

CABINET (HOUSING) COMMITTEE**1 February 2012****Attendance:**

Councillors:

Coates (Chairman) (P)

Cooper (P)

Stallard (P)

Other invited Councillors:

Collin (P)

Pines

Scott (P)

Tait

Thompson (P)

TACT representatives:

Mrs J Steventon-Baker

Others in attendance who did not address the meeting:

Councillors Higgins and Jackson

1. ALAN RICKMAN

The Chairman announced that, because of recent ill health, Mr Rickman had resigned as chairman of TACT with immediate effect. Mr Rickman had previously intended to stand down at the TACT AGM in May 2012. The Committee unanimously offered its best wishes and sincere thanks to Mr Rickman for all his work with TACT over the years with regard to the operation of council housing.

2. MINUTES

RESOLVED:

That the minutes of the previous meeting of the Committee held on 6 December 2011 (less exempt minutes) be approved and adopted.

3. **REVIEW OF DESIGNATION OF SHELTERED HOUSING**
(Report [CAB2289\(HSG\)](#) refers)

Where it was proposed to discontinue the 'over 40 years only' policy, it was noted that introductory tenancies could potentially deal with those tenants whose lifestyles may be incompatible with existing tenants. The improved partnership working with other agencies on anti-social behaviour would also assist.

The Head of Landlord Services stated that, under the Choice Based Lettings arrangements, officers had little opportunity to intervene when selecting tenants for housing schemes. Allocations were now based more around an individual's housing need and therefore the 'over 40 years only policy' was now less appropriate. Further to this, it had also been seen that older people were now interested in general needs properties and not necessarily sheltered accommodation. It was also acknowledged that issues related to anti-social behaviour were not necessarily specifically linked with younger people. It was also clarified that Hampshire County Council's Adult Services had been consulted on the proposals in the Report and were fully supportive, as part of their broader plan with regard to supporting older people.

During further discussion, it was agreed that those tenants in declassified schemes who wished to remain in sheltered accommodation should be offered some priority to be moved to alternative schemes. The Committee was reminded that general support for older tenants remained part of the core service of the Council.

RESOLVED:

1. That the recommended designation of properties as suitable for letting as sheltered or general needs accommodation shown in Appendix 1 to the Report be adopted.
2. That vacancies within those schemes proposed for de-designation, but which were currently occupied exclusively by older people, be promoted initially as suitable for those aged over 60 years, but made available to general needs applicants if they prove hard to let.
3. That the policy of letting specified properties to applicants aged 40 years or over be discontinued, and all such properties be re-designated as suitable for general needs applicants, subject to 4 below.
4. That in respect of the five schemes referred to in Paragraph 3.3 of the Report, lettings be restricted to persons aged 60 or over, and delegated authority be given to the Head of Landlord Services to remove this restriction in the light of future demand from such applicants.
5. That for the purposes of this exercise, delegated authority be given to the Head of Landlord Services in consultation with the Portfolio Holder for Strategic Housing & Landlord Services to determine a definition of "Hard to Let" properties.

6. That the Head of Strategic Housing be authorised to extend the advertising period where required for sheltered housing to allow sufficient time for tenants who rely on support from visitors to make bids.

4. **PROPOSALS FOR USE OF WHITE WINGS HOUSE, DENMEAD BEDSITS**

(Report [CAB2291\(HSG\)](#) refers)

Councillor Collin declared a personal (but non-prejudicial) interest in actions taken or proposed with regard to this item, because of his position as a County Councillor and the joint working with the County Council as part of the proposals. He remained in the room and spoke and voted thereon.

The Head of Landlord Services advised that the vacant wing to be re designated would generally operate separately to the remainder of White Wings House and its residents. The modifications to allow for its letting to adults with learning disabilities (with 24 hour staffing presence) were described. The current White Wings residents had indicated their support for the proposals and there would be further consultation with them as detailed proposals were developed.

During further discussion, the Committee noted that a full financial appraisal of the proposals would be brought to a future meeting. This would include details of the lease agreement with Hampshire County Council for the communal and support areas, the funding of the associated capital costs and the revenue effect for the Council. The new facility was not intended for clients with high dependency needs, and it was confirmed that the allocation procedures would take a multi agency approach.

As a local Ward Member, Councillor Stallard was concerned that that she had not been formally consulted on the proposals and nor had the Parish Council. The Head of Landlord Services apologised for this oversight and agreed that the Committee could, at this stage, offer its support that the proposal be pursued, subject to further consultation. The Corporate Director (Governance) explained that the statutory requirement was to consult with the residents - consultation with the Parish Council was not part of the usual procedure. The Committee agreed that the Parish Council be informed of the proposals and that a caveat could be added to all the recommendations of the Report – ‘That subject to the outcome of further consultation’. The words ‘...and implement the project’ would also be deleted.

Mrs Steventon-Baker reported on TACT’s support for an alternative use for the vacant wing of White Wings House, to bring in financial revenue to the HRA.

RESOLVED:

That, subject to the outcome of further consultation:

1. That the vacant wing of bedsit flats at White Wings House be designated for letting to adults with learning disabilities.

2. That approval be given for the Head of Strategic Housing to include an appropriate referral arrangement into Hampshire Homechoice to enable allocations to be dealt with in accordance with the sub-regional choice-based lettings scheme.

3. That the Head of Landlord Services be authorised to develop detailed proposals in conjunction with Hampshire County Council officers, undertake further consultation with existing tenants, and take account of the outcome of an Equality Impact Assessment.

4. In view of the value of the refurbishment project, a financial appraisal will be presented to the Committee at a future meeting.

5. **REINVIGORATING THE RIGHT TO BUY: GOVERNMENT CONSULTATION**
(Report [CAB2296\(HSG\)](#) refers)

The Head of Landlord Services explained that an increase in the discount from £38,000 to £50,000 was unlikely to impact on the HRA, as the cap would not drastically increase affordability within the District for Right to Buy applicants.

During discussion, it was clarified that use of the Right to Buy receipts for like-for-like replacement purposes was not limited to new dwellings the same size as those sold under the scheme.

The Committee referred to the proposed consultation responses at section 7 of the Report.

The Committee agreed the information provided to prospective Right to Buy purchasers could be improved, for example, to remind applicants of the future maintenance liabilities of properties once transferred into their ownership. Therefore, it was agreed that the response to Question 2 should be amended so that the Government was asked to improve information for applicants' in the National Brochure, to identify the financial risks of home ownership and signpost the need for independent advice.

It was agreed that the Council's response to Question 10 be amended to specify a desire that the ability for Councils to buy back previous Right to Buy properties be in perpetuity. The current national minimal standard was for this to be 10 years. After the 10 year period the Right to Buy back should be at market value without any discount.

RESOLVED:

That the Head of Landlord Services be authorised to respond directly to the consultation paper as set out in paragraph 7 on pages 6 - 9 of the Report and as amended above with regard to responses to Questions 2 and 10.

6. **PACKAGING AND PROCUREMENT OF HEATING MAINTENANCE CONTRACTS**

(Report [CAB2290\(HSG\)](#) refers)

The Committee noted that the Report would also be considered by Cabinet at its meeting on 8 February 2012.

The Committee agreed that, as contractors were already paid standard rates for each type of job completed, there was no added benefit to add a minimum standard time to fix appliances. The Committee considered whether liquidated damages should be paid to individual tenants for delays in carrying out work. The Head of Landlord Services indicated that this would be costly to administer and would also affect tender prices. However, exceptional cases would continue to be considered on their merits rather than through a liquidated damages provision.

RECOMMENDED:

That delegated authority be given to Cabinet (Housing) Committee to authorise an extension of the contract period for Package 1 of up to two years past the initial 5 year term.

RESOLVED:

1. That the Restricted Procedure be approved for the procurement of Packages 1 and 3 as detailed in the Paragraph 3.5 on page 5 of the Report.

2. That in respect of Package 2, the use of the process in Rule 9.2 c) of the Contracts Procedure Rules (Quotations) be approved.

3. That in respect of Packages 1 and 3, delegated authority be given to the Head of Landlord Services, in consultation with the Head of Legal Services and the Head of Finance, to determine the detailed selection criteria and scoring scheme for the PQQ, select suitable candidates to be invited to tender, evaluate tenders and select preferred bidders, based on lowest sustainable price and the principles set out in the Report.

4. That a tender acceptance report be submitted to Cabinet (Housing) Committee on 20 June 2012 to approve selection of the successful tenderer(s).

7. **2011/12 PERFORMANCE MONITORING REPORT - HOUSING REVENUE ACCOUNT (HRA) SERVICES**

(Report [CAB2286\(HSG\)](#) refers)

The Head of Landlord Services drew particular attention to an improvement in the performance of Gas Servicing to 100%. An apparent increase in rent arrears during the period was being closely monitored.

RESOLVED:

That the performance information be noted.

8. **HOUSING REVENUE ACCOUNT (HRA) BUDGET 2012/13 AND BUSINESS PLAN 2042/43**
(Report [CAB2287\(HSG\)](#) refers)

The Committee noted that the Report would also be considered by Cabinet at its meeting on 8 February 2012 and at The Overview and Scrutiny Committee on 13 February 2012.

The item had not been notified for inclusion on the agenda within the statutory deadline. However the Chairman agreed to accept the item onto the agenda, as a matter requiring urgent consideration, so that the comments of the Committee could be referred onwards to Cabinet and to The Overview and Scrutiny Committee.

The Head of Landlord Services explained that the HRA (Housing Revenue Account) Business Plan had been developed with close regard to addressing the current shortfall in the maintenance requirements for housing stock. Also, in response to discussions of the Housing Self-Financing Informal Policy Group (IPG), it incorporated increased provision for a new build programme over the first 10 years of the Plan. This programme was ambitious and would total £3.2 million per annum, which equated to £42 million over 10 years. This was likely to substantially increase revenue (rental) income in future years which would be considerably more than the interest repayable on the loan during that period.

Mrs Steventon-Baker emphasised TACT's overwhelming support to the proposals outlined in the Report, especially the opportunity to construct new Council houses.

The Head of Landlord Services corrected an error in the Report. Within the last sentence of paragraph 2.1 on page 3, the existing debt to the HRA should read £10.131 million as opposed to £10.3 million.

With regard to the new build programme, the Corporate Director (Operations) drew attention to limited capacity within the Council to deliver such schemes. It was likely that an in-house team would be developed, who would work in partnership with consultants who were expert in the necessary skills to deliver the programme, such as procurement etc.

The Head of Landlord Services clarified that future Large Scale Voluntary Transfer (LSVT) of stock from the Council to an alternative landlord remained a possibility. However, this had never previously been an attractive option to tenants, and arguably this would be even less attractive in the future. It was also reported that with regard to paragraph 5.2(g), a Report would be brought to the next meeting of the Committee with further details on the proposal to introduce a discretionary internal decoration programme.

Responding to questions, the Head of Finance drew attention to section 4 of the Report that set out the possible structuring of the debt. It was clarified that all borrowing undertaken would have a finite term and that, in the event of early repayment of a loan, it was likely that there would either be a premium or a discount, proportional to the amount of the loan outstanding, and dependent on interest rates at the time. The Treasury Management Strategy would need to be sufficiently flexible to help delivery of the various priorities within the Business Plan and maximise the ability to spend, at the minimum associated cost to the Council. The IPG had considered the structuring of the borrowing in detail over its 30 year period and requested a model that allowed an increase in resources available during the first 10 years, to commence the programme of new build.

The Corporate Director (Governance) highlighted that, on the day that the borrowing was confirmed (26 March 2012) officers would complete the procedure in line with the approved Treasury Management Strategy, and in consultation with the Council's Treasury Management consultants. With regard to the new build programme and potential for opportunistic and or property purchases, he also advised that detail of frameworks for various officer delegations would be formulated in due course.

The Committee referred to the proposed Revenue growth items listed in section 9 of the Report. Whilst welcoming the extension to Independent Money Advice service for tenants (provided by the Citizens Advice Bureau), it was agreed that Ward Councillors be kept informed of any outreach service to be provided within the communities that they represented. The Head of Landlord Services also advised that the proposed new Systems Administration Support post was a technical officer, who would provide a critical role which was unable to be delivered within existing teams, or by the IM&T team on a day to day basis.

With regard to the various sensitivities that could impact upon delivery of the Business Plan (section 10 of the Report refers), the Head of Landlord Services explained that significant increases in interest rates before 28 March 2012 (above 3.8%) would impact on the interest costs to the Council. As a consequence, although it was envisaged that usual tenant services could be maintained, the capacity to deliver other elements of the Business Plan (such as the programme of new build) would be constrained.

At conclusion of debate, the Committee supported the recommendations of the Report as set out. Members welcomed the opportunities to improve services to tenants and to commence a programme of building new Council houses.

RECOMMENDED (TO CABINET AND TO COUNCIL):

- 1. That the HRA Budget for 2012/13 as set out in the Appendices 1 and 2 be approved.**
- 2. That all revenue growth proposals as set out in paragraph 9 of the report be approved.**

3. That the 2012/13 Maintenance Programme as set out in Appendix 4 be approved.

4. That the Business Plan priorities as set out in paragraph 5.2 of the report and the key service priorities for 2012/13 as detailed in Appendix 6 be approved.

5. That proposals for the establishment of a programme of Council new build housing as set out in paragraph 6 be supported and that a detailed report on the programme and developing capacity to support it be taken to the Cabinet (Housing) Committee in June 2012.

9. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Exempt Minutes of previous meeting held 6 December 2011:)
)
) Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Para 3 Schedule 12A refers)
	• Procurement of an Asset Management Software Solution)
)
	• Care and Support Arrangements in Extra Care Housing) Information relating to a particular individual. (Para 1 to Schedule 12A refers).
) Information which is likely to reveal the identity of an individual. (Para 2 to Schedule 12A refers)
)
) Information relating to the financial or business affairs of

) any particular person
) (including the authority
) holding that information).
) (Para 3 Schedule 12A refers)
)
) Information relating to any
) consultations or negotiations,
) or contemplated consultations
) or negotiations, in connection
) with any labour relations
) matter arising between the
) authority or a Minister of the
) Crown and employees of, or
) office holders under, the
) authority. (Para 4 to Schedule
) 12A refers)

10. **EXEMPT MINUTES**

RESOLVED:

That the exempt minutes of the previous meeting of the Committee held on 6 December 2011 relating to Procurement of an Asset Management Software Solution and Care and Support Arrangements in Extra Care Housing be approved and adopted.

The meeting commenced at 10.00am and concluded at 12.55pm

Chairman