	<b>Notes</b>
20.06.17 to be confirmed	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Performance Monitoring	Leads: Councillors
	Budget Monitoring 2017/18 – Report	Lead: Accountancy Manager
	Non-Traditional Stock Action Plan (incl 28 Victory Road)	Lead: Asset Manager
	Anti-Social Behaviour Strategy, Policy and Procedure	Lead: Tenancy Operations Manager
	Tanners Piece Scheme	Lead: Business Development Manager
	Gloucester Road/Bradley Street opportunity	Lead: Head of Asset Management

<b>Date of meeting</b>	<b>Matters to be considered at the meeting</b>	<b>Notes</b>
26.09.17 to be confirmed	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Performance Monitoring	Leads: Councillors
	Budget Monitoring 2017/18 – Report	Lead: Accountancy Manager
	Regeneration Projects Options	Lead: Head of Housing Contracts
	Maintenance and Repairs Policy (incorporating damp and mould)	Lead: Maintenance and Voids Manager

<b>Date of meeting</b>	<b>Matters to be considered at the meeting</b>	<b>Notes</b>
12.12.17 to be confirmed	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Performance Monitoring	Leads: Councillors
	Budget Reports	Lead: Accountancy Manager

<b>Date of meeting</b>	<b>Matters to be considered at the meeting</b>	<b>Notes</b>
20.01.18 to be confirmed	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Performance Monitoring	Leads: Councillors

<b>Date of meeting</b>	<b>Matters to be considered at the meeting</b>	<b>Notes</b>
27.03.18 to be confirmed	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Performance Monitoring	Leads: Councillors
	Budget Reports	Lead: Accountancy Manager
	Handyperson Service – income generation opportunities	Lead: Maintenance and Voids Manager

**Table 2 - Information sheets sent to Committee Members**

<b>Date sent and ref no.</b>	<b>Topic</b>	<b>Notes</b>
16.09.2016 H-2016/17-001	Sheltered Housing Modernisation Project Update	Sheltered Housing Project Manager
27.09.2016 H-2016/17-002	Small Sites, Garages and Disposals Update	Principal Estates Surveyor
27.09.2016 H-2016/17-003	Progress Report on the Development of a Business Plan for the HRA	Head of Housing Management
05.12.2016 H-2016/17-004	Homelessness Prevention Strategy – Review 2016	Housing Advice Manager
06.12.2016 H-2016/17-005	New Homes and Regeneration Update	Business Development Manager
06.12.2016 H-2016/17-006	Sheltered Housing Modernisation Project Update	Sheltered Housing Project Manager
24.01.2017 H-2016/17-007	Update on Queens Court, Brimscombe	Head of Asset Management
21.02.2017 H-2016/17-008	Update on tenant consultation	Head of Housing Management
01.03.17 H-2016/17-009	Fire safety in blocks of flats and sheltered housing sites	Head of Housing Management
16.03.2017 H-2016/17-010	Update on small sites, garages and disposals.	Principal Estates Surveyor

## HOUSING COMMITTEE

28 MARCH 2017

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<b>Report Title</b>	<b>HOUSING REVENUE ACCOUNT (HRA) BUDGET MONITORING REPORT 2016/17 – REPORT 3</b>
<b>Purpose of Report</b>	To inform members of the forecast 2016/17 outturn position on the Housing Revenue Account.
<b>Decision(s)</b>	<b>The Committee RESOLVES:</b> <b>a) To note the projected outturn position on the HRA for 2016/17;</b> <b>b) To approve in principle the provisional capital slippage, as set out in Table 5 (subject to the final outturn position).</b>
<b>Consultation and Feedback</b>	The report is based upon information provided by respective budget holders and contains a range of feedback and projections which they have provided to explain differences between budget and forecast outturn income and expenditure.
<b>Financial Implications and Risk Assessment</b>	The report highlights a further reduction in planned expenditure for the year of £2.082m with a corresponding increase in the projected level of HRA working balances by the end of the financial year. A significant element of the 2016/17 capital works budgets (£1.045m) are committed in the short-term with a need to review the longer term plans in terms of reprofiling and validating planned expenditure levels across the MTFP period.  The report highlights the risk around the capital outturn forecast, given the current level of expenditure recorded on the council's financial system.  David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.staney@stroud.gov.uk">david.staney@stroud.gov.uk</a>
<b>Legal Implications</b>	This report has not been submitted to Legal Services prior to publication. The Legal Services Manager has advised that she will consider the report and update the Committee if there are any significant Legal Implications. Karen Trickey, Legal Services Manager and Monitoring Officer Tel: 01453 754356 Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a>



<b>Report Author</b>	David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>
<b>Performance Management Follow Up</b>	Budgets will be monitored by budget holders, supported by Finance.
<b>Background Papers/ Appendices</b>	Appendices A and B

## **Background**

1. This report provides the third financial update for the financial year. 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 31 January 2017 and assessments of anticipated financial performance by 31 March 2017.
3. **This report should be seen as an update following the revised estimates presented to the committee in January. Savings and deferred expenditure identified in the revised estimates have been reflected in the outturn forecasts contained within this report. The budget monitoring position also reflects a further projected underspend and slippage on a number of budget headings.**
4. **This is primarily due to slowing down several work streams and deferring some programmes into future years to ensure we deliver value for money and efficient use of available resources both financial and physical including natural efficiencies being achieved from a pragmatic approach to delivery.**

## HRA Budget – forecast outturn position

5. The original HRA budget for 2016/17 was £30.229m gross expenditure less £28.563m of income and financing resulting in a transfer from (use of) balances of £1.666m. The revised budget, as approved by Council in February 2017 is £25.837 gross expenditure less £28.603m of income and financing resulting in a net transfer to (addition to) balances of £2.765m.
6. The current forecast outturn position is gross expenditure of £23.513m (£2.392m variation) less £28.361m of income and financing (£0.310m variation) resulting in a net transfer to (addition to) balances of £4.848m. **This represents a variation of £2.082m against the latest budget with £1.045m of this variation being capital slippage and will be carried into 2017/18.**
7. The variations are summarised in Table 1, with the greatest variances being underspends and slippage across capital works, revenue repairs and maintenance, and supervision and management budgets. Further information is outlined in the Report Headlines section below.

**Table 1 – HRA budget position (summary)**

Housing Committee	2016/17 Latest Budget (£'000)	2016/17 Actual to Date (£'000)	2016/17 Qtrly Accruals (£'000)	2016/17 Actual + Accruals (£'000)	2016/17 Outturn Forecast (£'000)	2016/17 Outturn Variance (£'000)
<b>Expenditure</b>						
Supervision & Management	4,774	3,633	0	3,633	4,501	(273)
Sheltered Housing	1,021	645	0	645	955	(66)
Repairs and Maintenance	3,098	1,641	445	2,085	2,744	(354)
Sheltered Housing Modernisation	426	231	0	231	311	(115)
Queen's Court	0	128	0	128	128	128
Other Income and Expenditure	3,783	2,148	0	2,148	3,783	0
Support Service Charges	322	330	0	330	330	7
<b>Subtotal Revenue Expenditure</b>	<b>13,424</b>	<b>8,755</b>	<b>445</b>	<b>9,200</b>	<b>12,751</b>	<b>(673)</b>
Capital Expenditure NB&D	6,957	5,425	0	5,425	7,262	305
Capital Expenditure - Works	5,280	1,080	579	1,659	3,241	(2,039)
Capital Expenditure - SH Modernisation	176	18	0	18	89	(87)
Capital Expenditure - Queen's Court	0	170	0	170	170	170
<b>Subtotal Capital Expenditure</b>	<b>12,413</b>	<b>6,693</b>	<b>579</b>	<b>7,272</b>	<b>10,762</b>	<b>(1,651)</b>
<b>Gross Expenditure</b>	<b>25,837</b>	<b>15,448</b>	<b>1,024</b>	<b>16,472</b>	<b>23,513</b>	<b>(2,324)</b>
Income (Rents & Charges)	(22,231)	(17,063)	0	(17,063)	(22,319)	(89)
<b>Net Housing Expenditure</b>	<b>3,606</b>	<b>(1,615)</b>	<b>1,024</b>	<b>(591)</b>	<b>1,194</b>	<b>(2,413)</b>
Funding (Borrowing, Grants)	(6,372)	(131)	(839)	(970)	(6,042)	331
<b>TOTAL HRA</b>	<b>(2,766)</b>	<b>(1,745)</b>	<b>185</b>	<b>(1,561)</b>	<b>(4,848)</b>	<b>(2,082)</b>

(Table contains roundings.)

8. Table 1 (above) shows actual income and expenditure to 31 January 2017. For information, the table below shows the actual income and expenditure to 28 February 2017 and 15 March 2017 as recorded on the council's financial system (Agresso).

**Table 2 – Actual income and expenditure as per Agresso**

<b>Housing Committee</b>	<b>Actual to 31/01/17 (£'000)</b>	<b>Actual to 28/02/17 (£'000)</b>	<b>Actual to 15/03/17 (£'000)</b>
<b>Expenditure</b>			
Supervision & Management	3,633	3,842	4,040
Sheltered Housing	645	706	795
Repairs and Maintenance	1,641	1,843	1,884
Sheltered Housing Modernisation	231	233	251
Queen's Court	128	128	131
Other Income and Expenditure	2,148	2,211	2,211
Support Service Charges	330	330	330
<b>Subtotal Revenue Expenditure</b>	<b>8,755</b>	<b>9,293</b>	<b>9,642</b>
Capital Expenditure NB&D	5,425	5,883	5,886
Capital Expenditure - Works	1,080	1,444	1,575
Capital Expenditure - SH Modernisation	18	18	19
Capital Expenditure - Queen's Court	170	170	170
<b>Subtotal Capital Expenditure</b>	<b>6,693</b>	<b>7,515</b>	<b>7,650</b>
Reconciliation adjs		39	74
<b>Gross Expenditure</b>	<b>15,448</b>	<b>16,848</b>	<b>17,367</b>
Income (Rents & Charges)	(17,063)	(18,761)	(18,790)
<b>Net Housing Expenditure</b>	<b>(1,615)</b>	<b>(1,914)</b>	<b>(1,424)</b>
Funding (Borrowing, Grants)	(131)	(197)	(197)
<b>TOTAL HRA</b>	<b>(1,745)</b>	<b>(2,111)</b>	<b>(1,621)</b>

(Table contains roundings; reconciliation adjs balance the table above to Agresso records)

## Report Summary

9. The HRA budget was significantly revised in the year in order to maintain HRA balances over the MTFP period. Reports to Housing committee in September 2016 outlined the approach taken to protect HRA balances in the current financial year and over the medium term. A number of projects and work streams have been deferred to future years based partially on the uncertainty of the financial position and also a more robust

validation of works being carried out on planned and cyclical areas. Due diligence has been demonstrated by disputing works from contractors that were incorrect and challenging suppliers to ensure that the money spent provides the best outcome for the Council and its tenants. It is also worth highlighting that this approach ensures that HRA resources are spent in a considered and planned manner to achieve best value for tenants and the council. Given the limited resources of the HRA over the medium term plan period, budgets may not always be fully spent in a given year just to achieve budgetary targets.

10. Furthermore, the HRA delivery plan considered by Housing committee in January 2017, set out the key priorities of the HRA. The approach taken outlined above ensures that resources are directed to the priority areas.
11. The revised budget reduced the overall level of net expenditure by £4.4m. The latest outturn forecast suggests a further reduction in net expenditure of £2.082m.
12. The main variations identified in the report relate to Supervision & Management, Sheltered Housing Modernisation Project, Capital Works and Repairs and Maintenance budgets. A brief overview of the reason for these variations is set out below.
13. Expenditure of £3.241m is forecast on the Capital works budgets, significantly less than the budgeted amount. **Capital slippage of £1.045m** has been identified and will be taken into 2017/18 to ensure funding is available to support the delivery commitments already in place.
14. **Supervision and Management** forecast to **underspend by a net £273k** (£523k before a proposed transfer to a workforce planning reserve of £250k). The net £273k underspend is largely due to the recruitment freeze in the first half of the year (£100k) and challenging recruitment market for key positions. A significant element of the variation has been the difficulty to recruit competent and skilled staff to technical positions, especially within our salary structure. Given the overall level of savings in this area, it is anticipated that an HRA Workforce Planning reserve of £250k is established to help mitigate potential future costs associated with the workforce.
15. The overall variation is a mix of pay and non-pay variations (£220k staffing, £300k contingency and non-pay budgets). Certain non-pay budgets have not been spent due to the recruitment situation, with training, IT budgets and supplies and services budgets comprising the majority of the variation.
16. This variation should be seen in the context of service delivery achievements in the year. There is a need to invest in the staffing structure to ensure performance can continue in the future and the HRA Delivery plan realised. The variation in 2016/17 is a result of a recruitment freeze and difficulty in recruiting to key technical posts. Whilst the workload of the teams has been managed despite the vacancies, it is not sustainable in the longer term. Therefore, whilst there are likely to be some savings released across the MTFP period, further investment in staff, processes, and IT systems will be required.

17. **£305k additional expenditure on New Build** as a result of a number of large schemes with large monthly contract payments that span over two financial years. Work has also progressed more quickly on the Top of Town Scheme and at Chapel Street, Cam due mainly to the good weather and contractors delivering more quickly than they had anticipated.
18. **£354k underspend on revenue Repairs and Maintenance budgets** which has been achieved by a combination of: robustly changing the culture with officers instructed not to spend simply to meet a budget target and instead to spend wisely on works that are assessed and considered necessary, and putting some works into planned programmes to ensure we are carrying out more sustainable repairs at a more controlled cost. Additionally, we have introduced a strong approach to contract management including disputing and challenging suppliers and contractors specifically regarding variations to works orders.
19. It should also be noted that we have had a very light winter season which has reduced some of what we would expect in terms of expected work streams. £354k underspend on revenue Repairs and Maintenance budgets (£154k overspend on responsive repairs, £296k underspend on planned/cyclical, £120k underspend on Gas)
20. **Sheltered Housing** - variations include there being no call on out tree surgery budget and savings on the equipment and grounds maintenance budgets within Sheltered Housing during 2015/16.
21. **Financing variation** due to reduced level of expenditure across the HRA capital programme, changes in Queens Court buy-back profile from earmarked reserves, projected utilisation of HCA grant balances and gross income from renewable heating schemes.

**Table 3 – Impact on HRA balances over MTFP (projected)**

	2016/17 Revised	2016/17 Bud Mon (£'000)	2017/18 (£'000)	2018/19 (£'000)	2019/20 (£'000)	2020/21 (£'000)
<b>HRA BALANCES</b>						
General Fund Balance b/f	1,938	1,938	6,786	3,698	3,584	3,580
Change in Balances	2,766	4,848	(3,088)	(114)	(4)	851
<b>General Fund Balance c/f</b>	<b>4,703</b>	<b>6,786</b>	<b>3,698</b>	<b>3,584</b>	<b>3,580</b>	<b>4,431</b>
Reductions in expenditure, or increases in income, to maintain balances at £1.5m			0	0	0	0
General Fund Balances as % of Net Revenue Budget	18.16%	26.19%	13.99%	16.37%	16.49%	20.56%

22. There is a significant change in the level of balances purely as a result of the outturn forecast across the MTFP period. These are stated prior to any allocation from balances for carry forwards.
23. The table above also does not take into account the treatment of capital slippage at year end. It may be more prudent (depending on the final level of capital expenditure) to transfer capital slippage to the Major

Repairs Reserve alongside the Item 8 calculation of depreciation. This would reduce the transfer to HRA working balances and ensure adequate capital financing is available to support spend in 2017/18. Based on the provisional capital slippage requested in the report, the HRA working balance would be £1.045m lower in each year than shown in the table above.

24. Further detailed work will need to be undertaken to work through the impact on each year of any rephrasing/reprofiling of expenditure across the MTFP period and modeled within the 30 year financial plan.

### **Areas of risk and uncertainty**

25. Whilst there will clearly be lower net expenditure this year, there remains some risk and uncertainty in the outturn forecast:
  - a. The forecast outturn position on Capital budgets require additional spend or creditor accruals of £3.1m over the remainder of the financial year (£1.666m capital works, £1.376m New Build). Whilst it is expected that some of the difference between actual spend to date and the outturn forecast can be accounted for in delays in supplier invoicing, there nevertheless remains some risk that the outturn forecast will not be achieved.
  - b. The revised budget assumes 40 right to buy sales would be completed by the end of the financial year. To date (15 March 2017), 22 sales have been achieved, although there will be applications progressing. Whilst this will not impact on the level of RTB receipts being applied to the HRA New Build and Development programme, it will affect the level of rent loss predicted in subsequent years in the MTFP. These assumptions will be reviewed when the MTFP is updated in the first half of 2017/18.

## HRA Capital Programme

26. The HRA Capital programme for 2016/17 is shown in Table 3 below. For clarity, the budgets are split between work on new homes, sheltered housing modernisation programme, and capital works on existing stock. Underspends and capital slippage totaling £1.822m is expected leaving expenditure of £10.592m in the year against the revised budget of £12.413m.

**Table 4 – HRA Projected Capital Outturn 2016/17**

Housing Committee Capital Schemes	2016/17 Latest Budget (£'000)	2016/17 Actual to Date (£'000)	2016/17 Qtrly Accruals (£'000)	2016/17 Actual + Accruals (£'000)	2016/17 Outturn Forecast (£'000)	2016/17 Outturn Variance (£'000)
<b>New Build &amp; Development</b>						
Minchinhampton	0	9	0	9	10	10
Woolaways Refurbishment	0	(2)	0	(2)	(2)	(2)
Berkeley	2	(4)	0	(4)	2	0
Chapel Street, Cam	1,112	701	0	701	1,161	49
Hillside, Coaley	352	277	0	277	359	7
Littlecombe	41	4	0	4	41	0
Southbank, Woodchester	0	1	0	1	1	1
The Corriett	110	93	0	93	131	21
Wharfdale Way	23	1	0	1	1	(22)
Development - Leonard Stanley	2,027	1,991	0	1,991	2,208	181
Development - Top of Town Phase 1	47	(22)	0	(22)	52	5
Development - Top of Town Phase 2	1,352	1,328	0	1,328	1,361	9
Development - Top of Town Phase 3	1,320	1,006	0	1,006	1,537	217
Development - Top of Town	0	(3)	0	(3)	(3)	(3)
Development - Top of Town Phase 4	360	29	0	29	365	5
Fountain Crescent	0	15	0	15	15	15
Stonehouse - Former Ship Inn site	0	0	0	0	23	23
Contingency	211	(0)	0	(0)	0	(211)
<b>TOTAL</b>	<b>6,957</b>	<b>5,425</b>	<b>0</b>	<b>5,425</b>	<b>7,262</b>	<b>305</b>

Housing Committee Capital Schemes	2016/17 Latest Budget (£'000)	2016/17 Actual to Date (£'000)	2016/17 Qtrly Accruals (£'000)	2016/17 Actual + Accruals (£'000)	2016/17 Outturn Forecast (£'000)	2016/17 Outturn Variance (£'000)
Central Heating	670	86	0	86	536	(134)
Disabled Adaptations	300	93	0	93	171	(129)
Estate Works	0	(0)	0	(0)	(0)	(0)
Kitchens and Bathrooms	1,240	503	0	503	936	(304)
Major Voids	500	249	0	249	350	(150)
Professional Fees	110	112	0	112	25	(85)
Roofing	0	(3)	0	(3)	(3)	(3)
Asbestos / Radon	250	130	0	130	150	(100)
Doors and Windows	500	318	0	318	408	(92)
Electrical Works	200	118	0	118	202	2
Damp Works	90	0	0	0	0	(90)
Renewable Heating	0	(579)	579	0	0	0
Non-Traditional Properties	100	26	0	26	63	(37)
Gas In-House Provider	0	1	0	1	1	1
Door entry	200	25	0	25	25	(175)
External Works	1,100	1	0	1	377	(723)
Lifts	20	0	0	0	0	(20)
<b>TOTAL Other Schemes</b>	<b>5,280</b>	<b>1,080</b>	<b>579</b>	<b>1,659</b>	<b>3,241</b>	<b>(2,039)</b>
Sheltered Housing Modernisation	176	18	0	18	89	(87)
Queen's Court	0	0	170	0	0	170
<b>TOTAL Capital Expenditure</b>	<b>12,413</b>	<b>6,522</b>	<b>579</b>	<b>7,102</b>	<b>10,592</b>	<b>(1,822)</b>

(The table contains roundings.)

### Provisional Capital slippage

27. Capital slippage has been identified in the early part of the quarter, as shown in the table below.

**Table 5 – Capital slippage**

Capital Slippage	Capital slippage (£'000)
Damp Works/Insulation	90
Door Entry	175
External Works	723
Lift	20
Non-Traditional Properties	37
<b>Total provisional slippage</b>	<b>1,045</b>



## **Appendix A –Revenue and Financing variations**

28. **Supervision & Management: £273k net underspend.** £523k before £250k is proposed to be allocated to a new earmarked reserve for workforce planning (as outlined in para 13). The overall variation is in addition to the HRA action plan salary savings and are predominantly due to difficulty in recruiting a number of technical posts in areas such as asbestos, mechanical & electrical and contract management across the service leading to the underspend. This is being addressed by reviewing roles and considering alternate methods of delivery in some cases
29. **Sheltered Housing: £66k net underspend** as a result of a significantly reduced call off responsive items, most significantly tree surgery, reduced grounds maintenance costs, with more of this being undertaken in house and a reduced call on the equipment budget for new purchases.
30. **Repairs & maintenance:** A robust approach to delivery has allowed efficiencies to be made across most work streams during the year. Notably we are starting to benefit from past years investments, we have changed the way works are delivered when properties become empty, and we have been more focused in the way the repairs and maintenance service is managed.
- a. **Cyclical and Planned maintenance - £297k underspend.** Cyclical painting has largely been deferred as the contract has been re-procured in year due to the performance of the incumbent contractor. We are taking the opportunity to realign this programme with future planned programmes of work to ensure synergy and value for money is achieved.
  - b. **General Voids - £92k underspend.** This has been achieved by changing operating practices and moving some traditional void works into planned programmes as appropriate (unless the circumstances show otherwise, such as health and safety concerns) e.g. not replacing kitchens on voids because the programme indicates renewal, but instead assessing their condition on a case by case basis and moving them into the planned capital programme.
  - c. **Gas In-House service - £120k underspend.** SDC Heating Services are showing significant efficiencies when benchmarked against the external market place. This has been achieved through greater partnership working with stakeholders, changes in working practices, negotiated improved materials costs and support servicing contract.
31. **Rent & charge income - £89k variation.** Rental and service charge income largely in-line with the revised budget, with a collection anticipated to involve a positive collection of an additional £89k over original budget.
32. This is a very pleasing outcome and can be attributed to the service's redesign where a specialist income team was formed and which has performed exceptionally well, and the impact of welfare reform changes

far less than predicted. It must be noted that major changes notably Universal Credit will be implemented during 2017/18.

33. This positive income performance is all the more reassuring, considering that the sheltered housing modernisation project has meant that two schemes are being closed, creating empty flats during 2016/17 and income loss as a result. Rent income collection is currently 98.7% which is not only higher than projected last year, but an improvement over previous years.
34. A further contribution factor to the positive variation is the delivery of new homes from the New Build programme, which are generally let at affordable rent levels.
35. **Sheltered Housing Modernisation:** The revenue variation is due to lower than forecast expenditure on decants.
36. **Queens Court:** Expenditure of £130k – See commentary in Appendix B.
37. **Funding:** There is a reduction in the level of financing from Capital receipts owing to the reduced level of expenditure within the HRA's capital programme. :
  - a. Shared ownership and other receipts - £449k variation
  - b. HCA grant received - £33k of unapplied grant from 2015/16 being utilised
  - c. Application of RTB receipts to be reviewed at year end once the final outturn position is certain.

## STROUD DISTRICT COUNCIL

AGENDA

## HOUSING COMMITTEE

ITEM NO

28 MARCH 2017

8

<b>Report Title</b>	<b>TENANT SERVICES ENERGY STRATEGY</b>
<b>Purpose of Report</b>	For Committee to approve the Strategy
<b>Decisions</b>	The Committee <b>RESOLVES</b> to adopt the Energy Strategy in Appendix 1 to the report.
<b>Consultation and Feedback</b>	Workshops consisting of Officers, Members, and Tenants took place on 10 October 2016 and 15 November 2016. The draft document was presented to Corporate Team 07/03/17
<b>Financial Implications and Risk Assessment</b>	<p>Investment in this area must represent value for money, meet affordability criteria, and be taken into account when undertaking medium term financial planning.</p> <p>Simon Merrett – Interim Principal Accountant Tel: 01453 754344 Email: <a href="mailto:simon.merrett@stroud.gov.uk">simon.merrett@stroud.gov.uk</a></p> <p>The Strategy is a guiding principle which will allow the Council to make informed decisions based on a sound analytical approach. Adoption of the Strategy will ensure that the Council has a robust policy which addresses issues of carbon management, and fuel poverty, in accordance with its stated aims. There are specific health consequences of exposure to low temperatures and the drivers of fuel poverty are significant.</p>
<b>Legal Implications</b>	<p>No significant legal implications to report.</p> <p>Karen Trickey Legal Services Manager and Monitoring Officer Tel: 01453 754369 Email <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a></p>
<b>Report Author</b>	<p>Joe Gordon, Asset Operations Manager Tel: 01453 754190 Email: <a href="mailto:joe.gordon@stroud.gov.uk">joe.gordon@stroud.gov.uk</a></p>
<b>Options</b>	None
<b>Performance Management Follow Up</b>	<p>Annual review and briefing paper to members on the status and effectiveness of the strategy in light of any legislative or other impacts.</p> <p>Annual update to senior management, members and stakeholders on progress against the stated aims and objectives within the action plan.</p>

## **1.0 Introduction**

- 1.1 Since the adoption of the Energy Strategy in October 2011, and the subsequent revision in April 2012, there have been significant changes to local and national policy, and the funding landscape. This new strategy reflects these changes, and underpins other relevant policies and strategies including the Corporate Asset Management Plan, and Environment Strategy.
- 1.2 The Strategy has a five year rolling programme, which now enables delivery of objectives to be strategically aligned to the MTFP, and supports better planning and delivery of projects over the long term.
- 1.3 We have undertaken a comprehensive exercise, in looking at the effects of past energy improvement measures carried out, and through scenario modelling evaluated what other measures can be taken to further improve the energy efficiency of our stock.
- 1.4 Ensuring the success of the strategy will require the Council to work in partnership with both the public and private sector. This strategy now includes objectives to promote behavioural change for both internal and external stakeholders because we believe everyone has a part to play in reducing energy consumption, and this cannot be achieved by simply improving the physical structure of the homes within the Councils stock in isolation.
- 1.5 There is a link between low temperatures and poor mental health, with those living at low temperatures more likely to be affected by and subject to, common mental health disorders. There are also clear links to social isolation amongst adults associated with cold homes, while there appears to be some association between cold homes, truancy, negative impacts on educational attainment and risk of anti-social behaviour amongst adolescents.
- 1.6 New and sustained focus is now required to ensure that investment is appropriate and meets the needs of existing and future customers.

## **2.0 Executive Summary**

- 2.1 Stroud has circa 5,200 homes for rent, around 340 of them were built prior to 1930, a further 600 have non-traditional wall construction, and a significant number of the estimated 1,000 homes with uninsulated cavity walls are likely to need some specialist treatment. These groups will require significant investment to improve their thermal efficiency.
- 2.2 Around 24% of the stock currently has no mains gas connection. While around 500 of these now have modern electric heat-pump wet heating

systems, a further 700 need significant improvements to make their heating more affordable for occupants and reduce carbon emissions.

- 2.3 Most low-cost improvements have already been completed on the majority of homes where practicable; we need to have a comprehensive strategy for what else we need to do to align ourselves with our vision (as set out in the Strategy) as part of an economically viable process.
- 2.4 The Strategy has been developed following the completion of a comprehensive energy scenario modelling exercise (of the domestic portfolio) to assess the best ways for SDC to improve the energy efficiency across its housing stock portfolio.
- 2.5 The Strategy underpins the Council's guiding principles and commitment to reducing carbon, and addressing environmental issues in a responsible way. It will also refer to a new Affordable Warmth Strategy which will be developed to complement existing and future aspirational aims.

### **3.0 Outcomes**

3.1 This will be the first time that the Council has:

- An Energy Strategy which promotes the exchange and sharing of knowledge and best practice in energy management
- Clear strategic guidance on improving our housing stock energy efficiency for Officers and Members
- A basis on which the Council can effectively inform and consult with all stakeholders
- A strategic decision-making and vision-sharing medium

STROUD DISTRICT COUNCIL

AGENDA

HOUSING COMMITTEE

ITEM NO

28 MARCH 2017

9

<b>Report Title</b>	<b>COMMUNITY HOUSING FUND</b>
<b>Purpose of Report</b>	To seek authority to allocate Community Housing Funds received from DCLG to qualifying projects.
<b>Decision(s)</b>	<p><b>The Committee RESOLVES to:</b></p> <p>(1) Approve the commitment of the Community Housing Fund to provide a community housing enabler; and</p> <p>(2) Delegate authority to the Policy Implementation Manager to allocate the remaining funds to community housing groups.</p>
<b>Consultation and Feedback</b>	DCLG has been consulted about the proposals outlined in the report and have endorsed them as being in accordance with their guidelines.
<b>Financial Implications and Risk Assessment</b>	<p>There are no direct financial implications arising from this report. (Any costs associated with the Community Housing Enabler will be grant funded from DCLG)</p> <p>Adele Rudkin, Accountant Tel: 01453 754109 Email: <a href="mailto:adele.rudkin@stroud.gov.uk">adele.rudkin@stroud.gov.uk</a></p> <p>Risk Assessment: The primary risk is that the project fails to deliver additional affordable housing. These risks are mitigated by using an experienced provider to host the Community Housing Enabler post.</p>
<b>Legal Implications</b>	<p>No legal implications arise from this report</p> <p>Alan Carr Solicitor Tel: 01453 754357 Email: <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a></p>
<b>Report Author</b>	<p>Pippa Stroud, Policy Implementation Manager Tel: 01453 754099 Email: <a href="mailto:pippa.stroud@stroud.gov.uk">pippa.stroud@stroud.gov.uk</a></p>
<b>Options</b>	<p>DCLG has produced guidelines covering the allocation of this funding. This sets out various options which are dealt with in the report.</p> <p>Further funding from DCLG is reliant on the authority providing satisfactory evidence that the money is being spent in accordance with DCLG objectives.</p>

<b>Performance Management Follow Up</b>	Community Housing indicators will be included in performance monitoring for Housing Committee.
<b>Background Papers/ Appendices</b>	Appendix 1 – Letter to Chief Executives Appendix 2 – Funding Guidelines.

## 1. INTRODUCTION / BACKGROUND

- 1.1 In January 2017, DCLG awarded the District Council a total of £149,478 to support community-led housing development. Half of this funding has been received to date with the second half held by DCLG, pending their formal acceptance of our proposals for utilising the funds.
- 1.2 **Community-led housing** is defined by DCLG as being about local people playing a leading and lasting role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream housing.
- 1.3 Guidance received from DCLG requires that schemes are ‘truly community-led’ but also states that routes to delivery for community-led housing schemes ‘are the same as in any other industry-standard housing scheme’, suggesting that communities may work in partnership with a local housing association or developer, or can work on standalone projects.

## 2. ISSUES FOR CONSIDERATION

- 2.1 We have already received an approach from a CLT group seeking some or all of the funding to support a site at Eastington. We have also received an offer from a Community Housing Fund advisor to discuss how the funds might be used; this advisor charges £400 a day for his services. Stroud Commonwealth has also approached us to ask for funding; their approach focuses on facilitating self-build.
- 2.2 £149,000 is no small sum of money but is not enough to provide significant capital funding to housing development projects, given that the average build cost of a 2 bedroom house is now over £100,000, not including land, externals or fees. As an alternative, a capacity building approach is suggested in order to maximise the use of the funding to support new community housing development in the longer term.
- 2.3 Gloucestershire Rural Housing Partnership, a consortium comprising the rural Local Authorities in Gloucestershire, local housing associations and Gloucestershire Rural Community Council has for some years jointly funded and employed a rural housing enabler who works directly with parish councils to identify housing need and support affordable housing development in those parishes.
- 2.4 It is proposed that this model is replicated by using the funding to support the part-time employment of a community housing enabler

specifically to build capacity at grassroots level and work with communities to examine the full range of suitable affordable housing development options, from conventional development routes to self-build, co-housing and housing co-operatives. This post would be hosted by Gloucestershire Rural Community Council in order to capitalise on their position as experienced and respected community capacity builders, and cost approximately £30k per annum.

- 2.5 Forest of Dean District Council is also interested in using their DCLG funding to support a community housing enabler role; as a result, there may be an opportunity to jointly fund a full-time post covering the two local authority areas which would reduce the annual cost of the post to around £25k per annum, per authority.
- 2.6 Initial conversations have been held with DCLG who have endorsed the following approach to the use of the funding:
  - Support the employment by Gloucestershire Rural Community Council (GRCC) of a 'Community Housing Enabler' on a part time basis for three years, at a cost of approximately £30k per annum. A three year commitment would be required as a minimum due to the long lead time required to build community capacity and bring forward community housing schemes.
  - Use the remaining funding to provide a small pot of grant funding for newly emerging community housing schemes such as the Eastington CLT, and for organisations such as Stroud Commonwealth to support community self-build.

### **3. CONCLUSION / RECOMMENDATION**

- 3.1 Employing the enabler role via GRCC would allow us to shape the work of the enabler while allowing that role to maximise the established relationships that GRCC enjoys with both town and parish councils and community groups. GRCC has a strong track record of working positively and collaboratively with the District Council to deliver affordable rural housing and community projects.
- 3.2 Use of the residual funding to provide grants to newly emerging community housing groups can help those groups to attract additional external funding to support housing development. Additionally, providing support to local organisations with a broader remit, such as Stroud Commonwealth could help bring forward self-build and other community development opportunities.



## STROUD DISTRICT COUNCIL

AGENDA

## HOUSING COMMITTEE

ITEM NO

28 MARCH 2017

**10**

<b>Report Title</b>	<b>TENANCY FRAUD POLICY</b>
<b>Purpose of Report</b>	To present the revised tenancy fraud policy to committee.
<b>Decisions</b>	The Committee <b>RESOLVES</b> to adopt the revised tenancy fraud policy.
<b>Financial Implications and Risk Assessment</b>	<p>The update of this Policy will assist in the protection from fraud of the Council's income stream from its properties. It will enable the Council to continue to provide its services that are required.</p> <p>Simon Merrett – Interim Principal Accountant Tel: 01453 754 344 Email: <a href="mailto:simon.merrett@stroud.gov.uk">simon.merrett@stroud.gov.uk</a></p> <p>The Policy is a guiding principle which will allow the Council to manage its tenancies based on housing legislation and statute. Adoption of the Policy ensures the Council has a robust approach to reducing the risk of challenge in this area. By not having clear policy can lead to Council having a greater risk of incurring financial loss and reputational damage.</p>
<b>Legal Implications</b>	<p>In line with advice to relevant officers, it is recommended that further work is undertaken to improve the draft policy before it is adopted, to ensure that it supports a clear and robust approach to discourage, identify and action cases of fraud.</p> <p>Karen Trickey Legal Services Manager and Monitoring Officer Email <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a></p>
<b>Report Author</b>	<p>Patricia Andrade Tel: 01453 754163 Email: <a href="mailto:patricia.andrade@stroud.gov.uk">patricia.andrade@stroud.gov.uk</a></p>
<b>Performance Management Follow Up</b>	The detection and actions taken against cases of tenancy fraud will be reported to the performance sub group of the housing committee.
<b>Background Papers/ Appendices</b>	<p>Tenancy Fraud Policy – February 2013 Appendix 1 – Tenancy Fraud Policy – February 2017</p>

## **1.0. Introduction**

- 1.1. The council has a duty to make the best use of its housing stock in order to maximise its ability to meet housing need. This means that we must ensure that occupation of its homes is by the legally entitled and rightful person(s).
- 1.2. Presently Stroud has some 5131 homes of which approximately 17% are classified as sheltered accommodation.
- 1.3. The revised tenancy fraud policy ensures SDC keeps pace with the requirements in minimise wrongful occupation of our stock. This is attached as Appendix 1.

## **2.0. Background**

- 2.1. The current tenancy fraud policy was written in February 2013 with the expectation that it will be reviewed after 3 years. A copy of this has been provided to members through their citrix account.

## **3.0. Revisions**

- 3.1. The Tenancy Fraud Policy has been revised and now includes and expansion within the areas of:
  - Fuller explanation of Tenancy Fraud
  - The Financial and risk Implications
  - Further explanation of prevention
  - More details on detection
  - Identifying the legal actions which can be considered
- 3.2. It is proposed now that this policy will be reviewed annually with future referral to committee only made if the review requires a significant amendment or change in policy direction.