



STROUD DISTRICT COUNCIL

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HOUSING COMMITTEE

Tuesday, 6 December 2022

7.00 - 8.51 pm

Council Chamber

Minutes

Membership

Councillor Mattie Ross (Chair)

Councillor Paula Baker
 * Councillor Katrina Davis
 Councillor Colin Fryer
 Councillor Lindsey Green
 Councillor Jessie Hoskin
 *Absent

Councillor Lucas Schoemaker (Vice-Chair)

* Councillor Nicholas Housden
 Councillor Steve Hynd
 Councillor Christopher Jockel
 Councillor Jenny Miles
 * Councillor Loraine Patrick

Tenant Representatives

Becky Adams

Mike Richter

Officers in Attendance

Strategic Director of Communities
 Interim Head of Housing Services
 Head of Strategic Housing Services
 (Interim)
 Accountancy Manager

Housing Manager
 Head of Property Services
 New Homes & Regeneration Manager
 Principal Accountant
 Democratic Services & Elections Officer

HC.027 Apologies

Apologies for absence were received from Councillors Davis, Housden and Patrick.

Councillor Patrick passed along her thanks to the Officers.

HC.028 Declaration of Interests

There were none.

HC.029 Minutes

RESOLVED That the Minutes of the meeting held on 13 September 2022 and the minutes of the extraordinary meeting held on the 18 October 2022 were approved as a correct record.

HC.030 **Public Question Time**

There were none.

HC.031 **Members' Questions**

There were none.

HC.032 **New Homes and Regeneration Programme Update**

The New Homes and Regeneration Manager introduced the report and drew the Committees attention to the following key points:

- Construction costs, materials cost and the cost of borrowing had all increased considerably. During the past 9 months, 3 cost reviews had been undertaken to understand and monitor movement within the housing construction market which showed an increase of 40% and 60%. The cost increase had resulted in an additional £5.4m required to deliver the programme.
- The site at Orchard Road, Ebley was recommended to be removed from the programme and was not included in the revised costings. The recommendation to remove the site was subject to a review, the results of which would be brought back to Housing Committee.
- Should a future decision approve the sale of the Orchard Road site, the Capital Receipt would be re-invested into the New Homes Programme.
- The New Homes and Regeneration Programme was not funded by rental income from existing properties, a proposed funding plan could be found in Table 4 on page 19 of the reports pack.
- There were a few rental options available for the New Build properties. These were detailed in section 4.6 of the report. It was recommended to charge the full 80% market rent where necessary to fund sites.

The New Homes and Regeneration Manager gave the following answers to questions:

- There was no specific modelling completed to date to justify the increase in rent for higher energy performance however, they had reached out to tenants to request that they shared their usage data in order to model the saving opportunity to future tenants.
- The typical lifespan of a new house would be in excess of 60 years, if well-built and well maintained.
- The council had recently made contact with a modular housing suppliers in order to explore other options and construction types.

In response to Councillor Hoskin, the Accountancy Manger confirmed that the local housing allowance was not linked to market rents and also spanned an area of Gloucester which meant that it didn't always cover Stroud District rental prices. However, the 80% of market rent was not calculated each year, therefore if rental prices changed drastically, tenants rent would only increase in line with social rents. When the property was re-let, the 80% of market rent would then be recalculated.

Councillor Miles asked for a summary of the position of the Orchard Road site. The New Homes and Regeneration Manager explained that the site had planning permission for 5 affordable homes. It was recommended for removal due to the cost of developing the site. The cost had increased by over 100% since the original estimate which made it no longer viable to develop.

Councillor Baker proposed and Councillor Jockel seconded.

Councillor Miles expressed her support that the Council were looking at other options to support affordable housing on the Orchard Road site. She also expressed disappointment that there were no bungalows included in the upcoming builds and whether they could be included in the future.

Councillors Baker, Schoemaker, Hynd and Jockel commended the report.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To:

- a) **note the position of the current New Homes & Regeneration Programme.**
- b) **approve the removal of the Orchard Road site in Ebley from the New Homes & Regeneration Programme, subject to a report back to Committee on options for the future use of the site to support affordable housing.**
- c) **delegate authority to the Head of Property Services in consultation with the Accountancy Manager and the Chair and Vice Chair of Housing Committee to charge a mixture of either social rents, affordable rents capped at LHA, or affordable rents at the full 80% of market rent to maximise the funding available to the programme and assist with the long-term viability of particular sites and**

RECOMMEND TO COUNCIL To approve the request for additional budget of £5.42m to be funded from capital receipts and borrowing as set out within the report to enable the council to continue with the next phase of the New Homes & Regeneration Programme.

HC.033 BUDGET MONITORING REPORT 2022/23 QUARTER 2

The Principal Accountant introduced the report and highlighted the following key points:

- The General Fund Budget Monitoring position showed an underspend of £158k which was summarised in table 1 on page 32 of the reports pack. The main variances were set out in paragraphs 3.3 & 3.4 of the report.
- The General Fund Capital Programme was reprofiled which meant there were no variances at that time.
- The Housing Revenue Account (HRA) Budget Monitoring position showed a net overspend of £559k. The Forecast Outturn position included estimates of the increased gas and electricity costs. The main variances for the HRA were detailed in paragraphs 5.6 – 5.11 on pages 34-35 of the reports pack.
- The HRA Capital Programme was revised to £16.389k which included revised Capital Budgets due to the re-profiling of the Capital Programmes.

In response to Councillor Baker, it was confirmed that the £35k overspend detailed in paragraph 5.11 was in addition to the £75k increased variance relating to Council Tax mentioned in paragraph 5.8 of the report.

Councillor Schoemaker questioned whether there was an underspend in Repairs and Maintenance during the Covid Pandemic when work was unable to take place. The Accountancy Manager explained that none of the staff were furloughed and they had continued to be paid during that time however, they would look into getting the figures.

Councillor Jockel proposed and Councillor Baker seconded.

After being put to a vote, the Motion was carried unanimously.

RESOLVED To note the outturn forecast for the General Fund and HRA revenue budgets and the Capital Programmes for this Committee.

HC.034 HOUSING COMMITTEE BUDGET ESTIMATES – REVISED 2022/23 AND ORIGINAL 2023/24 AND HOUSING REVENUE ACCOUNT (HRA) MEDIUM TERM FINANCIAL PLAN 2022/22 – 2026/27

The Accountancy Manager introduced the report and explained that the report included a revised budget for the current financial year and budget setting for the coming financial year 2023/24. She highlighted an error (Error! Reference source not found) that had been published in the decision box of the report and asked the Committee not to include it in the decision. She then provided an overview of the report and its salient points which included: General Fund (Overview on table 1, page 41)

- Increased budget for pay and national insurance due to the national pay award.
- Fees and charges set out in appendix A.
- The homelessness grant from the Department for Levelling Up, Housing and Communities (DLUHC) was due to continue which was an unexpected additional income.

General Fund Capital Programme

This was set out in table 3 on page 42 of the reports pack and changes included:

- The addition of a £1m Warm Homes-Low Carbon Initiative grant scheme for private sector homes in the 2022/23 budget.

Housing Revenue Account

This position had changed significantly throughout the year, and further savings were required, the changes were outlined in table 4 on page 43. The Accountancy Manager highlighted the proposed changes in rents and service charges which were set out in appendix B and included:

- Dwelling rents - Central Government had capped the rental increases to 7% which equated to a £900k a year difference from the Consumer Price Index (CPI) plus 1% (11.1%). It was assumed that any new lets would be charged at the higher 11.1% increase.
- Shared Ownership rents would be increased by 13.1% in line with the Retail Price Index (RPI) due to the lease agreement. Support by way of a Tenant Support Fund could be provided for tenants impacted by these increases.
- District heating systems (IL) - The average weekly charge for tenants was £7.38 with the actual cost rising to £54pw. It was proposed to cap the cost in line with the residential rate to £28.09pw.
- Independent living (IL) - Proposed costs had again been capped at the residential rate and IL tenants were eligible for housing benefits and universal credit to support with costs.

Capital Programme

The proposed capital programme included a revised budget of £16,389k for 2022/23, and a budget of £25,710k for 2023/24. A full breakdown of the capital programme and capital financing was included at Appendix D

Councillor Miles questioned the difference in increases between Walter Preston Court and Malvern Gardens listed in appendix B. The Accountancy Manager explained that those figures did not including the district heating system and were solely based on utilities.

The Accountancy Manager gave the following answers in response to questions asked:

- The Tenant Support Fund was due to start in April 2023, they would be looking to complete the modelling for this in the coming months in order to best target those tenants who will need it.
- It was difficult to compare to other Social Housing Providers because Stroud District Council were much earlier in the budget setting process.
- The forecast figures included within the report were based on the rent cap only being in place for a 12 month period. Should the Government decide to put an additional rent cap in place for a further year, the figures would need to be recalculated.
- The rent was cap created a difference of 4% between rental income and inflation however because actual costs had risen by more than inflation it meant that the percentage difference between costs and income was greater than 4%. This would continue to have an impact on the HRA in future years due to existing tenants remaining on the lower charges.

Councillor Schoemaker proposed and Councillor Hynd seconded.

Councillor Fryer highlighted the importance of the Tenant Support Fund.

Councillors Jockel, Baker, Miles and Hynd commended the Officers for the report.

After being put to a vote, the Motion was carried unanimously.

- RECOMMENDED TO STRATEGY & RESOURCES AND COUNCIL** That:
- a) The revised General Fund Housing revenue budget for 2022/23 and original budget 2023/24 are approved
 - b) The Resource Fees and Charges list in Appendix A is approved
 - c) The revised HRA revenue budget for 2022/23 and original budget 2023/24 are approved
 - d) The movement to and from HRA balances and capital reserves as detailed in Appendix C and section 11 are approved
 - e) That from 1 April 2023:
 - i. Social rents and affordable rents are increased by 7%, in line with national rent guidance
 - ii. Garage rents are increased by 7%
 - iii. Landlord service charges are increased by 7%, except Independent Living Scheme charges and district heating charges which are increased as set out in Appendix B
 - f) That the General Fund Housing Capital Programme, as detailed in Section 4, be included in the Council's Capital Programme
 - g) That the HRA Capital Programme for 2022/23 to 2026/27, as detailed in Appendix D, be included in the Council's Capital Programme.

HC.035 Member / Officer Reports

- a) Progress update on Key action plans (Cleaner Estates & Service Standards and tenant engagement)

A report was circulated prior to the committee.

There were no questions.

b) Tenant Representatives

Mr Ritcher, Tenant Representative, explained that they had complete a scrutiny panel on voids, which involved interviewing officers, reviewing data and learning about the process. He further informed the Committees of the recommendations that they had concluded from the scrutiny.

Ms Adams informed the committee her activities since the last Committee Meeting which included:

- A visit to Middle of the Hill Community Group and the end of November to engage with residents as part of the Christmas Tree Festival.
- A visit to All Pulling Together (APT), a Community Group in Stonehouse, to introduce herself. She hoped to return weekly on a Monday to support and engage with residents.
- A meeting with the Accountancy Manager to gain a better understanding of the budget report ahead of the committee.
- A Zoom meeting with Tenant Participation Advisory Service (TPAS) to gain understanding of the services they offer and to connect with other Involved Tenants.

c) Performance Monitoring

The report was circulated prior to the Committee.

Councillor Green highlighted that there was some information that could not be attained due to software issues. They were looking into solutions for this.

Councillor Baker raised a question with CDPCW2.2A on page 69 of the reports pack. The Interim Head of Housing explained that they did not have any benchmarking data at that time and it was unlikely they would be able to attain the data. This was a long-standing issue which they had hoped to resolve.

Councillor Green explained that those items would be reviewed in the future as it was impossible to performance manage something without the necessary data.

HC.036 **Work Programme**

The following changes had been made to the Work Programme:

- The Anti-social Behaviour Policy and Tenant Handbook Update had been postponed to the March Committee
- The Older Persons Strategy had been renamed to the Independent Living Strategy 2023-26
- The Results of Star Survey had been renamed to Tenant Support and Engagement

RESOLVED To note the above updates to the Work Programme.

The meeting closed at 8.51 pm

Chair