

Minutes 26 November 2013

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **DECENT AND AFFORDABLE HOMES POLICY DEVELOPMENT GROUP** held on Tuesday 26 November 2013 at 2.15pm

Present Councillors: P J Heal (Chairman), Mrs E M Andrews, W J Daw, D F Pugsley, Mrs J R Rendle, R F Radford and R Wright

Also Present Councillor: R L Stanley

Also Present Officers: A Jarrett (Head of Finance), N Sanderson (Head of Housing and Property Services), C Fry (Housing Services Manager), R Hewson (Principal Accountant), C Yandle (Audit Team Leader), M Baglow (Building Services Manager), S Gabriel (Principal Member Services Officer) and J Stuckey (Member Services Officer)

Declaration

of interest of

Councillors:

Member	Minute No	Type of Interest
R Wright	38	Personal
	40	Personal
Mrs J R Rendle		
	45	Personal

35. PUBLIC QUESTION TIME

There were no questions from members of the public.


36. MINUTES

The Minutes of the Meeting held on 10 September 2013 were approved as a correct record and **SIGNED** by the Chairman.

37. CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

38. BUDGET 2014/15

The Group had before it, and **NOTED**, a report*  [Minute 38 \[191kb\]](#) of the Head of Finance considering options available in order for the Council to set a balanced budget for 2014/15.

He outlined the contents of the report stating that at this stage the information provided was a best estimate on what it would cost to run services next year whilst providing the same level of service. Assumptions had to be made because of the timing of information regarding the Formula Grant, interest receipts, contributions to the capital programme, transfers from/to reserves and Council Tax levels.

The savings exercise that was undertaken by Service Managers in the summer had highlighted £576K of savings.

The reconciliation of the main budget variances affecting the 2014/15 draft budget were as follows:

Variances	Amount £000
Reduction in formula grant	618
Savings incorporated from savings exercise (See Appendix 3 £628k - some reviewed as unachievable)	(576)
Vehicle replacement "sinking funds"	257
New annual borrowing costs - refuse & leisure	137
Removal of 2013/14 Council Tax Freeze Grant	52
2014/15 pay award - estimated at 1% + pension	138
All overtime now subject to superannuation	22
PDG reserve fully utilised in 2013/14	124
Council Tax income increase (1.5% rise)	(72)
Additional Council Tax from extra properties and changes to empty property discounts	(149)
Additional income (Leisure, Cemeteries, Car Parks	(147)
Cut in Government grant for HBenefit and CTax administration of 8%	32
Decrease in recycling income (volumes & price)	40
Review of bad debt provision on DARs	66
Inflation on utilities, fuel and rates	56
Removal of bad debt provision for LCTS and localisation of Business Rates	(249)
Other minor variances	12
Draft budget gap for 2014/15	361

The Head of Finance explained that the vehicle replacement sinking fund was a budget adjustment to allow for the Waste and Recycling vehicle replacement plan.

The £361K gap needed to be filled and Service Managers were being asked to look at their budgets again for further savings.

The Capital Programme for 2014/15 would be £500k short if all projects were agreed and £1m short for 2015/16, most of this was for essential asset maintenance.

Private Sector Housing had not used its full budget because loans rather than grants had not proved popular and uptake had been low.

All New Homes bonus receipts had been included in the draft capital programme budget.


Public Consultation had shown that the majority of the public consider that the Council provided value for money. Differing age groups prioritised different services.

Devon County Council (DCC) had announced severe funding cutbacks which could result in them only providing the services for which they had a statutory duty, this could mean that Local Authorities would have to pick up some of those duties.

Notes: (i) *Report previously circulated; copy attached to the signed minutes;

(ii) *Cllr R Wright declared a personal interest as he was involved with CHAT.

39. HOUSING REVENUE ACCOUNT BUDGET 2014/15

The Group had before it, and **NOTED**, a report*  [Minute 39 \[96kb\]](#) of the Head of Finance providing an estimate of the budget required for the operation of the HRA in 2014/15


The Principal Accountant explained that on-going uncertainties were the specifics of the rent increases and the on-going effect that welfare reform would have.

Discussion took place regarding:

- Income from green initiatives would be shown on future budgets for information
- Privately owned homes, purchased under Right to Buy, were being charged for repairs to roads, drains and open spaces, if the conveyance on the property allowed this.
- Rent increases

Note: *Report previously circulated; copy attached to the signed minutes.

40. HOUSING REVENUE ACCOUNT (HRA) MEDIUM TERM FINANCIAL PLAN 2013 - 2017

The Group had before it, and **NOTED**, a report*  [Minute 40 \[88kb\]](#) of the Head of Finance providing an estimate of the budget required for the operation of the HRA in 2013/14 - 2016/17.

The Principal Accountant explained that the largest amount in the HRA was the dwelling rent figure and that central Government played a significant role in determining what this would be. They had stated that social housing rents across the country should have reached a higher level than they had (known as Formula Rent).

The Government had set a target of 2015/16 for convergence with this rent, meaning above-inflation increases were necessary until then. This would bring councils into line with housing associations and deliver greater rent level consistency across the social housing sector.


The Government were changing the basis of calculation for social rent, in order to meet this, rent increases for the next two years would be in line with the Retail Price Index (RPI) plus 0.5%, as well as an additional 0.5% to close the existing rent gap. It was assumed that increases would be in line with the Consumer Price Index (CPI) plus 1.0% from 2016/17 onwards. An assumption had been made that RPI would average 3% per annum and CPI 2.5% over the course of the period.

Discussion took place regarding garages, their rents, the income, what was invested in them and what the possibilities were for the future.

Notes: (i) *Report previously circulated; copy attached to the signed minutes;

(ii) Cllr Mrs J R Rendle declared a personal interest as her parents use the Community Alarm Service.

41. FINANCIAL MONITORING 2013/14

The Group had before it, and **NOTED**, a report*  [Minute 41 \[128kb\]](#) from the Head of Finance presenting a financial update in respect of the six months to 30 September 2013. The Principal Accountant reported on the key figures within the report, which included an underspend of £195K. This was a result of work having been carried out in-house by the HRA's operatives rather than being contracted out. A further surplus of £112K was due to loan payments being less than budgeted for to date.


The total HRA reserve was £2,389K.

The total Housing Maintenance Fund was £4,093K.

A major budget movement for the period 1 April to 30 September was the DARS (Deposit & Repayment Scheme), bad debt provision which had been written off, totalling £37500 which was a due to a change of accountancy method.

Note: *Report previously circulated; copy attached to the signed minutes.

42. PERFORMANCE AND RISK

The Group had before it, and **NOTED**, a report*  [Minute 42 \[143kb\]](#) of the Head of Communities and Governance providing Members with an update on performance against the corporate plan and local service targets for 2013/14 as well as providing an update on the key business risks.

The Audit Team Leader explained that asbestos would continue to be reported as very high risk although the likelihood was very low.


The re-let target had improved on the first quarter of the year and was predicted to hit target by the end of the year.

Rent arrears showed improvement and the maintenance team had made budget savings. Members recorded their appreciation to the staff concerned.

Housing Services had performed well against other Social Housing providers during a recent benchmarking exercise.

Note: *Report previously circulated; copy attached to the signed minutes.

43. INTRODUCTORY TENANCY POLICY


The Group had before it a report*  [Minute 43 \[148kb\]](#) of the Housing Services Manager (HSM) containing a draft Tenancy Strategy required by the Localism Act 2011. She explained the contents of the report stating that the Council had been using introductory tenancies for many years. The existing policy was approved last year but recent case law had necessitated a review of the policy to bring it up to date.

RECOMMENDED to the Cabinet that the draft strategic Tenancy Policy be adopted.

(Proposed by Cllr Mrs J R Rendle and seconded by Cllr W J Daw)

Note: *Report previously circulated; copy attached to the signed minutes

44. GAS SAFETY POLICY

The Group had before it a report*  [Minute 44 \[45kb\]](#) of the Head of Housing and Property Services outlining a draft Gas Safety Policy.


The Housing Buildings Manager explained that there were between one and three tenants per month that would not allow operatives into their property to service gas appliances, which might necessitate the need for court action to gain access. The new policy would formalise the procedures that were currently being administered.

RECOMMENDED to the Cabinet that subject to the inclusion of the wording 'the tenant would be charged costs if court action was taken' and that 'servicing must be carried out by law every 12 months', that the draft Gas Safety Policy be adopted.

(Proposed by Cllr W J Daw and seconded by Cllr R Wright)

Note: *Report previously circulated; copy attached to the signed minutes

45. CARE SERVICES

The Group had before it and **NOTED** a report*  [Minute 45 \[24kb\]](#) of the Head of Housing and Property Services regarding the on-going review of Care Services. The Officer explained that the purpose of the report was to present options for the future of the Supported Housing Service for Members to consider.

The Housing Service would need to consider how it would provide a minimal level of housing support for tenancy sustainment if the Devon County Council (DCC) contract ended or was significantly reduced. There was risk of raising public expectations by introducing new services in 2014 off the back of the existing supported housing structure only to withdraw the service if the DCC Supported Housing Service ended in 2015.

Options for consideration were:

1. To offer services to the private sector
2. To withdraw from the market

Discussion took place regarding:

- The numbers of tenants likely to need the service in the future.
- The number of tenants that DCC would pay for, removing those for which they do not have a statutory duty.
- The type of service that could be provided.
- The moral obligation to provide a service.
- The NHS expecting more care in the community.
- The viability of such a scheme.

It was **AGREED** that a further written report be presented to the next meeting of the Group, when the Devon County Council (DCC) funding would be known and the results of the consultation would have been analysed.

Notes: (i) *Report previously circulated; copy attached to the signed minutes

(ii) Cllr Mrs J R Rendle declared a personal interest as her parents use the Community Alarm Service.

46. IDENTIFICATION OF ITEMS FOR THE NEXT MEETING - 21 JANUARY 2013

In addition to the items already listed in the work programme, the following items were requested for the next meeting:

- Draft HRA Budget 2014/15
- General Budget update
- Financial Monitoring
- Local Authority Benchmarking Report
- Care Services

(The meeting ended at 4.30pm) **CHAIRMAN**