

MID DEVON DISTRICT COUNCIL

MINUTES of a MEETING of the DECENT AND AFFORDABLE HOMES POLICY DEVELOPMENT GROUP held on 1 December 2015 at 2.15 pm

Present

Councillors

P J Heal (Chairman)
Mrs H Bainbridge, W J Daw, Mrs G Doe, J D Squire and
L D Taylor

Apologies

Councillors

R J Dolley and R Evans

Also Present

Councillor

R L Stanley

Present

Officers

Nick Sanderson (Head of Housing and Property Services),
Claire Fry (Housing Services Manager), Andrew Cawdron
(Finance Manager), Michael Parker (Housing Options Manager),
Mark Baglow (Repairs Manager), Angela Barrett (Accountant)
and Sarah Lees (Member Services Officer)

40 APOLOGIES AND SUBSTITUTE MEMBERS

Apologies were received from Councillors R J Dolley and R Evans.

41 PUBLIC QUESTION TIME

There were no members of the public present.

42 MINUTES

The Minutes of the meeting held on 6 October 2015 were confirmed as a true and accurate record and **SIGNED** by the Chairman.

43 CHAIRMAN'S ANNOUNCEMENTS

The Chairman wished everybody present a Happy Christmas.

44 FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPTEMBER 2015 (00:02:04)

The Group had before it, and **NOTED**, a report * from the Head of Finance presenting a financial update in respect of the income and expenditure so far in the year.

Significant variances from the Council's overall budget were highlighted within the report as follows:

- Non Domestic Rates: in a recent high level appeal tribunal case, which considered the business rate valuation of GP surgeries, the District Valuer lost the case. The impact is that nationally GP surgeries after a revaluation of their

business rates, will see their business rates fall and can request a refund of the excess of their business rates paid in earlier years. All Councils with GP surgeries will be affected.

- Two refunds had already been arranged by Mid Devon District Council but it had 46 in the District and the impact of this rerating exercise, in terms of refunds, for Mid Devon over the next two years could be in excess of £500k. The Council had currently estimated an impact this year of £100k.
- Recycling tonnages had increased, however, nationally prices had fallen and despite less going into landfill this area was currently showing an overspend.

The Housing Revenue Account (HRA) was currently showing a surplus of £38k due to some small movements including community alarm income being up.

Discussion took place regarding the new audio visual equipment in the Phoenix Chambers being £20k more than originally budgeted for. The Head of Housing and Property Services explained that further opportunities had been taken to enable the room to be better equipped in the future.

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

45 DRAFT BUDGET 2016/17 (00:11:41)

The Group had before it, and **NOTED**, a report * from the Head of Finance considering options for the Council to set a balanced budget for 2016/17 and agree a future strategy for further budget reductions for 2017/18 onwards.

The Officer outlined the contents of the report stating that Service Managers had been tasked with producing savings and substantial savings had been found, however there was still a budget gap of £827k. It had been reported that the Treasury had reached agreement with four government departments, including the Department for Communities and Local Government, for an average of 30% cut in government funding over the next four years. There was no question that the formula grant would be cut and it was now likely that the Revenue Support Grant of £1.7m would disappear entirely by 2019/20.

Consideration was given to the following table:

Reconciliation of Major 2016/17 Budget Variances

Variances	Amount £000
<i>External items outside of our control</i>	
Reduced formula grant settlement	597
Increased pension contributions - auto enrolment	110
NIC rebate removed from contracted out pensions	180
NNDR GP surgery appeals	100
Pay award circa	100
Falling commodity prices for recycling	125
<i>Subtotal</i>	1,212
<i>Other changes</i>	
Deficit on our 2015/16 budget taken from reserves	187

Increase in sinking funds for asset replacement	132
Increased interest payable	78
Decrease in Collection Fund surplus	32
Income from garden waste scheme	(250)
Increased leisure income	(155)
Increased income from investments	(102)
Contributions from town and parish councils	(100)
Increase Council tax income	(95)
Other net savings	(112)
Draft budget gap for 2016/17	827

These figures had been based upon a number of assumptions:

1. Council Tax has been increased by 1.0% as an illustration and increased property growth.
2. Nil transfer from the general Fund Balance.
3. Most of the savings and cost pressures proposed in the budget review meetings had been included.
4. 2016/17 salary budgets include an increase of 1%
5. All earmarked reserves had been reviewed and adjustments made based upon existing need.
6. All income flows had been reviewed and adjusted for changes in demand and unit price.
7. Investment income had been
8. Investment income had been based upon the existing lending criteria now in force.
9. Support services had been inflated in accordance with the pay award.
10. No reductions to grant budgets had been made.
11. Car parking fees were based upon 2015/16 fees and vends.

A revised position would be presented to the Cabinet and Policy Development Groups in January 2016.

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

46 **MEETING MANAGEMENT**

The Chairman indicated that he would take item 8 before item 7 since the Group needed to be made aware of all the relevant financial facts before considering the HRA budget for 2016/17.

47 **HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL PLAN (00:20:12)**

The Group had before it, and **NOTED**, a report * from the Head of Finance and the Head of Housing and Property Services providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2016/17 – 2019/20.

The Officer outlined the contents of the report stating that it looked at future income and expenditure and where the Council was likely to be in the next 4-5 years. A significant issue affecting the HRA going forwards would be the reduction of 1% in the Formula Rent each year for the next four years. There was also still 21 years left to pay on the Public Works Liability Loan. The Council had circa 3000 properties all

of which would need repairs and maintenance, therefore money had to be set aside for this. Added to this, inflation may start to rise as well as the cost of running the housing service.

Discussion took place regarding ear marked reserves and the fact that these were set aside for specific projects such as Waddeton and Palmerston Park.

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

48 **HOUSING REVENUE ACCOUNT BUDGET 2016/17 (00:32:03)**

The Group had before it a report * from the Head of Finance and the Head of Housing and Property Services providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) in 2016/17. Most of the specifics were now known and the remaining uncertainty was the ongoing effect that welfare reform would have.

The Officer outlined the contents of the report drawing the Group's attention to the following key issues:

- It was envisaged that Right to Buy property sales would increase.
- The effects of Universal Credit would lead to increased costs in collection. Guidance on the 'Pay to Stay' initiative was still awaited, this would be an additional burden to the Housing Service.
- Increases had been included in relation to the lifeline alarm scheme charge as well as garage ground rents.

RECOMMENDED to the Cabinet that the budget proposals within the report be approved.

(Proposed by Cllr W J Daw and seconded by Councillor Mrs H Bainbridge)

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

49 **PERFORMANCE AND RISK REPORT FOR THE SECOND QUARTER OF 2015-16 (00:38:40)**

The Group had before it, and **NOTED**, a report * from the Head of Communities and Governance providing Members with an update on performance against the Corporate Plan and local service targets for 2015/16 as well as providing an update on the key business risks.

The Internal Audit Team Leader presented the report stating that there were 3 performance indicators that were performing below target. The number of affordable homes delivered continued to be less than the target although developments were in the pipe line. Six gas safety certificates had expired. All recommendations made by the Health and Safety Executive with regard to asbestos had been implemented.

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

50 **SEVERE WEATHER EMERGENCY PROTOCOL AND EXTENDED WINTER PROVISION PROTOCOL (00:42:05)**

The Group had before it a report * from the Head of Housing and Property Services. As a member of the Devon and Cornwall Housing Options partnership (DCHOP) the Housing service recognised that local areas should try to prevent rough sleeping at any time of year. However, the winter period could present greatest risks to the health of rough sleepers. Therefore a protocol had been agreed with the other local authorities in the county.

The Housing Options Manager outlined the contents of the report stating that the death of a homeless person in Exeter had led to the drawing up of a protocol whereby emergency shelters would be provided for rough sleepers. It was explained that in previous years the Council had used empty corporate buildings to provide emergency shelter. Bed and Breakfast establishments were also used as shelter units. It was further explained that to the Council's knowledge there were 7 homeless people across the district but it was difficult to track them as they tended to roam from area to area.

Discussion took place regarding whether it was possible to provide specific shelters in the Crediton area. It was explained that not every Bed and Breakfast would take every clientele and it may be that some would have to come to Tiverton, however, public transport costs could be paid.

It was confirmed that the Housing Options Manager was the Council's responsible officer who worked with the joint strategic partnership for the area as well as local charities. His team were proactive in trying to engage with rough sleepers in order to try and avoid emergency situations when bad weather was predicted.

RECOMMENDED that the Cabinet recommends to full Council that the new Housing Options Severe Weather Emergency Protocol (SWEP) and Extended Winter Provision Protocol be approved.

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

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

51 **SUPPLY AND DEMAND POLICY (00:48:53)**

The Group had before it a report * from the Head of Housing and Property Services. On 2nd April 2015, the Supreme Court found against Westminster Council in a case relating to how it had made a decision on where to place a family to which it owed a duty to accommodate under the Housing Act 1996. The *Nzolamesco v City of Westminster* judgement had significant ramifications for local authorities who were now required to develop policies to show how they would procure accommodation both in and outside their local authority boundaries and how they would decide who has priority accommodation in or close to their operational districts.

The Housing Options Manager further outlined the contents of the report stating that the policy had been drafted under the new legislation with the intention of preventing a risk to the Council being challenged in the future.

RECOMMENDED that the Cabinet recommend to full Council that the new Housing Options Supply and Demand Policy be approved.

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

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

52 **VOID MANAGEMENT POLICY (00:51:25)**

The Group had before it a report * from the Head of Housing and Property Services advising Members of the Void Management Policy. It was explained that the policy had been drafted on the basis of a recent tenant consultation. The results of the consultation had indicated that the provision of a decoration pack and the decoration reward grant could be stopped without any detrimental effect upon the letting process. It was therefore suggested that a 50% reduction be made which would save somewhere in the region of £85k over 4 years.

Discussion took place regarding tenants decorating their properties. When improvements were made to kitchens and bathrooms the Council would as a matter of course ensure that the surrounding decoration was up to an acceptable standard, however, they would not redecorate bedrooms or living rooms, this would be up to the tenants themselves. All properties were expected to be returned to a decent standard of decoration upon vacation of the property.

RECOMMENDED that the Cabinet recommend to full Council that the new Void Management Policy be approved subject to Appendix B showing a 50% reduction in the costs relating to the paint packs and decoration grant.

(Proposed by Councillor W J Daw and seconded by Councillor J D Squire)

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

(ii) Councillor Mrs J Doe requested that her abstention from voting be recorded.

53 **ABOLITION OF CASH INCENTIVE SCHEME (01:03:00)**

The Group had before it a report * from the Housing Services Manager seeking permission to end the payment of incentives to encourage tenants to downsize.

She outlined the contents of the report stating that the abolition of the cash incentive scheme for downsizing was recommended on the basis that income into the HRA was likely to reduce in coming months. National housing policy and welfare reform would have a negative impact upon income and all areas of work had to be reviewed to ensure that value for money was being achieved.

The use of flexible tenancies meant that less people were likely to be under-occupying larger homes going forward.

With regard to downsizing, the removal of the spare bedroom subsidy was now a “push” factor which was likely to influence people who were under-occupying. The award of high priority for such people who applied to join the DHC scheme was also an incentive and enabled them to resolve their housing needs.

Discussion took place regarding:

- The Housing Service acting as a signposter to the Local Welfare Assistance Scheme and local charities who provided support to those with little income.
- The legislation relating to flexible tenancies was very prescriptive with the intention that people whose tenancy was not going to be renewed at the end of the fixed period would have adequate notice to enable them to find alternative accommodation. In accordance with the Council's own procedures, Officers will start investigations with tenants at least a year before the end of a tenancy.
- There was only a limited amount of stock and people would sometimes have to be realistic and compromise on the type of property allocated as well as its location.

RECOMMENDED to that Cabinet that the cash incentive scheme whereby downsizing tenants are given payments for giving up larger homes is discontinued.

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

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

54 **IMPROVEMENTS TO COUNCIL PROPERTIES POLICY (01:14:23)**

The Group had before it a * report from the Housing Services Manager reviewing the Improvements to Council Properties Policy. The contents of the report was outlined by the Housing Services Manager with reference to the fact that Council houses were the biggest asset to the Council, alterations needed to be to the highest possible standard thereby protecting the fabric of buildings for as long as possible. The revised policy was needed in order to provide clarity to both officers and tenants as to what was and what was not allowed.

Discussion took place with regard to the onus being placed upon the tenant to appoint a suitable contractor to undertake improvement works. It was confirmed that permission was needed first from the Council to undertake any improvements to Council owned properties.

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

(Proposed by Councillor W J Daw and seconded by Councillor Mrs J Doe)

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

55 **LEASEHOLD MANAGEMENT POLICY (01:22:30)**

The Group had before it a report * from the Housing Services Manager reviewing the Leasehold Management Policy. The contents of the report were outlined by the Housing Services Manager who stated that the Council had a different relationship with lease-holders than it did with tenants. The policy reflected changes in good practice and identified the Council's approach to meeting its obligations to lease-holders in accordance with the terms of their lease and the relevant legislative

requirements. The revised policy also brought clarity to the lease-holders themselves and officers.

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

(Proposed by Councillor Mrs H Bainbridge and seconded by Councillor W J Daw)

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

56 **DEVON HOME CHOICE WORKING GROUP REPORT (01:26:35)**

The Group had before it a report * from the Devon Home Choice Working Group including its recommendations in relation to Band E.

The Chairman of the Working Group outlined the contents of the report summarising the work that had taken place and the conclusions reached by the working group.

Discussion took place with regard to some amendments needed to the recommendations within the draft report. It was therefore:

RECOMMENDED to the Cabinet that:

Band E be retained only on the following assumptions:

1. All applicants to be reviewed annually on Devon Home Choice, this will also include contacting applicants to remind them that they may not have logged onto the Devon Home Choice system or have never placed a bid on the system. This will take out some of the “*dead wood*” on the system and remove those who have moved and not notified Devon Home Choice of their changes. Applicants will be given 21 days in which to respond. Should they not reply then the application will be suspended.
2. Contact applicants who have not logged onto the system to ascertain the reasons behind this.
3. Applicants who have refused 3 properties will be investigated as to the reasons for the refusal, to determine if they should remain in their current band or suspended.
4. Mid Devon goes out for consultation on its Housing Allocation Policy proposing that the policy be rewritten to include the following points:
 - Applicants will be removed from the Devon Home Choice waiting list if they do not bid for properties over a 12 month period subject to availability of properties within their required location or adjacent parishes.
 - Applicants will be removed from the waiting list if they refuse 3 *suitable* offers of accommodation subject to availability of properties within their required location or adjacent parishes.

- Whilst carrying out a consultation, the working group may wish to include other elements to the review.
- That there be a review of progress in June 2016.

(These changes can be implemented ready for the 1st April 2016. This would allow for the consultation period of 6 weeks (as recommended by DCLG), a new allocation policy to be written and sent to the PDG for agreement).

(Proposed by Councillor W J Daw and seconded by Councillor J D Squire)

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

57 **UPDATE ON THE WESSEX PARTNERSHIP (01:39:50)**

The Group were provided with, and **NOTED**, an update from the Cabinet Member for Housing and the Public Health and Professional Services Manager regarding Council's partnership with Wessex Homes. It was explained that 4 years ago the Council had entered into a partnership with Wessex Homes to provide loans to people wanting to upgrade. Interest rates for those entering into this type of agreement had been very low. Recent uptake of this facility had been very poor but the Council was still having to pay an annual fee to continue this facility. This meant that the situation was becoming financially unsustainable going forwards. A report would come to the Policy Development Group in the new year setting out proposals for the future.

58 **MOVING TO A 52/53 WEEK RENT CHARGE (01:55:47)**

The Group were provided with a briefing paper * from the Housing Services Manager outlining the proposed changes to the rent collection period.

She outlined the content of the proposed operational changes stating that the proposal was to spread out rent charges over a full calendar year. This would bring clarity and simplicity to existing and potential tenants. The proposals would form a part of the consultation on the Tenancy Agreement which would be undertaken early in the new year with a revised Tenancy Agreement coming into force in April 2016.

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

59 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

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

- Update on the Wessex partnership
- Update on the Devon Homes Choice recommendations from the Working Group

(The meeting ended at 4.25 pm)

CHAIRMAN