

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 21 January 2020 at 2.15 pm

Present

Councillors

R J Dolley (Chairman)
J Cairney, D R Coren, L J Cruwys,
Mrs C P Daw, C J Eginton, F W Letch and
S J Penny

Apologies

Councillor

Mrs E M Andrews

Also Present

Councillor

R L Stanley

Also Present

Officers

Simon Newcombe (Group Manager for Public Health and Regulatory Services), Catherine Yandle (Group Manager for Performance, Governance and Data Security), Joanne Nacey (Group Manager for Financial Services), J P McLachlan (Principal Accountant), Mike Lowman (Repairs and Adaptations Supervisor), Lisa Harber (Neighbourhood Team Leader), Helen Carty (Housing Policy Officer) and Sarah Lees (Member Services Officer)

59 **MINUTE SILENCE - COUNCILLOR JOHN DAW**

The Chairman opened the meeting and asked that those in attendance observe a minute's silence in memory of Councillor John Daw.

Those present spent a minute in quiet contemplation.

60 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Councillor Mrs E Andrews.

61 **DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT**

No interests were declared under this item.

62 **PUBLIC QUESTION TIME**

There were no members of the public present.

63 **MINUTES**

The minutes of the meeting held on 3 December 2019 were confirmed as a correct record and **SIGNED** by the Chairman.

64 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Cllr Mrs Chris Daw on to the Group. She had been appointed as a replacement for Cllr John Daw.

65 PERFORMANCE AND RISK REPORT (00:06:16)

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 2019/20 as well as providing an update on the key business risks.

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

66 FINANCIAL MONITORING (00:08:03)

The Group Manager for Financial Services provided the following verbal update with regard to the income and expenditure so far in the current financial year explaining that a full set of reports would be provided to the next meeting.

In October a variance of £95k deficit had been reported, this had increased to a deficit of £243k for November.

The main areas of movement since October monitoring included the following:

- **Environmental Services** – net S106 expenditure was slightly less than previously forecast (£9k) this was offset by Earmarked Reserves.
- **Waste** – (£15k) garden waste and permit sales were down against budget, however, it was noted that numbers might pick up before year end.
- **Cemeteries** – income was below that which was previously forecast (£10k)
- **Planning** – S106 expenditure had increased by £82k, however, this was offset by Earmarked Reserves transfer. Planning income was a further £20k less than forecast at the October monitoring.
- **IT** – a salary pressure had been reduced by £11k.
- **Revenues and Benefits** – Housing Benefit Overpayments Recovery forecasts had dropped another £60k. The forecast had been revised following identification of some duplication.
- **NDR** – Retained Business Rates were forecasted to be £48k lower than forecasted in October following appeals.
- **HRA** – a favourable variance of £486k remained.

The information received was **NOTED**.

67 GENERAL FUND BUDGET UPDATE FOR 2020/21 (00:14:50)

The Group had before it, and **NOTED**, a report * from the Deputy Chief Executive (S151) presenting the revised draft budget changes identified and discussing any further changes required in order for the Council to move towards a balanced budget for 2020/21. This report had been considered by the Cabinet at its meeting on 16 January 2020, however, the Group were asked whether they wished to feed back any further comment to the Cabinet for them to consider at their meeting on 13 February before the budget was finally approved by Council on 26 February.

The contents of the report were outlined with an explanation that the next budget report to the Cabinet would legally need to show a balanced position.

As an update to the Group it was reported that the Cabinet, at its meeting on 16th January, had resolved that a payment be made in advance of the next 3 Years' Pension Deficit and that there be a minimum General Reserves (General Fund) limit of £2m. It was also reported that there was an amendment to the car parking charges proposal that would increase the overall deficit position by £57k.

Key messages within the report included the following:

- The Council had been notified by the Devon Pension Fund that the employers' contributions for 2020/2021 needed to increase from 14.7% to 16.6%, this added £177k to the Council's costs but was partly offset by a reduction in the lump sum payment of £134k as shown in Appendix 2 of the report.
- The Council needed to finalise the Business Rates forecast to Central Government by the end of January, however, the Council had a Business Rates Smoothing Reserve which would help to address the volatility of Business Rates and the impact of appeals.
- The Final Settlement from Central Government rarely changed from what was provisionally announced in December each year. Unless any further savings were proposed the default position in order to balance the budget would be to make a transfer from reserves which would be the last resort. The situation for 2021/2022 was looking like leading to an even bigger budget gap.

Discussion took place with regard to:

- The proposed saving to remove the budget for the weed team. It was felt that the parishes in particular made use of this service and the appearance of the district was important to a great many people. The removal of this saving would add c£53k to the budget gap.
- The capital budget in relation to the Pannier Market; the revenue proposal in the report being the cheaper of two considered options.
- The budget in relation to the Tiverton Bus Station and the proposal to increase the cost 'per visit' by a further 5p.

RECOMMENDED to the Cabinet that the proposed savings identified in relation to the weed team be removed and that the budget in this area be retained.

(Proposed by Cllr C Eginton and seconded by Cllr R J Dolley)

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

68 **DRAFT 2020/21 HOUSING REVENUE ACCOUNT (HRA) BUDGET (00:33:56)**

The Group had before it a report * from the Deputy Chief Executive providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) in 2020/21. It included a proposal on the rent increase and a schedule of other fees and charges.

It was explained that the position in relation to the HRA draft budget remained largely unchanged since the previous meeting.

Key issues included:

- Social and affordable rents.
- Salary changes.
- Pension contribution pressures.
- Contributions towards renewables.

Discussion took place regarding:

- The poor condition of some Council owned garages. In the past two years there had been a planned maintenance budget of £75k to repair those garages requiring it. This budget would continue for the next three years. It was confirmed that all asbestos roofs were being removed and garages were being 'future proofed' wherever possible. Where garages were in such a poor state of repair it was not cost effective to repair them, consideration would be given to knocking them down and either creating larger garages or utilising the space to better effect for local residents, for example, hardstanding replacements.
- There was a requirement for the Council to install particular types of smoke and fire detectors in order to comply with relevant regulations.
- It was confirmed that the Council used external contractors to undertake gas servicing.

RECOMMENDED to the Cabinet that the rent increase proposed and the other HRA budget proposals for 2020/21 be approved.

(Proposed by Cllr D R Coren and seconded by Cllr F Letch)

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

69 HRA MEDIUM TERM FINANCIAL PLAN (00:57:07)

The Group had before it a report * from the Deputy Chief Executive (S151) providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2020/21 – 2023/24.

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

- Salary pressures, pay awards and pension changes.
- The largest number in the HRA was the dwelling rent figure. Central Government dictated how this would change, stating that Mid Devon's Formula Rent would decrease by 1% each year until 2019/2020. The Council had been informed that it would need to revert to the previous policy after this time which would allow it to increase rents by CPI + 1% from 2020/2021.

RECOMMENDED to the Cabinet that the Housing Revenue Account Medium Term Financial Plan be approved.

(Proposed by the Chairman)

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

70 TENANT COMPENSATION POLICY (01:03:10)

The Group had before it a report * from the Group Manager for Building Services advising Members of the revised improvements to the Tenant Compensation Policy.

RECOMMENDED to the Cabinet that the revised Tenant Compensation Policy be approved.

(Proposed by the Chairman)

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

71 IMPROVEMENTS TO COUNCIL PROPERTIES POLICY (01:06:00)

The Group had before it a report * from the Group Manager for Building Services advising Members of the revised Improvements to Council Properties Policy.

RECOMMENDED to the Cabinet that the revised Improvements to Council Properties Policy be approved.

(Proposed by the Chairman)

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

72 INCOME MANAGEMENT POLICY (01:10:25)

The Group had before it a report * from the Group Manager for Public Health and Regulatory Services presenting the revised Income Management Policy.

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

- The amount of both internal and external consultation that had taken place as part of the policy review.
- Any revisions to the policy reflected the Housing Services' commitment to ensuring that all cases were treated consistently although the policy did offer some discretion to enable reasonable adjustments to be made where necessary.
- Other revisions to the policy included consideration of how Universal Credit was paid as well as issues in relation to the workings of eviction panels and the fact that rent would now be required to be paid over 52 weeks rather than 48 weeks.

Brief discussion took place regarding rental payment arrangements given that Universal Credit was paid in arrears.

RECOMMENDED to the Cabinet that the revised Income Management Policy be approved.

(Proposed by the Chairman)

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

73 HOUSING SECTOR UPDATE (01:19:03)

The Group had before it, and **NOTED**, a briefing paper * from the Group Manager for Housing Services providing information on the latest developments relating to social housing.

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

74 IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01:20:18)

No further issues were identified for the next meeting other than those already listed in the work programme.

(The meeting ended at 3.40 pm)

CHAIRMAN