

# Public Document Pack

## ECONOMY AND HOUSING POLICY COMMITTEE

Tuesday, 26 November 2024

Attendance:

Councillors  
Batho (Chairperson)

Chamberlain  
Achwal S  
Eve  
Morris

Murphy  
Miller  
White

Other members in attendance:

Councillors Westwood and Horrill

[Video recording of this meeting](#)

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1. **APOLOGIES AND DEPUTY MEMBERS**

There were no apologies.

2. **DECLARATIONS OF INTERESTS**

No declarations were made.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

No announcements were made.

4. **MINUTES OF THE PREVIOUS MEETING HELD ON 17 SEPTEMBER 2024**

RESOLVED:

That the minutes of the previous meeting held on 17 September 2024 be approved and adopted.

5. **PUBLIC PARTICIPATION**

Councillor Caroline Horrill addressed the committee regarding agenda item 6 - Disabled Facilities Grants (DFG): Policy Review and her comments were captured within that agenda item.

6. **DISABLED FACILITIES GRANTS (DFG): POLICY REVIEW (PRESENTATION)**

Councillor Chris Westwood, Cabinet Member for Housing introduced the agenda item which set out proposals for the Disabled Facilities Grants (DFG): Policy Review, ([available here](#)). The introduction included the following points.

1. The Disabled Facilities Grant was a mandatory grant aimed at supporting people of all ages to live independently and safely within their own homes. Local authorities had a statutory duty to provide DFGs to eligible applicants.
2. The current DFG policy was agreed in March 2023 however despite the unchanged amount of DFG received since August 2019, there had been an increase in DFG applications and approvals.
3. The Council had historically underspent on DFGs, building up a reserve, however, it was now spending its full allocation.
4. If customer demand continued and DFG funding remained unchanged, the Council would exhaust its funds by the financial year 2027/28, potentially leading to a waiting list for approved applications.
5. The officer presentation would outline options to change the DFG policy to better meet the needs of vulnerable residents within Winchester and ensure the best value for money.
6. The committee's views and comments were sought on the proposed options before finalising the revised DFG policy and presenting it to cabinet for a decision next year.

Karen Thorburn, Service Lead - Strategic Housing provided a presentation (available [here](#)) which provided the committee with an overview of the Disabled Facilities Grant (DFG) Policy Review options. Several points were raised including the following:

1. The DFG funding flowed from central government to Hampshire County Council and then to Winchester City Council. It was a capital grant available to all ages across private sector housing tenures but excluded Winchester City Council tenants who were funded through the housing revenue account.
2. The grant's purpose was to enable eligible disabled individuals, as defined by the Act, to live safely and independently in their own homes for as long as possible.
3. Applications for the grant were made to the Council, either via Hampshire County Council or directly to Winchester City Council's housing occupational therapist.
4. The most common adaptations funded by the DFG were wet rooms.
5. Once an application was approved, it passed to the Grant officer who ensured the works were reasonable and practical, considering the property's condition and the proportionality of work costs.
6. There was a need to review the DFG policy to reflect the budget and increasing demands.
7. Over the past four years, applications and approved grants had risen, and the average cost of works had increased, while the grant allocations had remained the same.
8. Three options for policy change were presented for consideration, each with its advantages, disadvantages, and potential impacts on the Council's ability to fulfil its duties and manage the DFG budget effectively.

Councillor Caroline Horrill addressed the committee and emphasised the need for transparency in the Council's actions and clarity on the maximum grant amounts and their implications. Councillor Horrill highlighted the importance of understanding the types of requests and levels of spending to better grasp the current situation and stressed that the DFG was transformational for many individuals, significantly improving their quality of life.

The committee was asked for its views and comments on the options presented within the presentation. The committee proceeded to ask questions and debate the agenda item and in summary, the following matters were raised.

1. A question was asked about the difference between mandatory and discretionary grants.
2. Further clarification was sought regarding the breakdown of reasons for cancellations.
3. A question was raised about the potential benefits of not means testing up to a lower point, such as £5,000, to simplify the process for small but significant adaptations.
4. Clarification was requested on how discretionary grants were decided, particularly in cases where the cost exceeded the mandatory grant limit or when there was a sudden change in circumstances.
5. Further questions were asked about the logistics and administration of means testing, including the potential for delays and staffing costs.
6. A question was asked about the potential collaboration with other organisations regarding top-up grants and preventing pressure on the NHS.
7. Clarification was sought on the impact of the policy on the number of applications and the budget, and whether the policy would be reviewed annually or set for a longer period.
8. A question was asked about the internal checks and balances for assessing applications and whether there would be any changes to this process under the new policy.
9. Further information was requested regarding the consistency and transparency of applying for discretionary grants, ensuring that the process was perceived as fair and equitable.

These points were responded to by Karen Thorburn, Service Lead - Strategic Housing, Amanda Cox, Housing Occupational Therapist, Lewis Sellen, Senior Disabled Facilities Grant Case Officer and Simon Hendey, Strategic Director accordingly.

It was noted that a report regarding this item would be presented to a future meeting of the Cabinet Committee: Housing and that this committee's comments would be used to inform that report.

**RESOLVED:**

1. The committee noted that a change to the policy regarding means-testing was appropriate to ensure that the funding was targeted to those most in need.

2. The committee noted that option three had the potential downside of providing support to those who could contribute a significant amount themselves whilst option two, allowed "boundary" cases to be considered and so enabled funds to be used more beneficially.
3. The committee agreed to ask the Cabinet Member to consider the points raised during its discussion.

7. **HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN & BUDGET OPTIONS**

Councillor Chris Westwood, Cabinet Member for Housing introduced the report, ref CAB 3478 which set out proposals for the Housing Revenue Account (HRA) Business Plan & Budget Options, ([available here](#)).

Councillor Westwood advised that the report had been reviewed by the Scrutiny Committee on 12 November 2024 and that the Cabinet had also reviewed the paper and approved the budget options detailed in Appendix 2 as a basis for consultation to inform the February 2025 budget setting. He advised that the Committee's views on the paper, including the budget options in Appendix 2, would be considered in preparing the February 2025 budget paper.

Councillor Westwood provided a brief introduction to the paper, which could be summarised as follows:

1. The budget for 2024/25 was set against a backdrop of high interest rates and aimed to address inflationary pressures.
2. Although CPI inflation had fallen to 1.7% in September 2024, below the Bank of England's target of 2%, key cost drivers for the HRA, such as energy and building materials, remained significantly high.
3. The main cost pressures were identified as continuing inflationary pressures on building supplies, increased capital costs for maintaining existing housing stock, high capital financing interest rates, challenges in new homes viability due to high public works loan board interest rates and the recent agreement to purchase 146 affordable homes in Kings Barton.
4. The Council had set rents in line with the rent standard and central government's guidelines, with the current basis being CPI plus 1% for 2025/26.
5. The budget options supported the Council's commitment to increasing investment in customers' homes, delivering 1,000 new homes by 2032/33, and improving customer service for repairs and maintenance.
6. Without addressing these pressures, there would have been insufficient resources to deliver a balanced budget over the 30-year planning period while meeting policy objectives.
7. A savings target of £2 million per annum had been established, and officers had been working to identify potential opportunities for this.
8. The approach to service charges would ensure that those who used the service paid for it, with measures to dampen any significant increases.
9. Feedback from the TACT Board was broadly supportive of the proposed actions.

The committee was asked to comment on the proposals contained within the attached Cabinet Report, ref CAB 3478. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding the impact on individuals of the CPI + 1% rent increase, specifically how it affected those who paid rent in full versus those on benefits, and the potential hardship it might cause.
2. Further clarification was sought on the proportion of people having their rents paid in full and those who might have been impacted by the rent increase.
3. A question was raised regarding page 28, particularly the impact of the rise in National Insurance on the cost of labour and prices for repairs and maintenance.
4. A further question was asked about the future pricing for repairs and maintenance and the potential savings from a new repairs and maintenance contract and its impact upon the budget.
5. A question was raised regarding the interest on borrowing, specifically the refinancing of £100 million and its impact on the total interest burden.
6. Clarification was requested on the acquisition strategy for new homes, particularly the variety of housing types being purchased and the provision for elderly or disabled residents.
7. A question was asked about the recovery of costs for sewerage works, specifically whether the full capital costs or just the ongoing running costs would be recovered.
8. Further clarification was sought on the service charges and the review process, including the potential for cost reduction and consultation with tenants.
9. A question was raised about the IT contingency budget and the integration of IT solutions with the Council's systems.
10. Clarification was requested regarding the vacant posts in the new homes team and the employment of quantity surveyors within the council.
11. A question was asked about the duration of the rebalancing of home acquisition from building to purchase and the potential recovery of the building programme.
12. Clarification was requested on the underspend in the training budget.
13. A question was asked about the change in the tenant involvement budget and its impact on tenant engagement activities.
14. Further clarification was sought on the new cost proposal for the damp and mould in-house service.
15. A question was raised about the termination of the contract for Voice Scale.

These points were responded to by Councillor Chris Westwood, Cabinet Member for Housing, Simon Hendey, Strategic Director and Gilly Knight, Corporate Head of Housing accordingly.

**RESOLVED:**

1. The committee noted the ongoing efforts to identify additional savings opportunities.

2. The committee wished to highlight the importance of policy reviews, particularly in areas such as the repairs recharge policy, voids, and the repair process review.
3. The committee was reassured to note that officers were also considering other ways to add value, for example, addressing damp and mould issues as a non-financial benefit of the proposed changes.
4. That the Cabinet Member consider the committee's comments raised during the discussion of the item.

8. **TO NOTE THE CURRENT WORK PROGRAMME.**

RESOLVED:

The current work programme was noted.

The meeting commenced at 6.30 pm and concluded at 8.35 pm

Chairperson