

09 June 2017

HOUSING COMMITTEE

A meeting of the Housing Committee will be held on **TUESDAY 20 JUNE 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). 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 28 March 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 15 JUNE 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

- 5 **WORK PROGRAMME**
To consider the work programme.
- 6 **APPOINTMENT OF PERFORMANCE MONITORING REPRESENTATIVES**
To appoint two Members of the Committee to attend performance monitoring meetings.
- 7 **MEMBER REPORTS**
a) Performance Monitoring
b) Housing Review Panel
- 8 **CAPITAL PROJECT MONITORING**
a) Tenant Services Capital Programme
b) Assistance to Affordable Housing Providers
c) Disabled Facilities Grants
d) Sheltered Modernisation Project (Members Information Sheet)
e) New Homes and Regeneration Programme (Members Information Sheet)
- 9 **HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2016/17 – SUMMARY OF VARIANCES**
To inform members of the 2016/17 outturn position on the Housing Revenue Account.
- 10 **PROPERTIES AT GLOUCESTER STREET AND BRADLEY STREET, WOTTON-UNDER-EDGE**
To seek approval to the disposal of the above properties and delegated powers to apply the Council's Decanting Policy and service of notices.
- 11 **MEMBERS' QUESTIONS**
See Agenda Item 4 for deadline for submission.

Members of Housing Committee

Councillor Mattie Ross (Chair)
Councillor Chas Townley (Vice-Chair)
Councillor Catherine Braun
Councillor Miranda Clifton
Councillor Colin Fryer
Councillor Julie Job

Councillor Norman Kay
Councillor Phil McAsey
Councillor Jenny Miles
Councillor Liz Peters
Councillor Tom Skinner
Councillor Debbie Young

Tenant Representatives

Ian Allan
Sadie Tazewell

HOUSING COMMITTEE

28 MARCH 2017

7.00 pm – 8.20 pm
Council Chamber, Ebley Mill, Stroud

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Minutes

Membership

Councillor Mattie Ross **	P	Councillor Norman Kay	P
Councillor Chas Townley *	P	Councillor Phil McAsey	P
Councillor Catherine Braun	P	Councillor Jenny Miles	P
Councillor Miranda Clifton	P	Councillor Elizabeth Peters	Ap
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 Nigel Cooper and John Jones.

Officers in Attendance

Strategic Head (Tenant and Corporate Services)	Accountancy Manager
Head of Housing Contracts	Asset Operations Manager
Head of Housing Management	Head of Asset Management
Tenancy Operations Manager	Business Development Manager
Policy Implementation Manager	Democratic Services Officer

HC.064

APOLOGIES

Apologies of absence were received from Councillors Liz Peters and Karen McKeown (non-Committee Member who had submitted a question).

HC.065

DECLARATIONS OF INTEREST

There were no declarations of interest.

HC.066

PUBLIC QUESTION TIME

There were none.

HC.067

MINUTES – 21 FEBRUARY 2017

RESOLVED

That the minutes of the meeting held on 21 February 2017 are confirmed and signed as a correct record, with the

amendment of 'Councillor Chas Fellows' being replaced with 'Councillor Chas Townley' (HC.050).

HC.068 WORK PROGRAMME 2017/18

The Vice-Chair of Committee suggested that a meeting be set up with members to discuss the work programme for the new civic year.

RESOLVED To hold a meeting to discuss the Work Programme.

HC.069 PERFORMANCE MONITORING

An update had been received from Councillors Debbie Young and Catherine Braun and circulated to members prior to the meeting. Councillor Braun summarised various points within the report.

HC.070 HOUSING REVENUE ACCOUNT (HRA) BUDGET MONITORING 2016/17 – REPORT 3

The Accountancy Manager outlined the above report and replied to members' questions. He confirmed that the figures on Table 3 were correct but the text 'General Fund' should have read 'HRA'.

RESOLVED a) To note the projected outturn position on the HRA for 2016/17.
b) To approve in principle the provisional capital slippage, as set out in Table 5 (subject to the final outturn position).

HC.071 ENERGY STRATEGY

The Asset Operations Manager outlined the above report and answered members' questions regarding advice on switching supplier.

RESOLVED To adopt the Energy Strategy in Appendix 1 to the report.

HC.072 COMMUNITY HOUSING FUND

The Policy Implementation Manager outlined the above report, answering members' questions on the one-off grant (from stamp duty tax on second homes), the role of the enabler and the performance framework of targets.

Councillor Jenny Miles proposed an amendment to the decision box b) to add to the last sentence the words "in consultation with the Chair and Vice-Chair of Housing Committee." Members unanimously supported this amendment.

RESOLVED a) To approve the commitment of the Community Housing Fund to provide a community housing enabler; and
b) To delegate authority to the Policy Implementation Manager to allocate the remaining funds to community housing groups, in consultation with the Chair and Vice-Chair of Housing Committee.

HC.073 **TENANCY FRAUD POLICY**

The Tenancy Operations Manager presented the above report which updated the previous policy that had been approved in 2013. Confirmation was given that this and other operational policies were now due to be reviewed. After discussion with members the Chair withdrew the report.

HC.074 **MEMBERS' QUESTIONS**

Questions were submitted by Councillors Liz Peters and Karen McKeown. (To view the questions and answers on the Council's website click on [Agenda Item 11](#)).

The meeting closed 8.20 pm.

Chair

STROUD DISTRICT COUNCIL**AGENDA
ITEM NO****HOUSING COMMITTEE****20 JUNE 2017****WORK PROGRAMME****5**

Date of meeting	Matters to be considered at the meeting	Notes
26.09.17	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Member Reports a) Performance Monitoring b) Housing Review Panel	Leads: Cllrs Chair
	Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation	Leads: Head of Environmental Health Policy Implementation Manager Head of Housing Contracts Business Development Manager Business Development Manager
	Appointment of Representatives on Homestart	Committee
	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
	12.12.17	Work Programme
Member Reports a) Performance Monitoring b) Housing Review Panel		Leads: Cllrs Chair
Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation		Leads: Head of Environmental Health Policy Implementation Manager Head of Housing Contracts Business Development Manager Business Development Manager
Budget Reports		Lead: Accountancy Manager

20.01.18	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Member Reports a) Performance Monitoring b) Housing Review Panel	Leads: Cllrs Chair
	Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation	Leads: Head of Environmental Health Policy Implementation Manager Head of Housing Contracts Business Development Manager Business Development Manager
27.03.18	Work Programme	Leads: Chair and Strategic Head Tenant and Corporate Services
	Member Reports a) Performance Monitoring b) Housing Review Panel	Leads: Cllrs Chair
	Capital Project Monitoring a) Disabled Facilities Grant Scheme b) Affordable Housing – Support to Registered Providers c) Planning and Cyclical Works d) New Homes e) Sheltered Modernisation	Leads: Head of Environmental Health Policy Implementation Manager Head of Housing Contracts Business Development Manager Business Development Manager
	Budget Reports	Lead: Accountancy Manager
	Handyperson Service – income generation opportunities	Lead: Maintenance and Voids Manager

Information sheets sent to Committee Members

Date sent and ref no.	Topic
H-2017/18-001	Non-Traditional Stock Action Plan
H-2017/18-002	Sheltered Housing Modernisation Project
H-2017/18-003	New Homes and Regeneration Programme

STROUD DISTRICT COUNCIL

AGENDA

HOUSING COMMITTEE

ITEM NO

8

20 JUNE 2017

Report Title	CAPITAL PROJECT MONITORING
Purpose of Report	<p>To inform the Committee of progress on capital projects within its remit.</p> <p>A - Tenant Services Capital Programme B - Assistance to Affordable Housing Providers C - Disabled Facilities Grants D - Sheltered Modernisation Project (information sheet) E – New Homes and Regeneration Programme (information sheet)</p>
Decisions	The Committee notes the reports.
Consultation and Feedback	Budget setting has previously been agreed at council.
Financial Implications and Risk Assessment	<p>Item A - The capital budget for 2017/18 was approved by Council in February 2017. The capital programme for ongoing major works and maintenance is funded within the HRA Medium Term Financial Plan. This will be reviewed annually to ensure that the budget continues to support the delivery plan within the overall affordability of the HRA.</p> <p>Items B & C - There are no direct financial implications as this report is for information only. Any additional expenditure outside of the agreed budget must be reported separately.</p> <p>Items D & E - There are no direct financial implications as this report is for information only. These programmes will continue to be monitored through ongoing budget monitoring.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p> <p>Risk assessment by the report author (item A) The capital programme of planned and cyclical maintenance provides relevant information of content and performance in the delivery of works. These are monitored and managed via Key Performance Indicators (KPI's).</p>

Legal Implications	<p>Item A – There are no specific legal concerns arising from the report. The Council as a landlord has a statutory duty to maintain its housing stock with this duty including the fabric of the building and heating/hot water systems. Satisfactory performance and monitoring of these contracts is therefore important to ensure compliance with this duty. There is also a duty to comply with the Equality Act 2011 with regard to the provision of disabled adaptations.</p> <p>Item B – This report is for information purposes only and there are no specific legal implications. The permissibility of each proposed grant should be assessed in accordance with the relevant criteria prior to any award being made.</p> <p>Item C – There do not appear to be any significant legal issues which are not dealt with in the report.</p> <p>Items D and E – These are ongoing projects with a range of legal implications beyond the scope of this comment. Legal Services has advised and will continue to advise on individual projects as appropriate.</p> <p>Mike Wallbank Solicitor Tel: 01453 754362 Email: mike.wallbank@stroud.gov.uk</p>
Report Author (s)	<p>Item A - Kevin Topping, Head of Housing Contracts Tel: 01453 754196 Email: kevin.topping@stroud.gov.uk</p> <p>Item B - Pippa Stroud, Policy Implementation Manager Tel: 01453 754099 Email: pippa.stroud@stroud.gov.uk</p> <p>Item C – Jon Beckett, Head of Environmental Health Tel: 01453 754443 Email: Jon.beckett@stroud.gov.uk</p> <p>Items D & E – Leonie Lockwood, Business Development Manager Tel: 01453 754153 Email: leonie.lockwood@stroud.gov.uk</p>
Options	This report is for information only.
Performance Management Follow Up	Update reports are to be supplied to this committee on a regular basis
Background Papers/ Appendices	Item A - Appendices can be supplied on request of specific KPI's.

Item A, Tenant Services Capital Programme

1.0. Introduction

- 1.1. The following report provides an **executive summary** of the Capital Projects within the remit of the Housing Committee. The purpose of this report is to advise Committee on progress and management of the capital projects and allow members to question project managers.
- 1.2. Tenant Services has allocated a budget up to £30 million over the next 5 years utilising the Medium Term Financial Plan (MTFP) as a guide to income. A breakdown by year can be supplied as an information sheet if required. The following is a summary of how these budgets are specified. It should, however, be noted that budgets are subject to movement depending on economic climate, contractor performance, validation of work streams and financial resource being available to deliver works.
- 1.3. There are an additional number of work streams that are not included within the planned and cyclical maintenance programmes which need to be considered, including:
 - Non traditional stock remedy
 - Stock condition backlog repairs
 - Estate regeneration programmes (post 2020)

2.0. Current position

- 2.1. In order for us to achieve value for money for our tenants, leaseholders and the Council, variations to how we apportion work may be fluid especially in line with robust contract management and accurate validation of works required to our properties. This may require some works to be accelerated or deferred and will be an operational matter with updates to Housing Committee where appropriate.
- 2.2. During 2017, the projected spend for the capital programme is £6,415 million with future years as follows:

2018/19 - £6,485
2019/20 - £5,790
2020/21 - £5,560
2021/22 - £5,310

Work areas are reflected below with a north south split of the district with contractors i.e. NKS = North, Mears = South.

Planned works include:

- Kitchens & Bathrooms
- Doors & Windows
- Roofing and render

- Disabled adaptations
- Heating & Boiler upgrades
- Loft and cavity wall insulation

Cyclical works include:

- Painting
- Communal areas
- External works
- Door entry systems
- Lift servicing
- Fire equipment (where applicable)
- Radon, Electrical testing & Legionella control

2.3. Tenant Services utilises the Keystone asset data system for managing its programmes; this system is key to ensuring our programmes are accurate, fed by detailed intelligence from validation works, stock condition surveys and officer input.

3.0. Performance

3.1. Our contractors are managed through a suite of key performance indicators (KPIs); regular meetings are held with our contractors to ensure performance is what we expect as not only the client but also as the guardian of value for money for our tenants and the Council.

3.2. Meetings are generally monthly but can be (and have, on occasion, been) escalated to weekly meetings. Also, within the scope of our contracts, there is facility to move works to the opposite contractor, if one is not performing as expected, until performance improves. This has already been applied in some small instances and has proven successful to prompt recovery from the contractor who was not performing as expected.

3.3. Robust contract management is the key to successful delivery of these work streams and all relevant officers have had this training and is reflected in their job descriptions following the redesign of the service.

3.4. These KPI's, which include specific performance areas and tenant satisfaction, are available to members to consider in terms of performance and actions as appropriate.

4.0. Summary

4.1. We are committed to smarter working, including the use of new technologies (where possible subject to ICT constraints) such as tablets and handhelds, lone worker devices and drones to provide working at height solutions to enhance our ability to be agile, efficient and effective. If committee deems it appropriate, an elected member could take responsibility to take the lead and report to Housing Committee progress of the planned and cyclical

maintenance programme or consider an appropriate officer to do so on a regular basis.

5.0. Item B, Assistance to Affordable Housing Providers

- 5.1. The Council has a General Fund capital programme that provides grant assistance to housing associations, and this supplements the greater resources available to RSLs from the Homes and Communities Agency.
- 5.2. Because rent levels for affordable housing are necessarily restricted, the amount of income generated from the rental stream is low and does not generate sufficient capital through loans to make a scheme commercially viable. This is particularly true where the land allocated for affordable housing has been bought at commercial rates. The funding shortfall is therefore expressed as a requirement for subsidy, which is usually paid as grant to a housing association.
- 5.3. The Council's Affordable Housing Capital Programme comprises a mixture of recycled funding from the Stroud Homebuy scheme, where properties previously bought under the scheme have been sold on and the grant repaid, and s.106 commuted sums where developers have paid a contribution to the provision of affordable housing elsewhere rather than providing it on-site.
- 5.4. We allocate our resources to those schemes that represent the council's highest priorities. However, value for money is also a consideration, and those projects that produce the greatest number of homes for the lowest grant cost are always more attractive.
- 5.5. Recent funding allocations and forthcoming commitments are set out below:

Location	Grant	Number of units	Provider	Date paid
Littlecombe	£240,000	22	SDC	July 2013
Bisley Old Road	£130,000	23	Stonewater	July 2014
Lynch Road	£66,374	10	Fortis	March 2016
Commitments				
Stagholt	£30,000	7	Two Rivers	
Elm road	£90,000	8	Two Rivers	

6.0. Item C, Disabled Facilities Grants

- 6.1. The Council has a statutory duty to provide means tested Disabled Facilities Grants (DFG's) to enable disabled occupants to remain living safely and independently in their homes. There is a maximum limit of £30,000. Typical works include the provision of stairlifts and wet floor shower facilities.
- 6.2. The funding for DFG's now forms part of the Better Care Fund (BCF) and is paid to upper tier authorities in two tier areas who have a duty to pass it on to District Councils in order to enable them to meet their statutory functions.

6.3. The budget of £250,000 in the capital programme is deemed sufficient to meet demand.

7.0. Item D, Sheltered Modernisation Project

7.1. The project is progressing well and the current position is in a members information sheet which has been published on the Councils website. Variations in the budget due to cost savings are set out in the Housing Revenue Account outturn report to this committee.

8.0. Item E, New Homes Programme

8.1. An update on the programme is set out in a members information sheet which has been published on the Councils website.

8.2. A recommendation to reprofile the 2017/18 budgets is set out in the Housing Revenue Account outturn report to this Committee.

HOUSING COMMITTEE

20 JUNE 2017

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Report Title	HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2016/17 – SUMMARY OF VARIANCES
Purpose of Report	To inform members of the 2016/17 outturn position on the Housing Revenue Account.
Decision(s)	<p>The Committee RESOLVES:</p> <ul style="list-style-type: none"> a) To note the HRA revenue and capital outturn for 2016/17, as shown in Table 1 and Table 4; b) To approve the revenue reserve transfers and capital slippage, as set out in Table 2 and Table 5; c) To approve the reprofiling of the 2017/18 New Build Programme budget, as set out in Table 6; d) To approve additional budget of £700,000 for housing acquisitions in the 2017/18 capital programme.
Consultation and Feedback	Budget holders have been consulted about the budget outturn for their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
Financial Implications and Risk Assessment	<p>The report sets out the outturn for the HRA, which is an improved position compared to the March budget monitoring report. Whilst the headline variation is only £509k, there is a significant element of capital slippage that will be funded in future years from the Major Repairs Reserve.</p> <p>Further work will be undertaken during the course of the year to ascertain the longer term financial position of the HRA. An updated MTFP will be considered in December.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
Legal Implications	As a local housing authority, the Council is under a duty to keep in accordance with proper accounting practices, a Housing Revenue Account, consisting of sums falling to be credited or debited in respect of the provision of housing and other associated housing purposes. The Council is also under a duty to prevent a debit balance on the HRA for each accounting year and in doing so must keep under

	<p>review the proposals in place regarding the income and expenditure on its assets held for housing related purposes. The Council must also revise the proposals from time to time to ensure the relevant duty continues to be met.</p> <p>Karen Trickey, Legal Services Manager and Monitoring Officer Tel: 01453 754356 Email: karen.trickey@stroud.gov.uk</p>
Report Author	<p>Lucy Clothier, Principal Accountant 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>
Options	<p>To restrict or not approve the reserve transfers and capital slippage</p>
Performance Management Follow Up	
Background Papers/ Appendices	<p>Appendices A and B</p>

Background

1. This report sets out the final outturn position for the Housing Revenue Account for the 2016/17 financial year. The purpose of this report is to inform members of the level of balances held by the HRA as a result of closing the accounts for the year.

HRA Budget – outturn position

2. 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.
3. The outturn position for 2016/17 shows a transfer to HRA balances of £3.275m – a variation of -£0.509m. A summary of this variation is shown in Table 1 below.

Table 1 – HRA budget position (summary)

Housing Committee	2016/17 Original Budget	2016/17 Latest Budget	2016/17 Outturn	Outturn Variance
Expenditure				
Supervision and Management	4,985	4,774	4,397	(377)
Sheltered Housing	903	1,021	985	(36)
Repairs and Maintenance	3,283	3,098	3,081	(17)
Sheltered Housing Modernisation	0	426	281	(145)
Queen's Court	0	0	133	133
Other Income and Expenditure	3,869	3,783	3,781	(2)
Support Service Charges	330	322	322	0
Subtotal Revenue Expenditure	13,370	13,424	12,980	(444)
Capital Expenditure NB&D	9,266	6,957	7,247	290
Capital Expenditure - Works	7,870	5,280	3,488	(1,792)
Capital Expenditure - SH Modernisation	0	176	38	(138)
Capital Expenditure - Queen's Court	0	0	170	170
Subtotal Capital Expenditure	17,136	12,413	10,943	(1,470)
Gross Expenditure	30,506	25,837	23,923	(1,914)
Income (Rents and Charges)	(22,484)	(22,231)	(22,349)	(118)
Net Housing Expenditure	8,022	3,606	1,574	(2,032)
Funding (Borrowing, Grants)	(6,355)	(6,372)	(4,849)	1,523
TOTAL HRA	1,667	(2,766)	(3,275)	(509)

(Table contains roundings.)

Report Summary

- The main variations identified in the report relate to Supervision & Management, Sheltered Housing Modernisation Project, Capital Works and Repairs and Maintenance budgets.
- This position includes a net transfer to reserves of £941k (budgeted £724k), which consists of transfers to Earmarked reserves of £931k, and a carry forward request of £10k. A breakdown of this can be found in paragraph 18 and Table 2.
- 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.

7. A brief overview of the reason for the outturn variations is set out below:
8. Expenditure of £3.488m has been spent on the Capital works budgets, significantly less than the budgeted amount of £5.280m. **Capital slippage of £1.045m** has been identified and it is requested that this budget is taken into future years to support the delivery commitments already in place. Further detail on the capital slippage can be found in paragraph 22 and Table 5.
9. **Supervision and Management is underspent by a net £117k** (£377k before a proposed transfer to a workforce planning reserve of £250k, and carry forward of £10k). The gross £377k 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 requested that an HRA Workforce Planning reserve of £250k is approved to help mitigate potential future costs associated with the workforce. This has been included in Table 2 as a requested transfer to earmarked reserves.
10. The overall variation is a mix of pay and non-pay variations. 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.
11. 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.
12. **£290k 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.
13. **£17k net underspend on revenue Repairs and Maintenance budgets.** Robust changes in the culture have been introduced, 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.

14. The overall underspend of £17k has been achieved by a combination of a £428k underspend on revenue repairs and maintenance (£355k overspend on responsive repairs, £372k underspend on revenue void works, £292k underspend on planned and cyclical works, and a £119k underspend on the in house gas provision), and the inclusion in the accounts of an impairment of £411k. Further details on revenue repairs and maintenance can be found in Appendix A.
15. An accounting entry of £411k has been included in the financial statements to represent the impairment in value of stock held. This represents the reduction in its resale value, and does not mean that there is an additional cost or that the stock is no longer useful to the Council. The stock will continue to be used for elements of failure in the photovoltaic systems, and within programmes of works in SDC dwellings in future years.
16. **Sheltered Housing** - variations include there being no call on the tree surgery budget and savings on the equipment budgets within Sheltered Housing during 2016/17.
17. **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 income from renewable heating schemes.

Revenue Reserve Transfers/Carry Forwards

18. It is requested that amounts totaling £0.941m are transferred into reserves. A summary of the transfers is included in the following table.

Table 2: Summary of Revenue Reserve Transfers and Carry Forwards

Area	Budgeted Transfer (Net) £000s	Requested Transfer (Net) £000s	Details
Sheltered Housing (Net transfer)	174	331	Reduced cost in 2016/17 of £157k, to be carried forward into the 2017/18 budget
Queens Court	200	0	Programme accelerated with expenditure funded in 2016/17 from revenue, and reserve transfer to fund cost in 2017/18 no longer required
Estate Redevelopment	350	350	As budgeted
Workforce Planning		250	Earmarked reserve to help mitigate potential future costs associated with the workforce (Paragraph 9)
Carry Forward		10	£10k carry forward from the Community Improvements budget for Bearlands, to be included in 2017/18 budget
Total	724	941	

HRA Reserves

19. The budgeted transfer to reserves of £2,766k, along with the additional transfer of the £509k underspend, increases the funding held in general reserves to £5,213k. This is above the minimum recommended balance of £1,500k. However, it should be noted that the budgeted transfer of £2,766k is needed in order to keep HRA reserves above the minimum recommended balance across the MTFP period, as identified in the HRA 2017/18 Budget Setting paper approved by members in January 2017. The following table shows the reserves position at the end of the financial year 2016/17.

Table 3: HRA General Reserves Position

	£000s	£000s
Opening balance 01.04.2016		1,938
Budgeted transfer to reserves	2,766	
2016/17 underspend	509	
Total transfer to reserves 2016/17		3,275
Closing balance 31.03.2017		5,213
Use of 2016/17 underspend in 2017/18 (as per paragraph 38)		(490)
Net reserve position after further transfers		4,723

20. The above table includes the use of the 2016/17 underspend in 2017/18. If the recommendations in paragraph 37 are not approved, the reserves position would remain at £5,213k.

HRA Capital Programme

21. The HRA Capital programme for 2016/17 is shown in Table 4 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 total £1.470m, with expenditure of £10.943m in the year against the revised budget of £12.413m.

Table 4 – HRA Capital Outturn 2016/17

HRA Capital Schemes	2016/17 Original Budget	2016/17 Latest Budget	2016/17 Outturn	2016/17 Outturn Variance
	(£'000)	(£'000)	(£'000)	(£'000)
New Build & Development				
Minchinhampton	0	0	10	10
Berkeley	0	2	0	(2)
Chapel Street, Cam	1,383	1,112	1,117	5
Hillside, Coaley	326	352	363	11
Littlecombe	0	41	32	(9)
Southbank, Woodchester	516	0	0	0
The Corriett	51	110	132	22
Wharfdale Way	500	23	0	(23)
Development - Leonard Stanley	2,227	2,027	2,226	199
Development - Top of Town Phase 1	4,052	47	27	(20)
Development - Top of Town Phase 2	0	1,352	1,384	32
Development - Top of Town Phase 3	0	1,320	1,553	233
Development - Top of Town Phase 4	0	360	375	15
Stonehouse - Former Ship Inn site	0	0	13	13
Fountain Crescent	0	0	15	15
Contingency	211	211	0	(211)
Total New Build & Development	9,266	6,957	7,247	290

HRA Capital Schemes	2016/17 Original Budget	2016/17 Latest Budget	2016/17 Outturn Forecast	2016/17 Outturn Variance
	(£'000)	(£'000)	(£'000)	(£'000)
Central Heating	670	670	535	(135)
Disabled Adaptations	300	300	243	(57)
Kitchens and Bathrooms	2,240	1,240	975	(265)
Major Voids	500	500	422	(78)
Professional Fees	50	110	0	(110)
Asbestos / Radon	400	250	163	(87)
Doors and Windows	500	500	508	8
Electrical Works	200	200	174	(26)
Damp Works	90	90	0	(90)
Renewable Heating	0	0	49	49
Non-Traditional Properties	310	100	63	(37)
Gas In-House Provider	0	0	0	0
Door entry	200	200	25	(175)
Suited Locks	140	0	0	0
External Works	2,250	1,100	331	(769)
Lifts	20	20	0	(20)
Total Major Works	7,870	5,280	3,488	(1,792)
Sheltered Housing Modernisation	0	176	38	(138)
Queens Court Capital	0	0	170	170
Total Capital Expenditure	17,136	12,413	10,943	(1,470)

(The table contains roundings.)

Capital slippage – Major Works

22. Capital slippage of £1.045m has been identified during the year, representing capital programmes that have started later, or have progressed slower, than budgeted. These works are still required, however it is not expected that these works would be delivered on top of the existing ongoing capital programme for 2017/18, but rather will extend the timing of each contract. It is therefore requested that the budgets be held in the Major Repairs Reserve, and added to the capital budget over the MTFP period. Further detail on the reprofiling of these contracts, along with a review of the forecasted budget requirement, will be provided to Members as part of the budget setting process for the financial year 2018/19. A breakdown of the major works slippage is included in Table 5 below.

Table 5 – Capital slippage – Major Works

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

New Build Programme Budgets 2017/18

23. Due to the acceleration of some new build schemes across 2016/17, and slippage in others, it is necessary to amend the New Build Programme budgets in 2017/18, to reflect the outturn position. The funding of the programmes should also updated to reflect the changes, and so the overall transfer from reserves of £3.088m will remain the same. The below table shows the amendments requested to the 2017/18 budgets.

Table 6: 2017/18 New Build Budgets

Scheme	Approved budget 2017/18	Slippage	Revised Budget 2017/18
Southbank, Woodchester	578	0	578
Chapel Street, Cam	579	(5)	574
Top of Town Phase 3	401	(233)	168
Top of Town Phase 4	1,206	(15)	1,191
Ship Inn	1,500	10	1,510
New Homes Contingency	250	0	250
Total New Build	4,514	(243)	4,271
Sheltered Housing Modernisation Project	1,366	176	1,542
Total Development Capital Budget	5,880	(67)	5,813
Funding of Development Capital Budgets	(5,880)	67	(5,813)
Net change to HRA Revenue Position	0	0	0

24. Whilst a number of new build schemes are progressing well and will spend as planned in 2017/18, i.e. Top of Town phase 3 and Chapel Street, Cam, there are a number of other schemes that are taking longer than anticipated to reach a start on site for a variety of reasons. This includes the swop of some of the funding for Top of Town phase 4 on to a new site. The planned purchase of owner occupied properties to enable a comprehensive demolition and redevelopment of the last phase has not been possible due to their reluctance to sell and so this funding will need to be moved to an alternative location to deliver the planned programme of 236 new homes. The budget for 2017/18 will need to be reprofiled with

some of the spend moving into 2018/19. The full details will be presented to members in the September report.

Stock Numbers

25. The below table shows the changes in stock numbers during 2016/17

Table 7: Housing stock numbers in 2016/17

	Rented	Shared Ownership	Total
Opening stock at 1 April 2016	5,096	21	5,117
<i>Additions:</i>			
New build	68	14	82
<i>Less:</i>			
Right to Buy	(25)		(25)
Market Disposal	(4)		(4)
Demolished/decanted for development schemes	(6)		(6)
Closing stock at 31 March 2017	5,129	35	5,164
Held vacant for Sheltered Modernisation Programme (red schemes) and Queens Court	(87)		(87)
Stock available for rent at 31 March 2017	5,042	35	5,077

26. A total of 82 additional dwellings have been added to the stock over 2016/17, 68 of which rented, and 14 shared ownership homes. A breakdown of these is included in Table 8 below.

Table 8: Breakdown of new builds in 2016/17

Development Scheme	Rented	Shared Ownership	Total
Leonard Stanley	41	10	51
Top of Town	9	4	13
The Corriett	6		6
Hillside, Coaley	4		4
Berkeley	4		4
Littlecombe	4		4
Total	68	14	82

27. There have been a total of 25 Right to Buys during the year. There have also been 4 disposals on the open market and a total of 6 dwellings that have been demolished or taken out of the stock. These have occurred as part of development or regeneration schemes.

28. Therefore, overall the number of dwellings has increased. However, a total of 87 dwellings have been decanted from the Red Schemes as part of the Sheltered Housing Modernisation Programme and are no longer available to rent. New housing will be provided as part of this programme, and works are expected to start in late 2017/18.

Right to Buy Receipts

29. As members will be aware, the Council is able to retain Right to Buy (RTB) receipts (after a set payment to the Treasury, a Council share, an allowance for the self financing debt relating to the RTBs, and an admin allowance), but only if they are spent on new affordable rented housing. There are strict rules on the use of the receipts, with the RTB receipts only able to make up a total of 30% of the spend on the new housing. The remaining 70% of spend must come from other resources, such as revenue resources (ie from rental income), borrowing, or capital receipts (although the use of capital receipts from the sale of non RTB dwellings is not directly allowable). For example, £300k of RTB receipts must be used towards spend of £1,000k on new housing, with £700k coming from Council resources. They also cannot be used at the same time as other government funds, such as Homes and Communities Agency (HCA) grants.
30. In 2016/17, 25 tenants exercised their Right to Buy, and purchased their homes. The total receipt from these sales was £2,370k, of which £465k is the amount that must be returned to Government (the Treasury share), £731k is the combined SDC share (Local Authority share and allowances for administration costs and the debt in the self financing determination attributable to the RTB sales). The remaining £1,174k is the 'additional' RTB receipts that if kept, must be spent on new housing, with match funding. Of these additional receipts, a total of £571k has been retained.
31. If the total amount of £1,174k was kept by the Council, this would mean that a total of £3,913k (£1,174k of RTB receipts – 30%, and £2,739k of other HRA funding – 70%) would need to be spent on new affordable housing within three years. This is on top of the existing development programme.
32. Unfortunately, the Council is not currently able to match fund the full amount, and is unable to borrow additional funds as borrowing is at the 'debt cap' imposed as part of the self financing agreement. Therefore a total of £571k has been retained, which requires spend of £1,903k within three years. It is envisaged that this is more manageable within existing resources, as any receipts that are not used within three years, and match funded, must be returned to the Government with interest at 4% above base level. This is deliberately high to avoid Local Authorities retaining receipts where there are no plans, or resources, to utilise them within the time limit.
33. In 2016/17, a total of £353k RTB receipts have been returned in this way, with interest payments totaling £53k. Work is ongoing to minimise the need to return any further receipts already held. This includes looking at the SDC development programme, as well as working with Housing Associations in the area, as they are also able to use RTB receipts providing that they match fund the additional 70%. This work is underway.
34. Based on the current forecast of eligible spend, which includes the assumption of also working with RPs locally, it is expected that additional

spend of £1,300k is required over the next three years (representing RTB receipts of £390k – 30%). If RP partners are unable to work within the RTB timescales, this sum could increase. £600k of this total spend is required by December 2017, or else £180k of RTB receipts would need to be paid back to the Treasury, along with interest of approximately £25k.

35. The options available to members are:
 - a. Return the RTB receipts to Government, and pay the interest payments from the HRA
 - b. Add additional spend to the 2017/18 capital programme
 - c. Work with a Registered Provider (RP) to deliver spend in 2017/18
36. Although working with RPs is an option, informal discussions indicate that they would find it difficult to meet the spend within the timescales. This will not mean that discussions will cease as there may be opportunities to work together at a later date, and with longer lead in times, but it may not be suitable to address the issue of RTB receipts in 2017/18.
37. Therefore, in order to prevent the requirement to return RTB receipts in 2017/18, the Council would need to increase its own capital programme. The underspend from 2016/17 identified in this report could be used to fund the 70% match funding. It is therefore requested that an additional budget of £700k is added to the 2017/18 capital programme for the purchase of properties on the open market. It is not likely to be possible to build new housing within this timescale, and although purchasing land to build on at a later date would be allowable, the HRA doesn't currently have the available resources available to fulfill a larger scheme. Therefore purchasing on the open market is the most viable option.
38. This is slightly higher than the forecasted requirement of £600k, in order to give flexibility. It would be extremely difficult to spend exactly the amount needed in order to match the Right to Buy receipts. This would allow the purchase of approximately 3 or 4 additional dwellings, depending on size, location and condition. This would also need to fund any purchase costs, such as Stamp Duty Land Tax, and any works required to bring them up to a lettable standard.
39. The additional budget would be funded by up to £210k RTB receipts (30% of the spend, in line with the RTB agreement), with the remaining £490k being funded from HRA General Reserves, through Revenue Contribution to Capital Outlay (RCCO), funded by the revenue underspend in 2016/17. Neither the RTB receipts or the 2016/17 are currently allocated to any projects.
40. It would be intended that the new dwellings would be best possible fit with the housing need, but will depend on appropriate properties becoming available as the use of the Right to Buy receipts is time critical.

41. As these dwellings would be part funded through RTB receipts, it is possible to charge either Affordable Rents or Social Rents. The below table shows estimated rents for 1, 2 and 3 bed units at social and LHA rates. These are guideline rents only, as the rents for any new dwellings would be calculated individually for the dwelling.

Table 9: Social, Affordable and Market Rents

	Average Social Rent (Weekly)	Average Social Rent (monthly)	Estimated Affordable Rent capped at LHA Rate (weekly)	Estimated Affordable Rent capped at LHA Rate (monthly)	Indicative Market Rent (weekly)	Indicative Market Rent (monthly)
1 bed flat	£71.97	£312	£92.05	£399	£115.38	£500
2 bed house	£86.74	£376	£122.36	£530	£161.54	£700
3 bed house	£92.11	£399	£147.13	£638	£184.62	£800

42. When implementing rent policy, members should be mindful of the impact on the HRA over the longer term. Housing at below market rents will inevitably need subsidy in order to stack up financially, and although 30% of the cost will be funded through RTB receipts, the imposed figure of 30% is based on affordability using Affordable Rents. Therefore social rents would require additional subsidy from the HRA, meaning that less funding would be available for services for existing tenants, or for the provision of other new housing. The below table shows the impact on the HRA over 30 years of both social and Affordable rents, based on the estimates in Table 9, and includes 30% funded through RTB receipts (ie the HRA would be funding 70% of the purchase cost).

Table 10: Impact of Rents on NPV

	Estimated total purchase cost (£)	NPV at social rent (£)	NPV at LHA rate (£)
1 bed flat	100,000	-28,600	3,500
2 bed house	190,000	-66,700	-18,000
3 bed house	240,000	-94,400	-19,200

43. The Net Present Value (NPV) gives a view on the benefit the purchase over a 30 year period. That is the 'value' of the purchase in today's money. A positive amount shows that the purchase would add value over 30 years, whereas a negative amount shows the level of subsidy needed over that period. However, it can be assumed that any dwellings purchased will have a useful life of more than 30 years.
44. A proposal will be taken to Housing Committee requesting that affordable rents be charged on properties built or acquired using Right to Buy receipts, in line with those built using HCA grant funding.

Appendix A –Revenue and Financing variations

1. **Supervision & Management: £117k net underspend.** £377k before £250k is proposed to be allocated to a new earmarked reserve for workforce planning, and £10k carry forward (as outlined in paragraph 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
2. **Sheltered Housing: £36k 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.
3. **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 - £292k 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 - £372k 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 - £119k 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
 - d. **Responsive Repairs - £355k overspend.** Responsive repairs is a by nature a responsive budget, and maintenance needed each year can fluctuate. Some of this would have been due to slowing down and deferring works while the old contract, with Morgan Sindall, was run down, and part of the cost would also be attributable to repairing,

rather than replacing elements, and deferring the capital programme to future years. This would have only occurred where appropriate.

4. **Rent & charge income - £118k variation.** Rental and service charge income largely in-line with the revised budget, with additional income of £118k over budget.
5. 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.
6. 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.
7. 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.
8. **Sheltered Housing Modernisation:** The revenue variation is due to lower than forecast expenditure on decants.
9. **Queens Court:** Expenditure of £133k – See commentary in Appendix B.
10. **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. Reduced funding of the capital programme from the Major Repairs Reserve - £1,417k variation. This balance will remain in the Major Repairs Reserve to fund capital works in future years, including the capital slippage.
 - b. HCA grant received - £33k of unapplied grant from 2015/16 being utilised
 - c. Application of Right to Buy and other capital receipts in line with budget estimates.

Gross income from renewable exceeded budget by £78k.

Appendix B – Capital Variations

New Homes and Regeneration £0.290m additional expenditure

1. The New Homes and Regeneration Programme continues to deliver new homes as planned. Members will recall that the budgets for the New Build schemes were reprofiled during the year to reflect the revised cashflow forecast.
2. Schemes highlighted as differing from the revised budget profile for the year.
 - a. **Leonard Stanley - £199k** of expenditure which is more in line with the original budget allocation (£2.227m)
 - b. **Top of Town - £260k** of additional expenditure (all phases)
 - c. **Contingency – (£211k)** essentially supporting these schemes has not been spent and can be netted-off against the expenditure above.

Other capital works £1.792m under budget

3. Capital works budgets were revised downward by £2.590m in December to reflect the deferment of expenditure as part of the HRA Action Plan. Capital slippage of £1.045m is reported.
 - a. **Central Heating - £135k underspend.** Despite a high volume of critical failure works being undertaken we are dealing with those efficiently. A credit of £56k from the Central Heating Fund (CFH) was received in year.
 - b. **Disabled Adaptations - £57k underspend.** These works are demand led and there has been a lower volume of DNA referrals than in previous years.
 - c. **Kitchens and Bathrooms £265k underspend.** Works are being validated and if appropriate moved into future programmes if elements do not need replacing i.e. if a kitchen or bathroom has several years of life left they are reprofiled into future programmes
 - d. **Major Voids - £78k underspend.** This budget is demand led where there have been cost reductions, increased intelligence from pre termination inspections has assisted this process
 - e. **Asbestos/Radon - £87k underspend.** All asbestos is identified and managed safely and where appropriate removed rather than encapsulated where there is any indication of risk. In many situations leaving undisturbed asbestos may be the safest option which is then addressed through void or programmed works.
 - f. **Damp works/Insulation - £90k slippage.** Works have been deferred to future years and realigned with other planned works programmes.
 - g. **Non-Traditional properties - £37k slippage.** Initial pilot programme was successfully delivered. All future financial commitment is subject to validation and financial appraisal in accordance with the approved strategy and guidance.
 - h. **Door Entry - £175k slippage** Procurement was initially deferred as this work stream had a degree of flexibility which provided some comfort to ensure resource certainty in case additional savings were required to maintain HRA balances in-year. Door entry in our properties are working

correctly and this procurement will enhance and replace systems. Consequently this is not an immediate priority and as such delivery will now begin in 2017/18.

- i. **Professional fees (reclassification of ineligible expenditure from capital to revenue).** This budget will be moved from capital to revenue in future years.
 - j. **External Works - £723k slippage.** Delays in starting on site, and the poor performance and delivery of the contractors have been a factor. This has been managed robustly by officers and outstanding works will be carried forward into future year's programmes. The aim is to ensure works are properly carried out, validated and provide value for money.
4. **Sheltered Housing Modernisation:** The main variance is on Capital due to an allowance for options appraisals that has not been required in this financial year and costs of remodelling units falling across two financial years– all of the ex-wardens properties will have been brought back into use in 2017/18.
 5. **Queens Court** – Capital and Revenue combined - £130k and £170k funded from balances. It was anticipated that it would take up to 2 years to progress the project to a point where the property could be disposed on the open market. The HRA MTFP allowed for £400k of reserve funding across 2017/18 and 2018/19, but given the project has progressed more quickly, the revenue and capital buy-back costs will be funded from HRA working balances in the current financial year. A capital receipt of £1.5m to £2.0m was forecast in the MTFP in 2018/19, although this may be realised sooner given the progress to date.

STROUD DISTRICT COUNCIL

**AGENDA
ITEM NO**

HOUSING COMMITTEE

20 JUNE 2017

10

Report Title	PROPERTIES AT GLOUCESTER STREET & BRADLEY STREET, WOTTON-UNDER-EDGE
Purpose of Report	To seek approval to the disposal of these properties and delegated powers to apply the Council's Decanting Policy and service of notices.
Decision(s)	<p>The Committee RESOLVES :</p> <ol style="list-style-type: none"> 1. To authorise each of the following officers, namely the Heads of Asset Management, Housing Management and Housing Contracts (in consultation with the Chair and Vice-Chair of Housing Committee and relevant Ward Councillors) to: <ol style="list-style-type: none"> a. make decisions in accordance with the Council's Decanting Policy and b. serve demolition notices on relevant tenants. 2. In the event that the Council decides not to (or is unable to) fund the redevelopment of property at Gloucester Street/Bradley Street, Wotton-under-Edge ("the Property"), to authorise the Head of Asset Management to dispose of the Property to a Registered Provider of Social Housing or otherwise, on the open market.
Consultation and Feedback	Ward members and the Town Council are being consulted - feedback awaited.
Financial Implications and Risk Assessment	<p>The cost of the major works needed to bring these houses up to a lettable standard is higher than the approved cap in the Property Obsolescence Procedure Guide.</p> <p>The HRA has reached the debt cap, and is currently unable to borrow additional funds for new housing. However, this site will be considered, along with all other opportunities and subject to funding, as part of the Medium Term Financial Plan. If however, funding is not available for the Council to develop the site, best consideration should be sought in order to fund other opportunities for new housing in the HRA.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk</p>

Legal Implications	Should the land not be redeveloped and retained by the Council, the consent of the Secretary of State is required if it is intended to dispose of the land at less than the best consideration that can reasonably be obtained. Such consent will be automatic if the decision to sell at an undervalue is for example, for the social well being of the district. Where there are opposing bidders, the Council's decision maker should take reasonable steps to see how far each will go to commit itself to the highest offer they are each prepared to make. (Ref:drc06/06) Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk
Report Author	Alison Fisk, Head of Asset Management Tel: 01453 754430 Email: alison.fisk@stroud.gov.uk
Options	Other options are to retain and repair the properties, or repair and dispose of as shared ownership properties
Performance Management Follow Up	Demolition notices served by the 23 rd June 2017, tenants decanted by December 2017, subject to suitable properties becoming available.
Background Papers/ Appendices	Appendix A – Properties at Gloucester Street/Bradley Street, Wotton-Under-Edge

1. Background

1.1. This site comprises four, 3 bed-semi-detached properties, set in large gardens (see plan at Appendix A). There are 2 major voids requiring works costing in excess of £37,500 per property, one has been vacant for over a year and the other for 7 months. The other 2 properties are tenanted but will require similar levels of investment. A survey of one of these properties has shown a significant problem with rising and penetrating damp.

1.2. Committee approved the Property Obsolescence Procedure Guide at its meeting in December 2016. This provides a consistent, auditable approach when reviewing and appraising stock requirements.

1.3. The Guide also sets out the indicators and triggers for review of a property or property type and expenditure thresholds where repairs or improvements are necessary. These properties have been reviewed both because they may give rise to future development opportunities and due to the estimated cost of repairs. The cap on expenditure for this size of property has been set at £30,000 in the guide.

2. Matters for Consideration

2.1. The site has potential for redevelopment at a higher density (between 6-8 homes) subject to planning permission. It may be possible for the Council to redevelop the site itself, if funding can be identified or

dispose of it to a Housing Association or other Registered Provider, potentially using Right to Buy receipts to part fund a scheme (as is being delivered nearby on Fountain Crescent).

2.2. If neither of these options proves viable or achievable in a reasonable timescale, the Council could dispose of the site on the open market. Any capital receipt will be used to reinvest in new or more sustainable stock within the Housing Revenue Account.

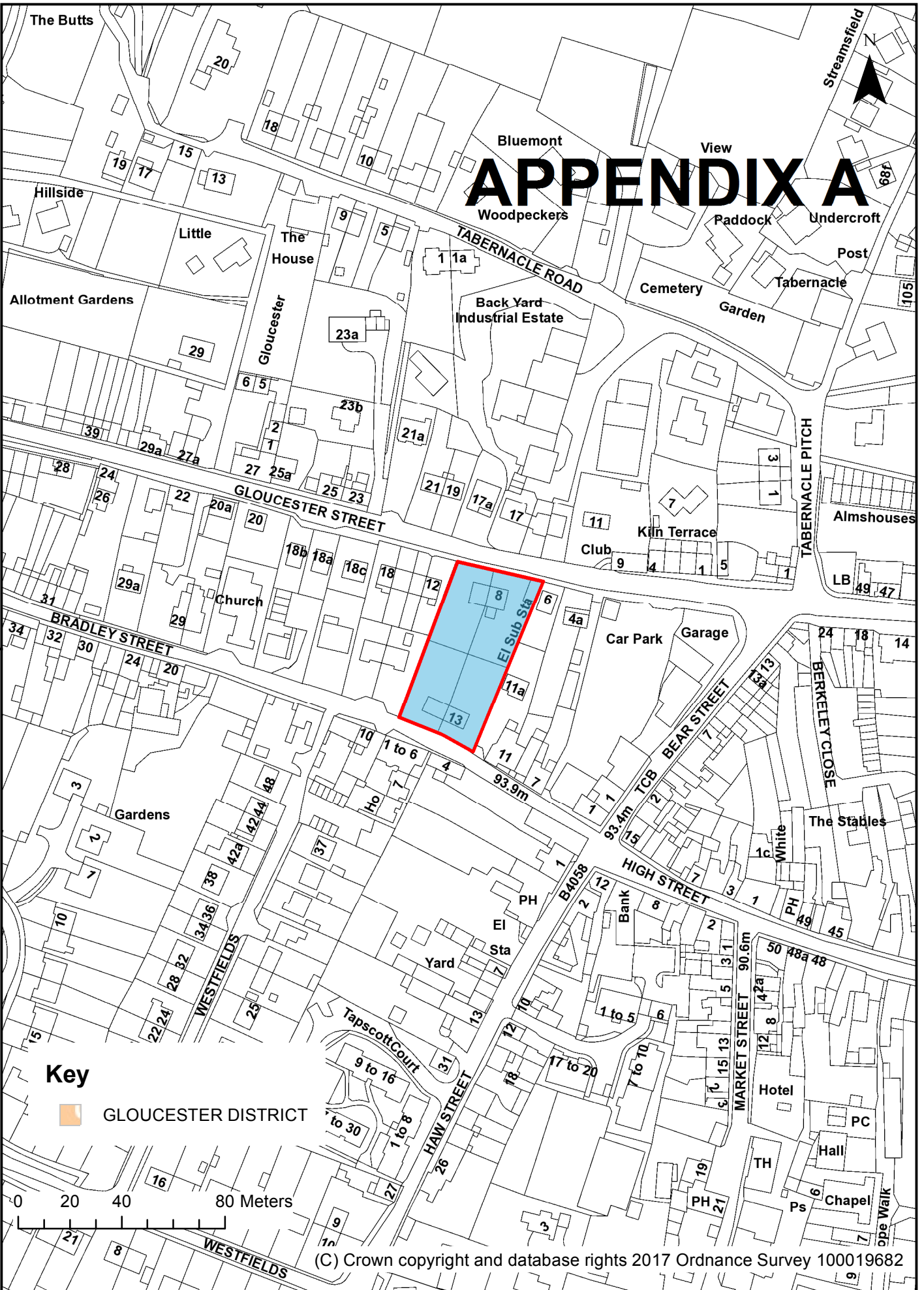
3. Recommendation

3.1. It is recommended that the Council's decanting policy is applied for the remaining tenants and demolition notices are served to protect the Council's position. This follows the process the Council has followed on all of its properties that have been brought forward for redevelopment by itself or by other parties.

3.2. It is also recommended that the site is then redeveloped either by the Council itself, a Registered Provider or by disposal on the open market.

3.3. In order to provide reassurance and clarity for tenants early on, if similar opportunities are identified in the future, it is also recommended that before proposals become public, the decision to apply the decanting policy and to serve notices is delegated to officers in consultation with members.

APPENDIX A



Key

 GLOUCESTER DISTRICT



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Site at Gloucester Street & Bradley Street



06/06/2017

Scale - 1:1,908