

COUNCIL

6 January 2016

EXTRACT OF MINUTES OF CABINET (HOUSING) COMMITTEE HELD 30
NOVEMBER 2015

REPORT OF THE DEMOCRATIC SERVICES MANAGER

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Appendix A to this report sets out extracts from the minutes of Cabinet (Housing) Committee held 30 November 2015 for the consideration of Council.

RECOMMENDATION:

That Council considers the matters set out in the attached minute extract.

Appendix A

Cabinet (Housing) Committee - Minute Extract – 30 November 2015

1. HOUSING REVENUE ACCOUNT (HRA) REVISED BUDGET, BUSINESS PLAN AND BUDGET OPTIONS REPORT

(Report CAB2738(HSG) refers)

The Assistant Director (Chief Housing Officer) highlighted the various financial challenges facing Housing Services, notably in response to the Welfare Reform and Work Bill and the Housing and Planning Bill. Particular reference was made to the likely impact on the HRA Business Plan from the proposed 1% reduction in Council House rents.

On behalf of TACT, Mr D Chafe advised that tenants generally recognised that the Council endeavoured to maintain its existing services to tenants wherever possible.

Members asked a number of detailed questions on the likely key changes to HRA funding, as well as future budget options going forward as highlighted in the Report. The Assistant Director clarified that a number of assumptions had been made, pending receipt of the further detail of the new regulations. For example, with regard to changes to the 'pay-to-stay' policy, it was likely that there would be exceptions for those tenants in receipt of benefits. It was likely that certain types of tenure and property would be exempt from the proposed 1% rent reduction – probably services to older people and hostels.

With regard to the possibility of reducing or ceasing discretionary programmes of work, the Assistant Director also clarified that the Decent Homes Standard would be maintained and that it was not proposed at this time to reduce the existing core repairs programme. It was reported that the best use of the Council's garage assets would continue to be investigated and it was acknowledged that in some cases, loft conversions were an appropriate use of funds. Members were reminded that disabled adaptations were undertaken as part of a separate programme of works.

In response to further discussion of the various financial pressures on the HRA, officers advised that restructuring of its self-financing debt may be necessary. It was envisaged that there would be no negative impact on the existing new build programme, nor were any changes to existing staffing levels proposed over the short term. However, as part of general efficiencies, alternative delivery models were likely to be investigated for all programmes of work within the Business Plan. It was also clarified that the Council had made representation to the DCLG with regard to proposed changes to Right-to-Buy and the possible requirement for the sale of high value Council house assets.

At conclusion of debate, it was noted that changes proposed by new legislation would provide the Council an opportunity to review how it currently delivered the various priorities within the HRA Business Plan. Officers would

continue to work with tenants with regard to any decisions to be taken and impact on their existing services.

The Committee agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT SUBJECT TO THE RELEVANT LEGISLATION COMING INTO FORCE, A RENT REDUCTION OF 1%, WITH EFFECT FROM APRIL 2016 AND FOR THE FOLLOWING 3 YEARS (AS INCLUDED IN THE WELFARE REFORM AND WORK BILL) BE APPROVED AND THAT DELEGATED AUTHORITY BE GIVEN TO THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER) TO APPLY ADJUSTMENTS TO THE REDUCTION AS REGULATIONS ARE PUBLISHED.

2. THAT, SUBJECT TO THE FINAL REGULATIONS, ANY PROPERTY TYPE CLASSED AS AN "EXCEPTION" TO THE RENT REDUCTION PLANS BE SUBJECT TO A RENT INCREASE IN LINE WITH THE NATIONAL RENT POLICY (CURRENTLY AN INCREASE BY CPI AS AT SEPTEMBER 2015 PLUS 1%, RESULTING IN A NET INCREASE OF 0.9% FROM 4 APRIL 2016).

3. THAT DELEGATED AUTHORITY BE GIVEN TO THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER), IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR HOUSING SERVICES AND THE CHIEF FINANCE OFFICER, TO APPROVE FINAL RENTS FOR EXCEPTION PROPERTIES IN LIGHT OF THE FINAL REGULATIONS OR CHANGES TO NATIONAL RENT POLICY.

4. THAT DELEGATED AUTHORITY BE GIVEN TO THE ASSISTANT DIRECTOR (CHIEF HOUSING OFFICER) TO APPLY SERVICE CHARGES ACROSS ALL APPROPRIATE PROPERTY AND TENURE TYPES TO RECOVER COSTS TO THE HRA IN MEETING HOUSING MANAGEMENT SERVICES.

5. THAT THE AMENDED HOUSING SERVICES AND NEW BUILD CAPITAL PROGRAMMES AS DETAILED IN APPENDICES 3 AND 4 TO THE REPORT BE APPROVED.

6. THE FUNDING PROPOSALS DETAILED IN APPENDIX 5, INCLUDING THE REQUIREMENT FOR HRA BORROWING, ARE APPROVED.

RESOLVED:

1. That the 2015/16 HRA revised budget as detailed in Appendices 1 and 2 to the Report be approved.
 2. That the recommended budget options as set out in paragraph 5 and Appendix 6 of the Report be supported.
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