

Public Document Pack

Mid Devon District Council

Homes Policy Development Group

Tuesday, 12 September 2017 at 2.15 pm
Exe Room, Phoenix House, Tiverton

Next ordinary meeting
Tuesday, 14 November 2017 at 2.15 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr Mrs E M Andrews
Cllr Mrs H Bainbridge
Cllr D R Coren
Cllr W J Daw (Chairman)
Cllr Mrs G Doe
Cllr R J Dolley
Cllr P J Heal
Cllr F W Letch
Cllr J D Squire

A G E N D A

Members are reminded of the need to make declarations of interest prior to any discussion which may take place

1 Apologies and Substitute Members

To receive any apologies for absence and notice of appointment of substitutes.

2 Public Question Time

To receive any questions relating to items on the Agenda from members of the public and replies thereto.

3 Minutes (Pages 5 - 10)

To approve as a correct record the minutes of the meeting held on 18 July 2017 (copy attached).

4 Chairman's Announcements

To receive any announcements that the Chairman may wish to make.

5 **Performance and Risk Report for 2017-18** *(Pages 11 - 20)*

To receive and note a report from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 2017/18 as well as providing an update on the key business risks.

6 **Financial Monitoring** *(Pages 21 - 38)*

To receive and note a report from the Director of Finance, Assets & Resources presenting a financial update in respect of the income and expenditure so far in the year.

7 **Tenant Compensation Policy - Sheltered Homes Decoration** *(Pages 39 - 48)*

To receive a report from the Director of Operations advising Members of the revised Tenant Compensation Policy.

8 **Wessex Scheme**

To receive a verbal update on the Wessex Scheme from the Public Health and Professional Services Manager.

9 **Identification of items for the next meeting**

Members are asked to note that the following items are already identified in the work programme for the next meeting:

- Financial Monitoring
- Performance and Risk
- Gas Safety Policy
- Severe Weather Emergency Protocol and Extended Winter Provision Protocol

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

Stephen Walford
Chief Executive
Monday, 4 September 2017

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unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Member Services Officer in attendance so that all those present may be made aware that is happening.

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Members of the public are welcome to attend the meeting and listen to discussion. Lift access the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is time set aside at the beginning of the meeting to allow the public to ask questions.

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Tel: 01884 234310

E-Mail: slees@middevon.gov.uk

Public Wi-Fi is available in all meeting rooms.

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MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 18 July 2017 at 2.15 pm

Present

Councillors

Mrs E M Andrews, Mrs H Bainbridge,
D R Coren, W J Daw, Mrs G Doe,
R J Dolley, P J Heal, F W Letch and
J D Squire

Also Present

Officers

Claire Fry (Housing Services Manager), Simon Newcombe (Public Health and Professional Services Manager), Catherine Yandle (Internal Audit Team Leader), Roderick Hewson (Principal Accountant), Stephen Bennett (Building Surveyor) and Sarah Lees (Member Services Officer)

14 **APOLOGIES AND SUBSTITUTE MEMBERS**

There were no apologies for absence.

15 **PUBLIC QUESTION TIME**

No members of the public were present.

16 **MINUTES**

The minutes of the meeting held on 23 May 2017 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

17 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had the following announcements to make:

- The Scrutiny Committee had formed a Working Group looking into Homelessness. They had recently had their first meeting where it was requested that a Member from the Homes PDG be invited to join the group since this was a shared area of interest. It was **AGREED** that Cllr Mrs G Doe would join the Working Group.
- He reminded the Group that following the next meeting on 12 September 2017 there would be an informal meeting of the Group with the Director of Operations and lead officers to discuss the approach to developing policy going forwards.

18 **REVIEW OF THE HOUSING SERVICE FIRE RISK IN COMMUNAL AREA POLICY (00:05:35)**

The Group had before it a report * from the Housing Services Manager reviewing the Fire Risk in Communal Areas policy. The contents of the report were outlined with

the officer stating the policy had been due for review and it had been coincidental that this had coincided with the recent Grenfell Tower disaster.

The following was highlighted within the report:

- In recent months there had been several incidents in one of the Council's schemes which had involved the Devon Fire and Rescue Service. As a result of these they had assisted with a review of the Council's fire prevention policy and procedures. They had been content with the policy but had suggested some further improvements mainly around the area of fire risk assessments. In addition to this there had been suggestions from other colleagues in the Public Health and Environmental Health areas.
- A system of fire risk assessments were now in place taking into consideration such issues as sight problems and English not being a first language. These were regularly reassessed to reflect the needs of the tenants living in a property at any one time.
- Since the Grenfell Tower disaster the Council had received a number of Freedom of Information requests relating to fire safety.

Consideration was given to the following:

- Ward Members were being kept informed when incidents of fire happened.
- There was now a zero tolerance policy with regard to anything being left in communal areas. This included mobility scooters which housed combustible batteries and needed to be stored in alternative locations.
- Social media was a very useful tool for informing tenants about fire safety and a regular newsletter in hard copy was sent to all tenants.
- There was increased signage in relation to fire throughout all Council owned blocks.
- Alleyways also needed to be kept clear but this was a difficult area since sometimes an alleyway formed part of someone's tenancy.
- The Housing Service worked with the Fire Service to offer home fire safety checks.

RECOMMENDED to the Cabinet that the revised Fire Risk in Communal Areas Policy be amended to include a reference to the fact that the Private Sector Housing lead officer had been consulted and that the revised policy as amended be approved.

(Proposed by Councillor Mrs H Bainbridge and seconded by Mrs G Doe)

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

19 **PRIVATE SECTOR HOUSING FEES AND CHARGES - CIVIL PENALTIES (00:22:30)**

The Group had before it a report * from the Public Health and Professional Services Manager updating Members with the proposed civil penalty fines for Housing Act 2004 offences as an alternative to prosecution, as discussed in the fees and charges paper of 14th March 2017.

The contents of the report were outlined with reference to the following:

- Section 126 and schedule 9 of the Housing and planning Act 2016 came into force on 6 April 2017. These provisions gave the Council as the local housing authority the power to issue a financial penalty for certain housing offences as an alternative to prosecution.
- The policy set out the proposed rationale for determining when to pursue prosecution and when to apply a civil penalty.
- The Group were referred to the table showing three categories of landlord and the different categories of offences and fines within that. The lowest fine would be £750 and the maximum under the legislation would be £30,000.
- There was a provision under the legislation for the Council to use the newly created register of rogue landlords and it was proposed this would be the case where a landlord had received two or more civil penalties in a specified period.

Discussion took place regarding:

- What powers did the Council have if a landlord denied responsibility for a poor standard of housing? It was explained that an improvement notice could be served but it would need to be established that the tenant had first tried to resolve the matter with the landlord and had put their complaint in writing. Often the threat of enforcement action, including a civil penalty in the future would be enough to secure an improvement.
- All enforcement and legal work in relation to these matters was undertaken in-house.
- It was confirmed that any income received by way of civil penalties did not go back into a general pot within the General Fund but instead was ring-fenced for use in the future enforcement of private sector housing standards.
- Debt would be recovered by bailiffs if over a certain amount.
- The decision on whether to use civil penalty powers (and to what extent) or to seek a prosecution would be made by the Service Manager or Director in conjunction with legal services.

RECOMMENDED to the Cabinet that the proposed civil penalties approach and the fines as set out in the report be approved.

(Proposed by Cllr R J Dolley and seconded by Cllr Mrs G Doe)

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

20 **FUEL POVERTY UPDATE (00:41:38)**

The group had before it, and **NOTED**, a briefing paper * from the Public Health and Professional Services Manager providing an update on the Fuel Poverty Strategy and initiatives for residents in Mid Devon.

The contents of the report were outlined with reference to the following:

- Mid Devon had a higher than average number of people living in fuel poverty who were unable to keep their homes warm at a reasonable cost. It was felt that this was systematic of the fact that Mid Devon was a rural area and had a

mild temperate climate. There was a preference for open fires, fresh air and there was a low turnover of properties meaning less home upgrades.

- The Home Energy Conservation Act 1995 (HECA) required local authorities to produce a plan to achieve improved home energy efficiency.
- Common health conditions caused by fuel poverty included a wide range of both physical and mental health impacts. Fuel poverty was also socially excluding as often people were less mobile because they were trying to keep themselves warm and less likely to invite people into their home.
- The Council together with the County Council and all other non-unitary councils worked in partnership with the Cosy Devon (E-On) who were part of the Government backed ECO scheme. If a resident was on income related benefits they could also be eligible for free loft insulation, free cavity wall insulation or a replacement boiler.
- There was also a local energy advice programme which could help with such issues as draft proofing or radiator foils. There was also the option of a low cost Wessex loan.
- Implementation of the energy switching scheme was now well advanced and under final contract review.

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

21 **UPDATE ON THE WESSEX SCHEME (00:58:40)**

The Public Health and Professional Services Manager provided the Group with a verbal update in relation to the Wessex scheme, this included the following:

- The recent pilot had been very successful with a large increase in the uptake of loans.
- Approval time had been reduced to 8 weeks on average. This had been a significant factor in the increased take up of loans since previously some people had dropped out of the system because it had taken too long.
- An approach had been made to Devon County Council for some funding under the Home Assistance Scheme and the Council had been successful in receiving £100k to put into the Wessex Scheme.
- Increased advertising and drop in sessions, as well as working with partner agencies such as Age UK, had also helped to promote the scheme.
- A new contract would be drawn up between the Council and Wessex once negotiations regarding the terms had been completed.

A further update would be brought to the next meeting.

22 **PERFORMANCE AND RISK REPORT FOR 2017-18 (01:05:12)**

The Group had before it, and **NOTED**, a report * from the Director of Operations providing Members with an update on performance against the Corporate Plan and local service targets for 2017/18 as well as providing an update on the key business risks. It was explained that there were now clearer links to the Corporate Plan aims within the report.

Discussion took place regarding:

- Percentage of Properties with a Valid Gas Safety Certificate (LGSR): MDDC had been extending the mains gas network via the modernisation contract. The Gas Administrator had carried out reconciliation of known and expected properties with gas supplies and had discovered 3 expired LGSRs because the addresses had not been added to the contract after a new supply was installed. The servicing of these properties was prioritised and LGSRs subsequently issued (7/06/2017).
- The physical and mental well-being of officers had been identified as a medium risk. It was confirmed by the Housing Services Manager that in her profession housing officers were quite often subjected to verbal abuse. This was to some extent inevitable given housing officers made home visits to people sometimes living in crisis, or having alcohol or drug related problems. It was important to be alert to the fact that officers working on the front line had the potential to be working under a lot of stress. As a way of mitigating this it was explained that there were a lot of opportunities for officers to 'let off steam' as well as a counselling scheme and work based coaches.

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

23 **REVENUE AND CAPITAL OUTTURN 2016/17 (01:13:55)**

The Group had before it, and **NOTED**, a report * from the Director of Finance, Assets & Resources presenting the revenue and capital outturn figures for the financial year 2016/17.

The key messages within the report were as follows:

- The General Fund had finished the financial year with a small surplus of £30k
- The balance on the Housing Revenue Account had not moved and remained at £2m.
- The money in the housing maintenance fund helped to fund the 30 year plan for major works such as the replacement of roofs, boilers and heating systems.
- There had been a reduction in staff costs within the housing and tenancy teams.

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

24 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:20:00)**

In addition to the items already listed in the work programme for the next meeting, the following was requested to be on the agenda:

- Update on the Wessex Scheme

(The meeting ended at 3.35 pm)

CHAIRMAN

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HOMES PDG
5 SEPTEMBER 2017

PERFORMANCE AND RISK REPORT FOR 2017-18

Cabinet Member Cllr Ray L Stanley
Responsible Officer Director of Operations, Andrew Pritchard

Reason for Report: To provide Members with an update on performance against the corporate plan and local service targets for 2017/18 as well as providing an update on the key business risks.

RECOMMENDATION(S): That the PDG reviews the Performance Indicators and Risks that are outlined in this report and feeds back any areas of concern to the Cabinet.

Relationship to Corporate Plan: Corporate Plan priorities and targets are effectively maintained through the use of appropriate performance indicators and regular monitoring.

Financial Implications: None identified

Legal Implications: None

Risk Assessment: If performance is not monitored we may fail to meet our corporate and local service plan targets or to take appropriate corrective action where necessary. If key business risks are not identified and monitored they cannot be mitigated effectively.

Equality Impact Assessment: No equality issues identified for this report.

1.0 Introduction

- 1.1 Appendix 1 provides Members with details of performance against the Corporate Plan and local service targets for the 2017/18 financial year.
- 1.2 Appendix 2 shows the section of the Corporate Risk Register which relates to the Homes Portfolio. See 3.0 below.
- 1.3 Appendix 3 shows the profile of all risks for Homes for this quarter.
- 1.4 All appendices are produced from the corporate Service Performance And Risk management system (SPAR).

2.0 Performance

- 2.1 Regarding the Corporate Plan Aim: **Build more council houses:** No new **Council Houses** were completed in 2016/17 nor so far in 2017/18 however work has re-commenced on Birchen Lane and Palmerston Park.

- 2.2 Regarding the Corporate Plan Aim: **Facilitate the housing growth that Mid Devon needs, including affordable housing:** 23 empty homes have been brought back into use against an annual target of 25 for 2017/18 so far which is excellent. **Number of Affordable Homes Delivered** was 26 for the first quarter of 2017/18, the first time target has been exceeded for over 2 years.
- 2.3 Regarding the Corporate Plan Aim: **Planning and enhancing the built environment:** The Local Plan is now at the Examination stage with preliminary hearings scheduled for September at Phoenix House.
- 2.4 **Percentage of Properties with a Valid Gas Safety Certificate** (LGSR): 4 properties have expired certification, an increase of 1 from last month, 2 of these are unoccupied, the other 2 are being pursued in accordance with our policy.
- 2.5 The **Rent Collected as a Proportion of Rent Owed** was 96.87% in July against a target of 100% however, **Rent Arrears as a Proportion of Annual Rent Debit** was 1.30%, against a target of 1%; this is still in the top quartile when compared with HouseMark. The impact of welfare reform is now being felt the service will be looking at ways to mitigate this in the Service Business Plan for next year. Over the next couple of years as the effects of the introduction of Universal Credit are finally felt we cannot expect to continue achieving collection rates of 100%.
- 2.6 When benchmarking information is available it is included.

3.0 Risk

- 3.1 The Corporate risk register has been reviewed by Management Team (MT) and updated. Risk reports to committees include risks with a total score of total score of 10 or more. (See Appendix 2)
- 3.2 Appendix 3 shows the risk matrix for MDDC for this quarter. If risks are not scored they are included in the matrix at their inherent score which will be higher than their current score would be.

4.0 Conclusion and Recommendation

- 4.1 That the PDG reviews the performance indicators and risks for 2017/18 that are outlined in this report and feeds back any areas of concern to the Cabinet.

Contact for more Information: Catherine Yandle, Audit Team Leader ext 4975

Circulation of the Report: Management Team and Cabinet Member

Corporate Plan PI Report Homes

Monthly report for 2017-2018
 Arranged by Aims
 Filtered by Aim: Priorities Homes
 For MDDC - Services

Key to Performance Status:

Performance Indicators:

No Data

Well below
target

Below target

On target

Above target

Well above
target

*
 indicates that an entity is linked to the Aim by its parent Service

Corporate Plan PI Report Homes

Priorities: Homes

Aims: Build more council houses

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Build Council Houses	0 (1/4)	0	13	0	0	0	0									0 (4/12)	Angela Haigh	

Aims: Facilitate the housing growth that Mid Devon needs, including affordable housing

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Number of affordable homes delivered (gross)	16 (1/4)	31	80	n/a	n/a	26	n/a	n/a		n/a	n/a		n/a	n/a		26 (1/4)	Angela Haigh	(Quarter 1) Please note 1 subject to verification, was and Cornwall Housing Association confirm if they had more completed in Cullompton
Deliver 15 homes per year by bringing Empty Houses into use	3 (4/12)	33	25	7	11	13	23									23 (4/12)	Simon Newcombe	

Aims: Other

Performance Indicators

Title	Prev Year (Period)	Prev Year End	Annual Target	Apr Act	May Act	Jun Act	Jul Act	Aug Act	Sep Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Actual to Date	Group Manager	Officer Notes
Number of Successful Homelessness Prevention Cases	70 (1/4)	295	No Target - for information only			n/a		n/a		99		n/a	n/a			99 (1/4)		
% Decent Council Homes	100.00% (4/12)	100.00%	100.00%	99.93%	99.93%	99.97%	99.93%									99.93% (4/12)		
% Properties With a Valid Gas Safety Certificate	99.87% (4/12)	99.86%	100.00%	99.95%	99.64%	99.87%	99.82%									99.82% (4/12)		
Rent Collected as a Proportion of Rent Owed	97.77% (4/12)	100.18%	100.00%	93.76%	95.18%	96.25%	96.87%									96.87% (4/12)		
Current Tenant Arrears as a Proportion of Annual Rent Debit	1.08% (4/12)	0.60%	1.00%	0.93%	1.06%	1.16%	1.30%									1.30% (4/12)		
Dwelling rent lost due to voids	0.7% (4/12)	0.5%	no target - for information only	0.4%	0.5%	0.5%	0.5%									0.5% (4/12)		
Average Days to Re-Let Local Authority Housing	18.0days (4/12)	15.7days	16.0days	14.0days	13.9days	14.9days	14.1days									14.1days (4/12)		

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Homes PDG Risk Management Report - Appendix 2

Report for 2017-2018

For Homes - Cllr Ray Stanley Portfolio

Filtered by Flag: Include: * CRR 5+ / 15+

For MDDC - Services

Filtered by Performance Status: Exclude Risk Status: Low

Not Including Risk Child Projects records or Mitigating Action records

Key to Performance Status:

Risks: **No Data (0+)** **High (15+)** **Medium (6+)** **Low (1+)**

Homes PDG Risk Management Report - Appendix 2

Risk: Affordable and Council Housing Demand Housing supply does not meet local demand or reflect demographic shifts like increased demand for single occupancy

Effects (Impact/Severity): • Increased costs for paying for private accommodation to house homeless
• Increase in number of homeless people in Mid Devon

Causes (Likelihood): • Impact of economic downturn and reduced funding has reduced number of affordable housing units being built
• Under-occupation in existing stock
• Reduction in number of Right to Buys results in less HRA funding available for new builds

Service: Housing Services

Current Status: Medium (12)	Current Risk Severity: 4 - High	Current Risk Likelihood: 3 - Medium
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Service Manager: Claire Fry

Review Note: There is still a significant deficit between permissions granted and build-out rates

Risk: Evictions Tenants being evicted could become violent.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)	Current Risk Severity: 5 - Very High	Current Risk Likelihood: 2 - Low
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Service Manager: Claire Fry

Review Note:

Homes PDG Risk Management Report - Appendix 2

Risk: Five year housing land Supply Risk: Housing land supply. Inability to demonstrate the required 5 year housing land supply (+20%) until Local Plan Review approved

Effects (Impact/Severity): Effects (Impact /severity):

- Receipt of speculative housing applications in unplanned locations with less community benefit and less infrastructure / coordination compared with allocated sites.
- Objections
- Pressure on major application appeal performance (Government indicator of quality of decision making). Risk of intervention: loss of fee and less local control over major application decision making.

Causes (Likelihood): - Lack of sufficient housing completions, housing market conditions.

Service: Planning

Current Status: High (15)

Current Risk Severity: 3 - Medium

Current Risk Likelihood: 5 - Very High

Service Manager: Jenny Clifford

Review Note: Found to not have sufficient housing supply at appeal. Mitigation principally via new Local Plan once adopted. Close monitoring of applications, decisions and associated appeal performance.

Risk: Hoarding Some tenants are known hoarders but we have policies in place and we do regular inspections.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Claire Fry

Review Note:

Homes PDG Risk Management Report - Appendix 2

Risk: Homelessness Insufficient resources to support an increased homeless population could result in failure to meet statutory duty to provide advice and assistance to anyone who is homeless.

Effects (Impact/Severity): - Dissatisfied customers and increase in complaints.

- This will involve an increase in officer time in dealing with Homelessness prevention and early intervention.

- Possible increase in temporary accommodation usage.

Causes (Likelihood): - Social and economic factors like the recession and mortgage repossessions increase the number of homeless.

- Lack of private sector housing.

Service: Housing Services

Current Status: High (16)

Current Risk Severity: 4 - High

Current Risk Likelihood: 4 - High

Service Manager: Michael Parker

Review Note: It is likely that the new Homelessness Reduction Act 2017 will place additional responsibilities on the Council.

Risk: Impact of Welfare Reform and other emerging National Housing

Policy Changes to benefits available to tenants could impact upon their ability to pay. Other initiatives could impact upon our ability to deliver our 30 year Business Plan.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: High (15)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 3 - Medium

Service Manager: Claire Fry

Review Note:

Risk: Reputational re Council Housing Stock Handling a disaster/mistake properly would prevent any reputation damage.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status: Medium (10)

Current Risk Severity: 5 - Very High

Current Risk Likelihood: 2 - Low

Service Manager: Claire Fry

Review Note:

Homes PDG Risk Management Report - Appendix 2

Risk: Stress The physical and mental well-being of Officers could be affected by work environment and pressures caused by work demands and work relationships.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (12)

Current Risk Severity: 3 -
Medium

Current Risk Likelihood: 4 -
High

Service Manager: Claire Fry

Review Note:

Risk: Tenants with Complex Needs As our housing stock shrinks, the proportion of such tenants will increase.

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (12)

Current Risk Severity: 4 -
High

Current Risk Likelihood: 3 -
Medium

Service Manager: Claire Fry

Review Note:

Risk: Widespread fire in block of flats Fire in our multiple occupancy properties, could result in widespread damage, injury or even death

Effects (Impact/Severity):

Causes (Likelihood):

Service: Housing Services

Current Status:
Medium (10)

Current Risk Severity: 5 -
Very High

Current Risk Likelihood: 2 -
Low

Service Manager: Mark Baglow

Review Note: The Corporate H & S Officer has now carried out Fire Risk Assessments in the common rooms at Broad Lane and Westfield Road.

Housing Caretakers inspect communal areas on a 5 week cycle, which includes checking fire exit doors and signage.

Any issues are reported to the relevant Neighbourhood Officer.

Printed by: Catherine
Yandle

SPAR.net

Print Date: 19 August 2017
15:27

Risk Matrix Homes Appendix 3

Report
Filtered by Service: Housing Services
Current settings

Risk Likelihood	5 - Very High	No Risks	No Risks	No Risks	No Risks	No Risks
	4 - High	No Risks	No Risks	1 Risk	1 Risk	No Risks
	3 - Medium	No Risks	No Risks	No Risks	2 Risks	2 Risks
	2 - Low	No Risks	1 Risk	6 Risks	2 Risks	4 Risks
	1 - Very Low	1 Risk	1 Risk	No Risks	1 Risk	5 Risks
		1 - Very Low	2 - Low	3 - Medium	4 - High	5 - Very High
		Risk Severity				

Printed by: Catherine Yandle

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Print Date: 19 August 2017 15:28

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CABINET **3 August 2017**

FINANCIAL UPDATE FOR THE THREE MONTHS TO 30 JUNE 2017

Cabinet Member Cllr Peter Hare-Scott
Responsible Officer Andrew Jarrett – Director of Finance, Assets & Resources

Reason for Report: To present a financial update in respect of the income and expenditure so far in the year.

RECOMMENDATION(S): 1. The Cabinet note the financial monitoring information for the income and expenditure for the three months to 30th June 2017.

Relationship to the Corporate Plan: The financial resources of the Council impact directly on its ability to deliver the corporate plan; prioritising the use of available resources brought forward and any future spending will be closely linked to key Council pledges from the updated Corporate Plan.

Financial Implications: Good financial management and administration underpins the entire document.

Legal Implications: None.

Risk Assessment: Regular financial monitoring information mitigates the risk of over or underspends at year end and allows the Council to direct its resources to key corporate priorities.

Equality Impact Assessment: It is considered that the impact of this report on equality related issues will be nil.

1.0 Introduction

- 1.1 The purpose of this report is to highlight to Cabinet our current financial status and the likely reserve balances at 31 March 2018. It embraces both revenue, in respect of the General Fund and the Housing Revenue Account (HRA), and capital and aims to focus attention on those areas which are unlikely to achieve budget. It is particularly important for next year's budget setting and, looking further ahead, with the medium term financial plan.
- 1.2 Favourable variances generating either increased income or cost savings are expressed as credits (negative numbers), whilst unfavourable overspends or incomes below budget are debits (positive numbers). This report only includes budget variances of circa £10k as the purpose of the report is to concentrate on material issues that may require further investigation/action. Budget variances are expressed net of budgeted transfers to or from earmarked reserves, which were previously approved by Cabinet. A more detailed analysis will be provided with the final outturn report for the year.

2.0 Executive Summary of 2017/18

- 2.1 The table below shows the opening position of key operational balances of the Council, the forecast in year movements and final predicted position at 31 March 2018:

Usable Reserves	31/03/2017	Forecast in year movement	31/03/2018
	£k	£k	£k
Revenue			
General Fund (see paragraph 3.2)	(2,241)	130	(2,111)
Housing Revenue Account (see paragraph 4.2)	(2,000)	0	(2,000)
Capital			
Major Repairs Reserve	0	0	0
Capital Receipts Reserve	(2,438)	(596)	(3,034)
Capital Contingency Reserve	(471)	165	(306)

3.0 The General Fund Reserve

- 3.1 This is the major revenue reserve of the Council. It is increased or decreased by the surplus or deficit generated on the General Fund in the year. This reserve held a balance of £2,241k as at 31/03/17.
- 3.2 The forecast General fund deficit for the current year is £130k as shown at Appendix A. The most significant *service* movements this month comprise:

Income shortfalls in Leisure Services	£138k
Income shortfalls for Building Control Partnership	£27k

- 3.3 The major variances are highlighted at Appendix B. The current incomes from our major funding streams are shown at Appendix C, whilst current employee costs are shown at Appendix D.

4.0 Housing Revenue Account (HRA)

- 4.1 This is a ring-fenced account in respect of the Council's social housing function. Major variances and proposed corrective action are highlighted at Appendix F.
- 4.2 Appendix E shows that the reserve opening balance is £2m. It is anticipated that the forecast variance of £175k surplus will increase the budgeted transfer to the Housing Maintenance Fund and so the HRA reserve balance should remain at £2m.

4.3 Overall, the HRA is forecast to underspend by £175k in 2017/18, the most significant items of which comprise the following:

- £162k of savings across Repairs & Maintenance, made up of the following
 - £120k surplus generated by the Direct Labour Operation (DLO) carrying out more adaptation work than planned
 - £42k of various staffing savings including apprentice vacancies
- £40k shortfall is forecast on dwelling rent since this area is slightly behind target at this stage

4.4 There are budgeted revenue contributions to capital purchases as follows for 2017/18.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
1 x Tipper Vehicle	32	24	(8)

4.5 The following works are expected to be funded from the Housing Maintenance Fund during 2017/18.

Description	Budget £'000	Forecast Outturn £'000	Variance £'000
Birchen Lane re-development	167	167	0
Palmerston Park	1,185	553	(632)
Queensway development	209	61	(148)
Burlescombe development	214	0	(214)
Stoodleigh development	223	0	(223)
Land Acquisition for Affordable Housing	1,851	251	(1,600)
	3,849	1,032	(2,817)

In addition, £25k is planned to be spent on sewage treatment works and funded by an earmarked reserve.

5.0 Major Repairs Reserve

5.1 The Major Repairs Reserve had a nil balance at 31 March 2017. After this year's capital expenditure and funding of the Major Repairs Reserve the closing balance is forecast to be £0k. Whilst there is forecast slippage of £15k on the Capital Programme relating to 'Major Repairs to Housing Stock' this will remain in the Housing Maintenance Fund and will be used to fund this spend in 2018/19.

6.0 Capital Programme

- 6.1 Capital projects by their very nature often overlap financial years. In some cases it is known from the outset that the construction of buildings may fall into 3 separate accounting years. The status of this year's capital programme is shown at Appendix G.
- 6.2 Committed and Actual expenditure is currently £6,859k against a budgeted Capital Programme of £22,620k. (Note this includes £9,184k of slippage rolled forward from 16/17). As projects often overlap financial years officers have given their best estimate of what is 'deliverable' in 17/18; this amounts to £10,965k (note this forecast will be further refined for next months monitoring). Committed and Actual expenditure will therefore be monitored against this & currently shows an uncommitted amount of £4,106k (£10,965k - £6,859k).
- 6.3 The reduction in the approved Capital Programme to the 'deliverable' programme includes £5,114k in relation to the development project at the rear of the Town Hall which will now be delivered by the Special Purpose Vehicle Company (SPV).
- 6.4 At this stage in the year there are no forecast underspend or overspend for 2017/18. However there is a small amount of slippage predicted in relation to works required to maintain our Council Houses of £15k in relation to the Garage Refurbishment Programme.

7.0 Capital Contingency Reserve

- 7.1 The Capital Earmarked Reserve has been set aside from Revenue to fund Capital Projects; the movement on this reserve is projected below:

	£k
Capital Earmarked Reserve at 1 April 2017	(471)
Funding required to support 2017/18 Capital Programme	165
Forecast Balance at 31 March 2018	(306)

8.0 Capital Receipts Reserve (Used to fund future capital programmes)

- 8.1 Unapplied useable capital receipts are used to part fund the capital programme, the movement on this account for the year to date is given below:

	£k
Unapplied Useable Capital Receipts at 1 April 2017	(2,438)
Net Receipts to date (includes 11 "Right to Buy" Council House sales & sale of land at Station Yard)	(1,150)
Current Balance	(3,588)

Forecast further capital receipts in year	(750)
Forecast capital receipts to be applied in year	1,304
Forecast Unapplied Capital Receipts c/fwd. 31 March 2018	(3,034)

- 8.2** Please note the majority of these balances on the Capital Contingency Reserve and the Capital Receipts Reserve are required to balance the Medium Term Financial Strategy.

9.0 Treasury Management

- 9.1** The interest position so far this financial year can be summarised as follows:

Interest Receivable:

	Budget £k	Forecast outturn £k	Forecast variance £k
Investment Income Received	(259)	(259)	0
Interest from HRA funding	(54)	(54)	0
Total Interest Receivable	(313)	(313)	0

10.0 Conclusion

- 10.1** Members are asked to note the revenue and capital forecasts for the financial year. Managers are working hard to offset overspends, many unavoidable or unforeseen, with budget savings to deliver an outturn close to the budget.
- 10.2** Following several years of austerity, the financial monitoring process has become even more important and service managers' efforts have resulted in a number of relatively small overspends in a few areas. This, of course, is an early stage in the year and so it is likely that future monitoring reports will include updated forecasts that make use of the latest information known at the time.

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Circulation of the Report:

Cllr Peter Hare-Scott, Management Team

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**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE
PERIOD 01 APRIL TO 30 JUNE 2017**

			2017/18 Annual Budget	Full Year Forecast (0 = On budget)	Variance
Com	General Fund Summary	Note	£	£	%
	Cllr C J Eginton				
CM	Corporate Management	A	1,587,680	0	0.0%
LD	Legal & Democratic Services: Member/Election Services	B	576,570	6,000	1.0%
PR	Land charges	Q	(32,830)	0	0.0%
	Cllr K Busch				
CP	Car Parks	C	(592,390)	6,000	1.0%
ES	Cemeteries & Bereavement Services	D	(34,850)	(5,000)	14.3%
ES	Open Spaces	F	85,410	0	0.0%
GM	Grounds Maintenance	E	541,150	0	0.0%
WS	Waste Services	H	1,598,920	0	0.0%
	Cllr C R Slade				
CD	Community Development	I	82,700	2,300	2.8%
ES	Environmental Services incl. Licensing	D	599,780	0	0.0%
IT	IT Services	Q	859,450	23,000	2.7%
RS	Recreation And Sport	J	46,640	147,000	315.2%
	Cllr P H D Hare-Scott				
FP	Finance And Performance	K	592,620	0	0.0%
RB	Revenues And Benefits	L	256,180	(10,000)	-3.9%
	Cllr R L Stanley				
ES	ES: Private Sector Housing Grants	D	163,900	0	0.0%
HG	General Fund Housing	M	251,340	5,000	2.0%
PS	Property Services	G	218,850	0	0.0%
	Cllr R J Chesterton				
CD	Community Development: Markets	I	34,420	12,000	-34.9%
PR	Planning And Regeneration	N	1,223,710	10,500	0.9%
	Cllr M Squires				
CS	Customer Services	O	794,300	0	0.0%
ES	Environment Services - Public Health	D	94,860	0	0.0%
HR	Human Resources	P	416,110	0	0.0%
LD	Legal & Democratic Services: Legal Services	B	255,200	(4,000)	-1.6%
	All General Fund Services		9,619,720	192,800	2.0%
	Net recharge to HRA		(1,245,730)	0	
IE260	Interest Payable		143,680	0	
IE290	Interest Receivable on Investments		(254,000)	0	
IE290	Interest from Funding provided for HRA		(54,000)	(677)	
IE435	New Homes Bonus Grant		(1,721,980)	0	
	Sundry Grants			0	
IE800	Statutory Adjustments (Capital charges)		398,370	0	
TREMR	Net Transfer to/(from) Earmarked Reserves	APP B	1,645,010	(62,520)	
	TOTAL BUDGETED EXPENDITURE		8,531,070	129,603	1.5%
30/IE440	Formula Grant (RSG & NNDR)		(2,762,760)	0	
IE431	Rural Services Delivery Grant		(374,510)	0	
IE432	Transitional Grant		(31,510)	0	
IE410	Council Tax		(5,356,390)	0	
IE439	CTS Funding Parishes		46,960	0	
IE420	Collection Fund Surplus		(52,860)	0	
	TOTAL BUDGETED FUNDING		(8,531,070)	0	0%
	Forecast in year (Surplus) / Deficit		0	129,603	
EQ700	General Fund Reserve 01/04/17			(2,241,085)	
	Forecast General Fund Balance 31/03/18			(2,111,482)	

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 JUNE 2017

Note	Description of Major Movements				Full Year Forecast Variance (Net of Trf to EMR)
B	Legal & Democratic Services				
	Minor variances in Electoral Registration				6,000
	Minor variances in Legal Services				(4,000)
					2,000
C	Car Parks				
	P&D income down against budget for 1st qtr due to P&D machine replacement, still to early to predict a yearend forecast.				6,000
					6,000
D	Environmental Services combined				
	Cemetery income above profile for the 1st Qtr, will review month by month.				(5,000)
					(5,000)
H	Waste Services				
	Trade waste - income is down due to losing a couple of big customers				40,000
	Trade waste - less in landfill disposal charges				(40,000)
					0
I	Community Development				
	Market Income - Market Manager actively seeking new traders, however footfall in Tiverton is down				12,000
	Grant spend (covered by Seed Fund ear marked reserve)				2,300
					14,300
J	Recreation And Sport				
	All sites Income: revised growth based upon 16/17 Outturn				138,000
	All sites Rates: charges exceeded annual budget				9,000
					147,000
L	Revenues And Benefits				
	Housing Benefit Subsidy				(10,000)
					(10,000)
M	General Fund Housing				
	Minor variances				5,000
					5,000

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 JUNE 2017

Note	Description of Major Movements				Full Year Forecast Variance (Net of Trf to EMR)
N	Planning And Regeneration				
	Building Control Partnership Income-Mgr forecast 17/18 Outturn				27,000
	Enforcement: Staff vacancy				(16,000)
	Development Mgt: Staff vacancies				(24,000)
	Tiverton EUE: Ongoing expenditure (fully funded from EMR)				4,500
	Garden Village: Ongoing expenditure (fully funded from EMR)				19,000
					10,500
Q	I.T. Services				
	The current contract for data lines procured through DCC is expiring, new infrastructure is required				14,000
	Salary overspend due to JE regrade - this forecast may change as the service is currently going through a restructure				9,000
					23,000
	FORECAST (SURPLUS)/DEFICIT AS AT 31/03/18				192,800

Cabinet		15,000
Community		159,800
Homes		5,000
Environment		(5,000)
Economy		18,000
		192,800

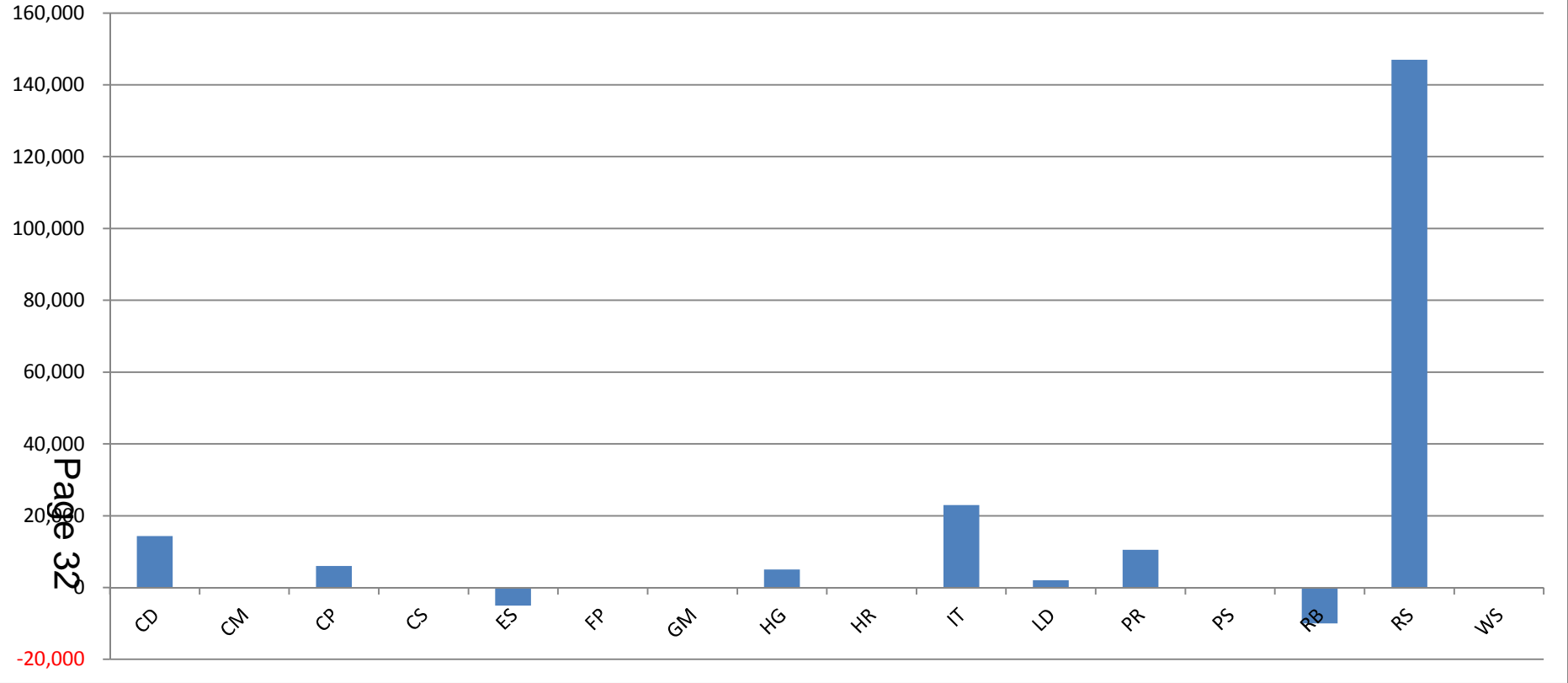
**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL
TO 30 JUNE 2017**

Committee	Net Transfers to / from Earmarked Reserves	(Net Trf to EMR)
CM	Corporate Management	
LD	Legal & Democratic Services: Member/Election Services	
	LD201 Election costs - District	20,000
	LD300 Democratic Rep & Management	5,000
	LD600 Legal Services	(16,180)
CP	Car Parks	
ES	Environmental Services combined	
	ES100 Cemeteries	
	ES450 Parks and Open Spaces	
	ES450 Parks and Open Spaces	
	ES580 Pool Car Running costs	
	ES660 Control of Pollution	
	ES730 Environmental Enforcement	
	ES361 Public Health	
GM	Grounds Maintenance	
	GM960 Grounds Maintenance	
	GM960 Grounds Maintenance	
OS	Open Spaces	
	EQ643 W70 Developers Contribution	
	EQ640 W52 Popham Close Comm Fund	
	EQ641 W67 Moorhayes Com Dev Fund	
	EQ642 W69 Fayrecroft Willand Ex West	
	EQ638 Dev Cont Linear park	
	EQ644 Dev Cont Winswood Crediton	
PS	Property Services	
	PS350 Public Conveniences	
	PS980 Property Services Staff Unit	
WS	Waste Services	
	WS650 Street Cleaning - Vehicle Sinking Fund	56,470
	WS650 Street Cleaning - Litter Buster Team	(44,600)
	WS700 Refuse Collection - Litter Buster Team	(9,900)
	WS700 Refuse Collection - Vehicle Sinking Fund	217,510
	WS710 Trade Waste - Vehicle Sinking Fund	21,720
	WS725 Kerbside Recycling - Vehicle Sinking Fund	158,810
	WS725 Kerbside Recycling - Equipment Sinking Fund	2,000
	WS770 Unit 3 Carlu Close - Maintenance Sinking Fund	2,700

**GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL
TO 30 JUNE 2017**

Committee	Net Transfers to / from Earmarked Reserves	(Net Trf to EMR)
CD	Community Development	
	CD200 Community Development - GWC grant	(45,000)
	CD200 Grant spend from Seed Fund - EMR released	(2,300)
RS	Recreation And Sport	
FP	Finance And Performance	
RB	Revenues And Benefits	
	RB600 Revenues Misc Income Team Salaries	(20,000)
HG	General Fund Housing	
PR	Planning and Regeneration	
	PR200 Development Control	(294,000)
	PR400 Business Development - Grants & Funding Officer	(21,730)
	PR400 Business Development - Town Centre Manager	(40,700)
	PR400 Business Development	(100,000)
	PR800 Planning Policy	(30,000)
CS	Customer Services	
	CS500 Messenger Services	1,440
	CS900 Central Photocopying	5,000
	CS902 Central Postage	2,500
	CS910 Customer Services Admin	250
	CS932 Customer First	5,000
	CS938 Digital Strategy Staffing	(23,180)
HR	Human Resources	
IT	IT Services	
	IT800 Phoenix House Printer Sinking Fund	9,700
IE	New Homes Bonus monies earmarked for capital and economic regeneration projects	1,721,980
	Net Transfer to / (from) Earmarked Reserves	1,582,490
	Budgeted Net Transfer to Reserves	1,645,010
	Forecast Variance	(62,520)

2017/18 General Fund Projected Outturn Variance £



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Key

+ = Overspend / Income under target - = Savings / Income above budget

CD	Community Development	IT	I.T. Services
CM	Corporate Management	LD	Legal and Democratic
CP	Car Parks	PR	Planning and Regeneration
CS	Customer Services	PS	Property Services
ES	Environmental Services	RB	Revenues and Benefits
FP	Finance and Performance	RS	Recreation and Sports
GM	Grounds Maintenance	WS	Waste Services
HG	General Fund Housing		
HR	Human Resources		

GENERAL FUND FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 JUNE 2017

	2017/18	2017/18	2017/18	2017/18	Full Year	
	Annual Budget	Profiled Budget	Actual	Variance	Forecast	Variance
	£	£	£	£	£	%
Building Control Fees	(280,800)	(70,200)	(60,000)	10,200	27,000	-10%
Planning Fees	(885,000)	(221,250)	(219,096)	2,154	0	0%
Car Parking Fees - See Below	(799,450)	(186,605)	(177,354)	9,251	7,000	-1%
Leisure Fees & Charges	(2,793,060)	(727,699)	(598,390)	129,309	138,000	-5%
Trade Waste Income	(677,500)	(361,036)	(333,581)	27,455	40,000	-6%
Garden Waste	(450,000)	(58,500)	(82,907)	(24,407)		0%
Licensing	(129,410)	(26,651)	(24,455)	2,196		0%
Market Income	(85,400)	(21,350)	(18,996)	2,354	12,000	-14%
	(6,100,620)	(1,673,291)	(1,514,779)	158,512	224,000	-3.7%
<u>Pay and Display</u>					Spaces	Bud Income pa per space
Beck Square,Tiverton	(83,780)	(20,430)	(20,666)	(236)	40	(2,095)
William Street,tiverton	(31,780)	(7,670)	(6,576)	1,094	45	(706)
Westexe South,Tiverton	(47,800)	(12,540)	(13,045)	(505)	51	(937)
Wellbrook Street,Tiverton	(15,540)	(3,920)	(3,573)	347	27	(576)
Market Street,Crediton	(40,420)	(10,040)	(9,815)	225	39	(1,036)
High Street,Crediton	(75,330)	(19,070)	(18,840)	230	190	(396)
Station Road,Cullompton	(41,900)	(11,730)	(9,219)	2,511	112	(374)
Multistorey,Tiverton	(127,980)	(31,760)	(28,996)	2,764	631	(203)
Market Car Park,Tiverton	(220,120)	(51,360)	(49,879)	1,481	122	(1,804)
Phoenix House,Tiverton	(3,680)	(800)	(1,170)	(370)	15	(245)
P&D Shorts & Overs	0	0	409	409	0	0
	(688,330)	(169,320)	(161,371)	7,949	1,272	(8,373)
Day Permits	(31,000)	(2,000)	(788)	1,212		
Allocated Space Permits	(39,420)	(910)	89	999		
Overnight Permits	(1,000)	(250)	0	250		
Day & Night Permits	0	0	(1,375)	(1,375)		
Other Income	(39,700)	(14,125)	(13,908)	217		
	(799,450)	(186,605)	(177,353)	9,252		
Standard Charge Notices (Off Street)	(28,000)	(5,870)	(9,829)	(3,959)		

	2017/18	2017/18	2017/18	2017/18
	Annual Budget	Profiled Budget	Actual	Variance
Total Employee Costs	£	£	£	£
General Fund				
Community Development	62,120	15,530	11,839	(3,691)
Corporate Management	1,299,200	324,800	321,151	(3,649)
Customer Services	711,710	177,928	174,148	(3,780)
Environmental Services	981,140	245,285	242,593	(2,692)
Finance And Performance	535,450	133,863	133,142	(721)
General Fund Housing	206,040	51,510	49,916	(1,594)
Grounds Maintenance	442,560	110,640	97,703	(12,937)
Human Resources	341,290	85,323	82,317	(3,006)
I.T. Services	488,880	122,220	127,769	5,549
Legal & Democratic Services	462,960	115,740	131,347	15,607
Planning And Regeneration	1,755,840	438,960	376,530	(62,430)
Property Services	423,430	105,858	94,638	(11,220)
Recreation And Sport	1,828,350	457,088	450,704	(6,384)
Revenues And Benefits	701,690	175,423	162,193	(13,230)
Waste Services	1,986,040	496,510	459,932	(36,578)
	12,226,700	3,056,678	2,915,922	(140,756)
Housing Revenue Account				
BHO09 Repairs And Maintenance	603,330	150,833	148,709	(2,124)
BHO10 Supervision & Management	1,369,080	342,270	350,893	8,623
BHO11 Special Services	37,180	9,295	6,298	(2,997)
	2,009,590	502,398	505,900	3,502
Total	14,236,290	3,559,076	3,421,822	(137,254)

	2017/18	2017/18	2017/18	2017/18
	Annual Budget	Profiled Budget	Actual	Variance
Agency Staff	£	£	£	£
General Fund				
Car Parks	0	0	0	0
Community Development	0	0	0	0
Corporate Management	0	0	0	0
Customer Services	0	0	0	0
Environmental Services	0	0	1,023	1,023
Finance And Performance	0	0	0	0
General Fund Housing	0	0	0	0
Grounds Maintenance	5,000	1,250	6,023	4,773
Human Resources	0	0	0	0
I.T. Services	0	0	0	0
Legal & Democratic Services	0	0	0	0
Planning And Regeneration	0	0	0	0
Property Services	0	0	3,391	3,391
Recreation And Sport	0	0	0	0
Revenues And Benefits	0	0	13,121	13,121
Waste Services	179,250	44,813	40,360	(4,453)
	184,250	46,063	63,917	17,854
Housing Revenue Account				
BHO09 Repairs And Maintenance	0	0	(1,128)	(1,128)
BHO10 Supervision & Management	0	0	0	0
BHO11 Special Services	0	0	0	0
	0	0	(1,128)	(1,128)
Total	184,250	46,063	62,790	16,727

**HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR
THE PERIOD 01 APRIL TO 30 JUNE 2017**

		2017/18 Annual Budget	Forecast	Variance
Housing Revenue Account (HRA)	Notes	£	£	%
Income				
SHO01 Dwelling Rents Income	A	(12,368,590)	40,000	-0.3%
SHO04 Non Dwelling Rents Income	B	(571,420)	(14,000)	2.5%
SHO06 Tenant Charges For Services	C	(350)	0	0.0%
SHO07 Leaseholders' Service Charges	D	(21,640)	0	0.0%
SHO08 Contributions Towards Expenditure	E	(36,470)	0	0.0%
SHO09 Alarm Income - Non Tenants	F	(209,520)	(5,000)	2.4%
SHO10 H.R.A. Investment Income	G	(40,000)	0	0.0%
SHO11 Miscellaneous Income	H	(19,000)	0	0.0%
Services				
SHO13A Repairs & Maintenance	I	3,098,380	(162,000)	0.0%
SHO17A Housing & Tenancy Services	J	1,315,290	(12,000)	-0.9%
SHO22 Alarms & L.D. Wardens expenditure	K	121,700	(10,000)	-8.2%
Accounting entries 'below the line'				
SHO29 Bad Debt Provision Movement	L	25,000	0	0.0%
SHO30 Share Of Corporate And Democratic	M	165,320	0	0.0%
SHO32 H.R.A. Interest Payable	N	1,214,500	0	0.0%
SHO34 H.R.A. Transfers between earmarked reserves	O	2,952,820	0	0.0%
SHO36 H.R.A. R.C.C.O.	P	32,000	0	0.0%
SHO37 Capital Receipts Reserve Adjustment	Q	(26,000)	0	0.0%
SHO38 Major Repairs Allowance	R	2,275,000	(12,000)	-0.5%
SHO45 Renewable Energy Transactions	S	(130,000)	0	0.0%
		(2,222,980)	(175,000)	-7.9%
Net recharge to HRA		1,245,730		
Capital Charges		977,250		
Net Housing Revenue Account Budget		0		

Housing Revenue Account	£k
Total HRA reserve as at 01/04/7	(2,000)
Forecast movement in the year	0
Forecast HRA reserve as at 31/03/18	(2,000)

Housing Maintenance Fund	£k
Opening balance	10,970
Reserve utilised for capital works (see appendix G)	(1,032)
Budgeted transfer to reserves	2,182
Forecast variance for the year (see above)	175
Forecast closing balance	12,295

Renewable Energy Fund	£k
Opening balance	455
Expenditure forecast for this year (see appendix G)	(98)
Net income forecast for this year	130
Forecast closing balance	487

HOUSING REVENUE ACCOUNT FINANCIAL MONITORING INFORMATION FOR THE PERIOD 01 APRIL TO 30 JUNE 2017

Note	Description of Major Movements	Corrective Action	Forecast
			Variance £
A	Dwelling rent is 0.3% behind target	N/A	40,000
B	Garage voids are lower than budgeted	N/A	(14,000)
F	Minor variance	N/A	(5,000)
I	Significantly more time than expected will be spent on adaptations work, leading to a transfer of costs	N/A	(120,000)
	Underspends due to staffing vacancies	N/A	(42,000)
J	Minor savings forecast	N/A	(12,000)
K	Minor savings forecast	N/A	(10,000)
R	MRA is forecast to spend £2,263k	N/A	(12,000)
		TOTAL	(175,000)

MID DEVON DISTRICT COUNCIL
MONITORING OF 2017/18 CAPITAL PROGRAMME

[Appendix G](#)

Code	Scheme	Approved Capital Programme 2017/18	Total Slippage B/fwd & Adj to Approved Capital Programme 17/18	Budgeted Capital Programme 2017/18	Deliverable Capital Programme 2017/18	Actual Expenditure 2017/18	Committed Expenditure 2017/18	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 18/19	Notes
		£	£	£		£	£	£	£	£	£	
	General Fund Projects											
	Lords Meadow Leisure Centre											
CA624	Main car park resurfacing		50,000	50,000	50,000	0	0	0	(50,000)			
	Exe Valley Leisure Centre											
CA630	Exe Valley Leisure Centre - Replenish sand filters	25,000	0	25,000	25,000	0	0	0	(25,000)			
CA627	EVLC - Pressure set replacement Hot/Cold		50,000	50,000	50,000			0	(50,000)			
CA626	EVLC - Fitness extension		657,000	657,000	657,000	70,996	696,247	767,243	110,243			This variance includes contingency included in the contract & wet side improvement works amounting to £43k in 16/17
	Culm Valley Leisure Centre											
CA631	CVSC replace end of life AC for fitness Gym	30,000	0	30,000	30,000	0	0	0	(30,000)			
	Pannier Market											
CA509	Pannier Market - Improvement Project back log maintenance	60,000	0	60,000	60,000	43,842	0	43,842	(16,158)			
CA507	Tiverton Pannier Market Pippens		70,000	70,000	0	0	0	0	0			This Project will no longer be undertaken
CA508	Pannier Market Clock Tower		12,000	12,000	12,000	18,592	6,170	24,762	12,762			
	MSCP Improvements											
CA709	MSCP improvements (refer to Matrix condition report)		139,000	139,000	70,000	0	7,098	7,098	(62,902)			Spend on this project will be undertaken with consideration to proposed Premier Inn project
	MDDC Shops/Industrial Units											
CA510	Energy Assessment works - new legislation - Indust Units/Shops/Mkt Walk	50,000	0	50,000	25,000	0	0	0	(25,000)			This Project is likely to straddle 17/18 & 18/19 Financial years
	Play Areas											
CA632	Play area refurbishment District wide - Amory Park Tiverton	50,000	0	50,000	0	0	0	0	0			This project is likely to be delivered in 18/19
CA628	Play area refurbishment - West Exe Recreation Ground Tiverton		50,000	50,000	0	0	2,300	2,300	2,300			This project is likely to be delivered in 18/19
	Other Projects											
CA460	Credition Office - Structural improvement work	30,000	0	30,000	20,000	0	0	0	(20,000)			Updated forecast of these costs are now £20k
CA461	A361 junction to facilitate Eastern Urban Extension (funded by s106)	1,750,000	0	1,750,000	1,000,000	0	0	0	(1,000,000)			MDDC contribution to DCC to help fund this junction now agreed at £1m
CA455	St Lawrence Green Project		30,000	30,000	30,000	0	0	0	(30,000)			
CA570	Coggans Well building acquisition					268,176	0	268,176	268,176			This acquisition will be funded by Useable Capital Receipts
CA468	Replacement Car park Machines					60,922	7,092	68,014	68,014			This project will be funding by a combinations of EMR's (£20k) & the balance from Useable Capital Receipts
	General Fund Development Schemes											
CA462	Rear of Town Hall development site (6 Houses, 24 Apartments)	5,114,000	0	5,114,000	0	2,464	1,000	3,464	3,464			This project will now be delivered by the SPV & any associated costs novated to the new company
	ICT Projects											
CA433	Unified Comms/telephony	107,000	0	107,000	107,000	0	0	0	(107,000)			
CA456	Digital Transformation replacement of CRM	50,000	50,000	100,000	100,000	0	0	0	(100,000)			
CA463	Secure Wifi replacement	50,000	0	50,000	50,000	0	0	0	(50,000)			
CA464	Parking System Replacement (enforcement)	40,000	0	40,000	40,000	370	0	370	(39,630)			
CA465	Replacement Queue System	30,000	0	30,000	30,000	0	0	0	(30,000)			
CA466	Core System Refreshes - Revs/Bens	20,000	0	20,000	20,000	0	0	0	(20,000)			
CA467	Replacement Estates/Property Systems	50,000	0	50,000	50,000	0	0	0	(50,000)			
CA421	Replacement of PC estate 330s		31,000	31,000	31,000	12,720	0	12,720	(18,280)			
CA423	Continued replacement of WAN/LAN		60,000	60,000	60,000	0	0	0	(60,000)			
CA425	Server farm expansion/upgrades		96,000	96,000	96,000	12,133	0	12,133	(83,867)			
CA437	Digital Transformation		61,000	61,000	61,000	0	0	0	(61,000)			
CA439	Mobile Working NDL MX		7,000	7,000	7,000	0	7,000	7,000	0			
CA444	SQL/Oracles refreshes		21,000	21,000	21,000	2,500	7,975	10,475	(10,525)			
	Replacement Vehicles											
CA714	Medium Sweeper (Street Cleansing)	70,000	0	70,000	70,000	0	0	0	(70,000)			
CA715	Van Tipper (Grounds Maintenance)	26,000	0	26,000	26,000	0	0	0	(26,000)			
CA716	Ransomes Mower (Grounds Maintenance)	35,000	0	35,000	35,000	0	0	0	(35,000)			
CA712	Iveco Tipper (or equivalent)		24,000	24,000	24,000	0	0	0	(24,000)			
CA814	Dennis Eagle Terberg RCV 22-26t (or equivalent)		160,000	160,000	160,000	0	167,114	167,114	7,114			Trade Waste vehicle
CA821	5 Refuse Vehicles with Food waste capability		900,000	900,000	900,000	0	832,782	832,782	(67,218)			Garden Waste (3 large & 3 small refuse vehicles)
CA822	7.5T Tipper		100,000	100,000	100,000	0	0	0	(100,000)			
CA825	3.5T Tipper		25,000	25,000	25,000	0	0	0	(25,000)			
CA827	3.5T Tipper		25,000	25,000	25,000	0	0	0	(25,000)			
		7,587,000	2,618,000	10,205,000	4,067,000	492,715	1,734,778	2,227,493	(1,839,507)	0	0	

Code	Scheme	Approved Capital Programme 2017/18	Total Slippage B/fwd & Adj to Approved Capital Programme 17/18	Budgeted Capital Programme 2017/18	Deliverable Capital Programme 2017/18	Actual Expenditure 2017/18	Committed Expenditure 2017/18	Total	Variance to Adj Capital Programme	Forecast (Underspend)/ Overspend	Forecast Slippage to 18/19	Notes
CG217 CG201	Private Sector Housing Grants Empty homes and enforcement Disabled Facilities Grants–P/Sector	104,000 490,000	0 174,000	104,000 664,000	104,000 664,000	0 153,881	0 179,023	0 332,904	(104,000) (331,096)			
	Please note where possible commitments are raised on the Finance Ledger. Currently the total commitment for Private Sector Housing Grants held outside the ledger is £179k. This underspend includes underspent budget on Private Tenant DFG's amounting to 331k; these are effectively ring fenced, therefore leaving £104k uncommitted. (£435k - £331k) Commitments include all approved grants. The timing of when these are drawn down is dependent on the client (up to 1 year), therefore at year end although sums may be committed, some may be carried forward to 2018/19 as slippage.											
		594,000	174,000	768,000	768,000	153,881	179,023	332,904	(435,096)	0	0	
CA200	Affordable Housing Projects Grants to Housing Associations to provide units (funded by commuted sums)	115,000	0	115,000	115,000	3,974	0	3,974	(111,026)			
		115,000	0	115,000	115,000	3,974	0	3,974	(111,026)	0	0	
	Total General Fund Projects	8,296,000	2,792,000	11,088,000	4,950,000	650,570	1,913,801	2,564,371	(2,385,629)	0	0	
CA100 CA111 CG200 CA135 CA112	HRA Projects Major repairs to Housing Stock Renewable Energy Fund Spend Disabled Facilities Grants - Council Houses Land acquisition for Affordable Housing Birchen Lane	2,278,000 100,000 299,000 2,100,000 0	87,000 0 0 0 238,000	2,365,000 100,000 299,000 2,100,000 238,000	2,365,000 100,000 299,000 500,000 238,000	252,670 24,994 58,430 0 (10,592)	682,131 0 0 0 265,769	934,801 24,994 58,430 0 255,177	(1,430,199) (75,006) (240,570) (500,000) 17,177		15,000	£15k related to Garage Refurbishment Programme will be completed in 17/18
CA119 CA124 CA120 CA125 CA126 CA127	Palmerston Park Tiverton - affordable dwellings (26 units) Queensway (Beech Road) Tiverton (3 units) Burlescombe (6 units) Waddeton Park - (70 units) Sewerage Treatment Works - Washfield Stoodleigh - Pending feasibility (4 units)	0 0 0 0 0 0	2,694,000 298,000 776,000 1,991,000 25,000 520,000	2,694,000 298,000 776,000 1,991,000 25,000 520,000	2,062,000 150,000 100,000 0 25,000 50,000	205,330 7,719 (405) 71 0 0	2,761,765 0 3,855 0 0 0	2,967,094 7,719 3,450 71 0 0	905,094 (142,281) (96,550) 71 (25,000) (50,000)			Forecast project completion June/July 2018. Additional £261k to be funded by S106 Affordable Housing Contribs per Cabinet report 02/03/17 This Project is likely to straddle 17/18 & 18/19 Financial years A substantial amount of this project will slip into 18/19 This project is likely to be delivered in 18/19 A substantial amount of this project will slip into 18/19
CA132 CA133	HRA ICT Projects Repairs - mobile replacement Tenancy Mobile	30,000 40,000	0 0	30,000 40,000	30,000 40,000	11,340 0	10,013 0	21,354 0	(8,646) (40,000)			
CA134 CA122	HRA Replacement Vehicles Van Tipper 4.5T (Responsive Repairs) Iveco Tipper 3.5t (or equivalent)	32,000 0	0 24,000	32,000 24,000	32,000 24,000	0 0	0 21,455	0 21,455	(32,000) (2,545)			
	Total HRA Projects	4,879,000	6,653,000	11,532,000	6,015,000	549,556	3,744,989	4,294,545	(1,720,455)	0	15,000	
	CAPITAL PROGRAMME GRAND TOTAL	13,175,000	9,445,000	22,620,000	10,965,000	1,200,126	5,658,790	6,858,916	(4,106,084)	0	15,000	

DECENT & AFFORDABLE HOMES PDG

12TH SEPTEMBER 2017

TENANT COMPENSATION POLICY – SHELTERED HOMES DECORATION

Cabinet Member: Cllr Ray Stanley

Responsible Officer: Director of Operations – Andrew Pritchard

Reason for Report: To advise members of the revised Tenant Compensation Policy

RECOMMENDATION(S): That the Cabinet adopts the revised Tenant Compensation Policy

Relationship to Corporate Plan: The Tenant Compensation Policy will manage requests for compensation in line with legal requirements and obligations.

Financial Implications: The financial liability for the implications that flow from this policy will be charged to the Housing Revenue Account.

Legal Implications: It will be necessary to ensure that the Tenant Compensation Policy addresses the legal obligations of the Council as a Landlord.

Risk Assessment: The scope of risk extends to the management of 3060 homes. for.

1.0 Introduction

- 1.1 The Tenant Compensation Policy is due for review, having last been reviewed in May 2015. Very little has changed in the way we deal with tenant compensation, and as such, only minor changes are proposed.
- 1.2 The proposed policy has been altered to reflect the information in the new Tenancy Agreement and reflect the format of the MDDC website.
- 1.3 The proposed policy includes further information to clarify the position on compensation claims for external areas including sheds, outhouses and garages.
- 1.4 The proposed policy clarifies the position on items damaged during planned demolition works.
- 1.5 The proposed policy is designed to be in line with the Rechargeable Repairs Policy, in order that there is fairness in terms of what we expect from our tenants, and what they should expect from us.

2.0 Tenant Consultation

2.1 The Housing 'Tenants Together' group have been consulted on this policy and their comments taken into consideration.

3.0 **Proposals**

3.1 There are no significant changes in the policy to propose, however, we propose that the reviewed policy is adopted.

4.0 **Implementation of the Tenant Compensation Policy**

4.1 Other than the change to the format of the policy, and clarification of key issues, the original Tenant Compensation Policy remains the same to ensure that our requests for compensation are dealt with and responded to consistently.

4.2 There are no additional resource implications as a direct result of this policy.

5.0 **Financial Context**

5.1 MDDC Responsive Repairs team make budgetary provision of £4000 per annum in order to settle eligible compensatory payments.

5.2 Within the annual budget there are sufficient monies to fund the current level of eligible compensation requests received each year.

Contact for more Information: Mark Baglow, Building Services Manager. Tel 01884 233011 or Andrew Pritchard, Director of Operations. Tel 01884 234950

Circulation of the Report: Management Team, Councillor Ray Stanley, Cabinet Member for Housing

Building Services

Tenant Compensation Policy – DRAFT

August 2017 v1.2

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1. Policy Statement

This policy will ensure that Mid Devon District Council (MDDC) has effective procedures in place to manage tenant compensation quickly and efficiently.

As a registered provider of social housing, we aim to provide our tenants with a high quality service at all times.

All complaints relating to service failure are investigated according to the procedures set out in our “Have Your Say” leaflet.

There may occasionally be cases when service standards have not been met and compensation for the tenant’s inconvenience or loss is the most appropriate and proportional course of action. In these cases, we recognise that the tenant may have a statutory right to compensation.

The council will publicise the Compensation Policy by including information for new tenants at sign-up, through advertising on our website and in our newsletters, and within the Tenants handbook.

We will review this policy on a bi-annual basis to ensure that its contents reflect current legislation and the latest examples of best practice in the field.

2. Policy Standards

a. Statutory compensation

This policy includes the statutory rights of our tenants to receive compensation, which includes:

- Home loss
- Disturbance payments
- The Right to Repair
- Compensation for tenants’ improvements

b. Discretionary Compensation

Any discretionary award for activities or lack of performance not included within the Tenant Statutory Right will be processed as a formal service request. If a tenant remains dissatisfied with the outcome of a service request, this can be reviewed through the MDDC Complaints Policy. Where a tenant accepts any compensatory or good will gesture payment, this will end the formal process.

3. Statutory Compensation

Legislation exists to financially compensate tenants in a number of situations.

a. Home Loss

The circumstances under which payments relating to Home Loss will be paid are set out in our Decant Policy.

b. Disturbance Payments

The circumstances under which disturbance payments will be paid are set out in our Decant Policy.

c. The Right to Repair

Tenants may be entitled to compensation for a listed range of certain repairs or maintenance problems affecting health, safety or security if MDDC's Housing Service twice fails to complete the repair within the prescribed timescales.

In order to qualify under this scheme, the estimated cost of the repair should be £250 or less, and should be included in those listed in the Council's Right to Repair Policy.

Compensation under the Right to Repair will not be payable when:

- The repair has been inspected and attended to within set service standards, and the tenant has been advised that the relevant parts are on order.
- The repair is classed as rechargeable to the tenant
- There was no access at the time of the pre-booked appointment to do the work
- The actual repair required was not as described by the tenant.

There is a flat rate award of £10 plus £2 per day, for each day thereafter that the repair remains outstanding after the second report has been raised, to a maximum of £50.

d. Compensation for Tenants' own Improvements

Tenants have a contractual right to claim compensation at the end of their tenancy for 'qualifying improvements' they have carried out to their home.

Qualifying improvements that may be eligible for compensation are:

- Bath

- Wash hand basin
- Toilet
- Kitchen sink
- Storage cupboards
- Kitchen work surfaces
- Central heating or water heating
- Thermostatic radiator valves
- Insulation of pipes, water tank or cylinder
- Double glazing, secondary glazing or other window replacement

The following guidelines will apply when determining whether compensation is payable:

- Introductory tenants will not qualify for compensation
- Tenants must have submitted three estimates from bona fide contractors and have received written permission from the Council prior to starting work
- The work must have been undertaken to an acceptable standard by a competent and qualified contractor
- All relevant statutory approvals, building regulations, planning permission etc. have been gained and documentary evidence as such is available
- When a claim for compensation for Tenants' Improvements has been received, the council will arrange an inspection by a surveyor and make an assessment based on the cost of the improvement, its estimated total life and the value of the residual life of the improvement to assess the payment that should be made
- Compensation will not be paid where a mutual exchange has taken place
- Compensation will only be paid at the end of the tenancy, and will be set against any sums that are owed to the council
- Compensation will not be payable where the tenancy is ended through a possession order obtained through the County Court
- Compensation will not be payable if a tenant has exercised their right to Buy or) or where the tenancy passes from joint to sole names (or vice versa)

- The maximum payable is £3,000 and the minimum is £50 in line with legislation

4. Circumstances where Claims for Compensation will not be met:

- The loss or damage is a result of routine failure of a building's component, fixture or fittings where MDDC Housing has not been negligent.
- Where non-availability of parts or materials prevents MDDC's Housing Service completing repairs within the published repair timescales, and the tenant has been kept fully informed.
- Where service failure is the result of extreme or unforeseen conditions (such as weather conditions) where the council has taken all reasonable steps to restore services or facilities under the prevailing conditions.
- Where service failure is due to interruptions in gas, electricity or water supplies as a result of the non-performance of utility companies, or through the action of the tenant.
- Where the loss or damage is the tenant's own fault, including the failure to report repairs in a timely manner or to keep appointments.
- Where loss or damage is as a result of the tenant not noticing or reporting a repair.
- Where a tenant is informed in advance of an appointment for destructive works i.e. renewal of bathroom suite, plastering works or re-roofing and the tenant chooses to leave items in the area, or leaves items uncovered that subsequently get damaged.
- Where the loss or damage arises from an alteration or repair which the tenant has arranged privately or carried out them self.
- Where the loss or damage is due to acts of negligence by a third party, for example, a visitor or contractor who is not acting on behalf of the council.
- Where MDDC has acted reasonably and complied with its legal and contractual liabilities.
- From loss or damage to personal possessions stored in a council garage, outhouse, porch or shed.

5. General

a. External Contractors Employed by MDDC

MDDC will ensure that all contractors carry Public Liability Insurance and they have a clear and appropriate Compensation and Complaints Policy.

Where a claim is made in respect of personal injury, damage to possessions or other financial loss alleged to have been caused by a council contractor's negligence, the council will not accept liability for the claim, but will refer the claim to the contractor themselves.

b. Home Contents Insurance

Tenants are encouraged to have home contents insurance to cover their personal belongings and cost of interior redecoration in the event of damage.

MDDC Housing officers will promote and encourage the tenant to take up contents insurance during their contact with tenants, especially at sign up stage.

Garage tenants should advise their neighbourhood officer if they store anything other than a vehicle in the garage, in order that they can be advised that garages are not guaranteed water tight or secure storage. Any vehicle stored in a garage should be taxed/SORNed and insured, regardless of whether the vehicle is in use or not.

Should tenants choose not to take a suitable home contents insurance policy, they take responsibility for replacing items and redecorating at their own cost.

c. Independent Housing Ombudsman

This Compensation Policy does not apply where a tenant has made a claim for compensation via the Independent Housing Ombudsman. In such cases MDDC, where appropriate, will pay compensation as directed by the Ombudsman.

d. Legal Proceedings

With the exception of statutory compensation, the policy does not apply where a tenant has commenced legal proceedings.

All offers of discretionary compensation are made on a 'Without Prejudice' basis.

e. Payment of Compensation

Compensation payments will be made within 30 days of the offer being accepted by the claimant

f. Rent Arrears and Other Debts

In cases where discretionary compensation is due to a tenant but their rent account is in arrears, the compensation will be offset against any rent or other housing related debt on the tenants rent account EXCEPT in

cases where compensation is being offered to reimburse a direct financial loss or expense incurred by the tenant (for example replacement of a damaged personal household article)

g. Appeals

Appeals by tenants against a decision related to the payment of compensation can be made using the MDDC complaints procedures

6. Policy Monitoring and Review

The Compensation Policy will be reviewed every two years and reported to MDDC's Homes Policy Development Group Committee for approval

7. Equality & Diversity

MDDC will ensure that this policy is applied fairly to all tenants. The council will not directly or indirectly discriminate against any person or group of people because of their race, religion, gender, marital status, sexual orientation, disability or other grounds set out in our Equality and Diversity Policy

This policy and any other related publications of MDDC Housing Service can be provided on request in other formats (e.g. in an alternative language, in Braille, on tape, in large print).