

## MID DEVON DISTRICT COUNCIL

**MINUTES** of a **MEETING** of the **DECENT AND AFFORDABLE HOMES POLICY DEVELOPMENT GROUP** held on Tuesday 25 November 2014 at 2.15pm

### **Present**

**Councillors:** Mrs E M Andrews, W J Daw, P J Heal, D J Knowles, Mrs J R Rendle and R Wright

### **Also Present**

**Councillors:** R L Stanley, P F Williams and K D Wilson

### **Also Present**

**Officers:** N Sanderson (Head of Housing and Property Services), A Jarrett (Head of Finance), R Hewson (Principal Accountant), C Yandle (Internal Audit Team Leader), A Barrett (Accountant), M Parker (Housing Options Manager), S Sandy (Housing Officer) and S J Lees (Member Services Officer)

### **Declaration of Interest Councillor:**

Member	Minute No	Type of Interest
Cllr Mrs J R Rendle	38	Personal

## 30 **PUBLIC QUESTION TIME**

There were no members of the public present.

## 31 **MINUTES**

The Minutes of the Meeting held on 9 September 2014 were approved as a correct record and **SIGNED** by the Chairman.

## 32 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed Cllr D J Knowles as a new Member to the Group.

## 33 **DRAFT GENERAL FUND BUDGET 2015/16 (00-01-56)**

The Group had before it, and **NOTED**, a report \* from the Head of Finance presenting the options available in order for the Council to set a balanced budget for 2015/16 and agree a future strategy for further budget reductions for 2016/17 onwards. He explained that this was a generic report which had been presented to each of the Policy Development Groups and the Cabinet. An updated report would be presented to each of those committee in January 2015 which would include the actual figure of the formula grant for 2015/16.

It was stated that following a reconciliation of the 2015/16 budget variances the current draft budget gap for 2015/16 was currently showing as £650k.

This figure had been arrived based upon a number of key assumptions including estimations made in relation to Council Tax, staff pay awards and inflation.

Discussion took place regarding:

- Some of the New Homes Bonus money being used to fund the posts of Tiverton Town Centre Manager and an Economic Development Officer.
- The Pension Fund deficit and the need to increase contributions which was reflective of the market generally.
- The reorganisation of staff within Housing Services and the need to create a new 0.5 full time equivalent post to undertake homelessness work previously undertaken by outside organisations.
- Devon County Council funding of £20k towards a Youth Homelessness Post.
- Reduction in bad debt provision of £57.5k based on a detailed review of repayments to previous years debts.

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

#### 34 **HOUSING REVENUE ACCOUNT BUDGET 2015/16 (00-22-00)**

The Group had before it, and **NOTED**, a report from the Head of Finance and the Head of Housing providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) in 2015/16.

It was explained that the Council was required to set an HRA budget where expenditure was balanced by income. The income was primarily made up of dwelling rents whereas the expenditure consisted of day-to-day operations, corporate overheads and capital expenditure. The Council's rents were currently lagging behind Formula Rent. The Department for Communities and Local Government were increasing Formula Rent by 2.8%. This meant that the Council needed to increase rent even more if the gap was to be closed within required timescales. By increasing the rents by an average of 3.4% the Council would ensure that the vast majority of properties had reached the Formula Rent and those that lagged further behind were moved towards Formula Rent as quickly as possible.

The Warden Service would cease to operate as from April 2015 onwards. This would reduce both income and expenditure but would give the Council more certainty about its future and expenditure streams.

Discussion followed with regard to the budget of £30k for garage repairs and whether this was enough provision. It was pointed out that many garages were now too small for the modern cars and could not fulfil their original intent. However, it was expensive to knock down garages and rebuild them for rent especially given that there was not currently a waiting list for garages. The Head of Housing and Property Services stated that it was better to repair a garage that was currently let rather than repair a garage that was unlettable.

Members requested that when the Council decided in the future to knock down a garage that it inform's the Ward Member(s) first.

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

35 **FINANCIAL UPDATE FOR THE SIX MONTHS TO 30 SEPTEMBER 2014 (00-39-33)**

The Group had before it a report \* from Head of Finance presenting a financial update in respect of the income and expenditure so far in the year. In addition, the report highlighted the Council's current financial status and the likely reserve balances as at 31 March 2015.

Since the report had been published the figures for October had been released and these had showed a £57k better than expected figure in relation to DAARS (the Deposit and Rent Scheme). It was further explained that the solar panel income of £168k was to be transferred to the renewable energy reserve. Officers would be tasked with undertaking an audit on possible renewable energy projects for tenants going forwards.

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

36 **HRA MEDIUM TERM FINANCIAL PLAN 2015-2019 (00-46-56)**

The Group had before it, and **NOTED**, a report \* from the Head of Finance and Head of Housing providing an estimate of the budget required for the operation of the Housing Revenue Account (HRA) from 2015/16 – 2018/19.

Discussion took place regarding the income figure for non-dwelling rents remaining static between 2015/16 and 2018/19. It was explained that this predominately related to garage and ground rents. An assumption had been made that it would be unlikely that rents would be increased in this area over the next three years.

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

37 **PERFORMANCE AND RISK REPORT FOR THE FIRST TWO QUARTERS OF 2014-15 (00-57-48)**

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 2014/15 as well as providing an update on the key business risks.

The Chairman expressed concern regarding the number of “affordable homes delivered” being well below target. He requested that a report be brought to the next meeting summarising the position and that a realistic prediction be made about the numbers which were achievable by the end of the year. It was explained that the actual number of affordable homes delivered was very dependent on development within the district.

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

38 **DEVON HOME CHOICE WORKING GROUP (01-05-43)**

The Group had before it a report \* from the Devon Home Choice Working Group presenting a summary of their work as well as their conclusions and recommendations.

Members of the working group stated that they had worked hard to examine all the evidence from authorities who had either removed Band E already or

who were consulting on it. They had concluded that currently the risks outweighed the potential benefits and that the same number of people would apply to the Council for housing whether they had a Band E or not creating no saving in officer time. They had further concluded that there were people in Band E who had no housing need but for financial reasons could not afford to stay where they lived. The situation needed to be reassessed in 12 months time.

The Housing Options Team were working hard on reducing the numbers in the list wherever they could to more accurately reflect what the true housing need was. Advice was provided to applicants from the outset as well trying to impart the unlikelihood of being housed if placed within Band E.

There was a consensus of opinion throughout the partnership that the Devon Home Choice Scheme needed some fundamental changes and the Working Groups conclusions and recommendations would be fed back to inform the DHC review currently being undertaken.

**RECOMMENDED** to the Cabinet that the recommendations within the report be approved.

(Proposed by Cllr R Wright and seconded by Cllr Mrs E M Andrews)

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

(ii) Cllr Mrs J R Rendle declared a personal interest in that she was a private landlord.

### 39 **ASBESTOS MANAGEMENT ON COUNCIL HOUSES (01-27-02)**

The Group had before it, and **NOTED**, a report \* from the Head of Housing and Property Services providing Members with an update on the Health and Safety Executive (HSE) investigation into the alleged Asbestos Insulating Board (AIB) asbestos soffit removal by an unlicensed contractor at Brays Close, Crediton.

It was explained that all staff within the Housing Service had been informed of the HSE notification of contravention and had been sent a copy of their letter. This was in accordance with a recommendation from the HSE. The Head of Housing and Property Services was seeking further clarity from them as to whether this recommendation related to all staff within the Council or just those within the Housing Service. All HSE recommendations needed to be in place by 30 November 2014 and it was confirmed that this was an achievable target.

A brief discussion took place regarding the fee that the HSE would charge the Council in relation to their investigation. The total figure was not yet known but could be estimated to be between £5k and £10k. The Council had thought that it acted in accordance with its obligations but had agreed that there had been weaknesses in the light of the investigation. The recommended changes to the Council's Asbestos Register had been implemented and work was underway to complete the register in its new format.

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

40 **EMPTY HOMES STRATEGY (01-38-50)**

The Chairman informed the Group that this item would be deferred until the next meeting to allow more time to gather together relevant and updated information.

41 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING – 20 JANUARY 2015**

In addition to the items already identified in the work programme it was **AGREED** that the following reports should come to the next meeting:

- Draft budget update for 2015/16
- Update on figures in relation to Affordable Homes
- Verbal report on the acquisition of a special purpose vehicle

(The meeting ended at 4.00pm)

**CHAIRMAN**