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Cambridge City Council

HOUSING SCRUTINY COMMITTEE

To: **Scrutiny Committee Members:** Councillors Todd-Jones (Chair), Birtles (Vice-Chair), Avery, Baigent, Bird, Blackhurst, Holland and Robertson

Alternates: Councillors Gawthrope, Hipkin and Pitt

Tenants and Leaseholders: Diane Best (Leaseholder Representative), Kay Harris (Tenant Representative), John Marais (Tenant Representative), Diana Minns (Vice Chair /Tenant Representative), Caroline Oriokot (Tenant Representative) and Terry Sweeney (Tenant Representative).

Executive Councillor for Housing: Councillor Price

Despatched: Monday 23 June 2014

Date: Tuesday, 1 July 2014

Time: 5.30 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Claire Tunncliffe **Direct Dial:** 01223 457012

AGENDA

1 APOLOGIES

To receive any apologies for absence.

2 APPOINTMENT OF VICE-CHAIR (TENANT/LEASEHOLDER REP) FOR 2014/15

3 MINUTES *(Pages 9 - 16)*

To approve the minutes of the previous meeting. *(Pages 9 - 16)*

4 DECLARATIONS OF INTEREST

Members are asked to declare at this stage any interests that they may have in an item shown on this agenda. If any member of the Committee is unsure whether or not they should declare an interest on a particular matter, they should seek advice from the Head of Legal Services **before**

the meeting.

5 PUBLIC QUESTIONS

(See information below).

6 ORAL REPORT FROM THE EXECUTIVE COUNCILLOR AND PROPOSALS FOR 'LEAD COUNCILLORS'

Oral introduction by the Executive for Housing on the immediate priorities for the portfolio and an introduction to the Lead Councillor role for Private Rented Housing and the Lead Councillor role for Homelessness.

Lead Councillor for Private Rented Housing

To assist the Executive Councillor in developing policy on private rented housing, starting with a review focusing on the priorities in the Annual Statement.

Cllr Dave Baigent

Lead Councillor for Homelessness

To assist the Executive Councillor in developing policy on homelessness, starting with a review focusing on the priorities in the Annual Statement.

Cllr Richard Robertson

Items for Decision by the Executive Councillor for Housing, Without Debate

These Items will already have received approval in principle from the Executive Councillor. The Executive Councillor will be asked to approve the recommendations as set out in the officer's report.

There will be no debate on these items, but members of the Scrutiny Committee and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

Items for Debate by the Committee and then Decision by the Executive Councillor for Housing

These items will require the Executive Councillor to make a decision after hearing the views of the Scrutiny Committee.

There will be a full debate on these items, and members of the public may ask questions or comment on the items if they comply with the Council's rules on Public Speaking set out below.

Part 1: To be chaired by Vice Chair (Tenant/Leaseholder Rep)

Items for Decision by the Executive Councillor, Without Debate

- 7 STANDARD ITEM: WRITE-OFF OF FORMER AND CURRENT TENANT ARREARS** *(Pages 17 - 24)*

Items for Debate by the Committee and then Decision by the Executive Councillor

- 8 LEASEHOLD SERVICES UPDATE** *(Pages 25 - 36)*
- 9 RESIDENT INVOLVEMENT UPDATE** *(Pages 37 - 46)*
- 10 2013/14 REVENUE AND CAPITAL OUTTURN, CARRY FORWARDS AND SIGNIFICANT VARIANCES - HRA** *(Pages 47 - 56)*

Part 2: To be taken by the Chair of the Committee
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Items for Debate by the Committee and then Decision by the Executive Councillor

- 11 2013/14 REVENUE AND CAPITAL OUTTURN, CARRY FORWARDS AND SIGNIFICANT VARIANCES - HOUSING PORTFOLIO** *(Pages 57 - 72)*
- 12 AFFORDABLE HOUSING PROGRAMME** *(Pages 73 - 86)*

It is recommended that the committee resolves to exclude the press and public during item **12** by virtue of paragraph(s) 6 of Part 1 of Schedule 12A of the Local Government Act 1972
(Pages 73 - 86)

- 13 PROCUREMENT OF AN AFFORDABLE HOUSING DEVELOPMENT PARTNER** *(Pages 87 - 90)*

Items for Decision by the Executive Councillor, Without Debate

14 POWER TO CHARGE FOR CERTAIN ENFORCEMENT ACTION UNDER THE HOUSING ACT 2004 (THE "ACT") *(Pages 91 - 106)*

15 CAMBRIDGESHIRE HOME IMPROVEMENT AGENCY (CAMBS HIA) - EXTENSION OF CONTRACT *(Pages 107 - 110)*

16 RECORD OF URGENT DECISION

Record of Urgent Decisions taken by the Executive Councillor for Housing

To note decisions taken by the Executive Councillor for Housing since the last meeting of the Housing Management Board.

16a Opportunity to Bid to Increase the Housing Revenue Account (HRA) *(Pages 111 - 138)*

For consideration of all the Committee

17 FUTURE MEETING TIMES FOR HOUSING SCRUTINY COMMITTEE
Committee Manager

Committee Members to review and agree future meeting times for Housing Scrutiny Committee.

A start time of 2.30pm has been proposed by the Chair.

18 DISPOSAL OF 18A AND FREEHOLD TO 18B MAGRATH AVENUE
Business Manager & Principal Accountant *(Pages 139 - 146)*

The Chair will rule that under 100B(4)(b) of the Local Government Act 1972 this item be considered despite not being made publicly available for this Committee five clear days prior to the meeting. (Pages 139 - 146)

Information for the Public

Location

The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

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- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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disabled
people**

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HOUSING MANAGEMENT BOARD4 March 2014
5.30 - 6.55 pm

Present: Councillors Blackhurst (Vice-Chair), Blencowe, Brierley, Johnson, Pippas, Price, Rosenstiel

Executive Councillor for Housing: Councillor Smart

Tenant/Leaseholder Representatives: Diana Minns (Chair), Diane Best, Kay Harris, Caroline Oriokot and Terry Sweeney

Chair of the Housing Regulation Panel: Stan Best

Officers:

Head of City Homes: Robert Hollingsworth

Area Housing Manager: Sandra Farmer

Resident Involvement Facilitator: James Bull

Committee Manager: Claire Tunnicliffe

FOR THE INFORMATION OF THE COUNCIL**14/13/HMB Apologies**

Apologies were received from Councillor Bird, Mr John Marais and the Director of Community and Customer Services.

14/14/HMB Declarations of Interest

None were declared.

14/15/HMB Minutes

Minutes of the 7 January 2014 meeting were approved and signed as a correct record subject to the following amendments (replacement underlined and original text ~~struck through~~):

- 14/6/HMB Shared Ownership Review
In response to the report ~~Kay Harris~~ Diane Best requested that a copy of the survey referenced in the report be circulated to Members.

Councillor Rosenstiel who attended the HMB meeting on 7 January 2014 requested that his name was added to the list of Councillors who were present at the meeting.

Minutes of the 16 January 2014 meeting were approved and signed as a correct record subject to the following amendment.

It was noted that the minutes of 16 January 2014 had not referenced the funding in the Labour Group Amendment Housing Revenue Budget 2014/15 to allow the phased recruitment of four repairs apprentices starting in 2015/16. The Executive Councillor for Housing had agreed to the principle of this commitment providing that Officers could guarantee proper and sufficient training for the additional apprentices

Councillor Price requested that the Committee's disappointment with the Executive Councillor for Housing not agreeing with the decision of the Housing Management Board to approve the Labour Amendment on Housing Revenue Account Budget for 2014/15 be minuted.

14/16/HMB Public Questions

There were no public questions.

14/17/HMB Housing Portfolio Plan 2014/15

Matter for Decision

To note the draft Housing Portfolio Plan 2014/15, which had set out the strategic objectives for the portfolio for the year ahead, describing the context in which the portfolio would be delivered and detailed the activities required to deliver the outcomes and the vision. Performance measures and risks were also shown for each strategic objective.

Decision of Executive Councillor for Housing

Noted the draft Housing Portfolio Plan 2014-15.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

In response to the report the Committee made the following comments:

- i. The developing plans for the Council to deliver up to 2000 new affordable homes in Strategic Objective HS01 should state that this would be in the Greater Cambridge area and would be delivered with partnership agencies. The statement indicates this would be provided solely by the Council. This was a misleading statement.
- ii. The reference to 2000 new affordable homes in Strategic Objective HS01 lay under the heading 2014/15, which gave the indication that 2000 homes would be built in this period.
- iii. The Strategic Objective for HS01 should state that the target of 2000 new affordable homes was based on the thirty year self-financing business plan and a completion date included. Based on the business plan the goal would be to build 66 homes per year to meet the 2000 new affordable homes. This information should have been included in the report.
- iv. The performance measures for the Strategic Objective HS02 did not provide a specific objective on how the Council would guarantee support for vulnerable people.
- v. There was nothing in the performance measures for the Strategic Objective HS03 which indicated the following:
 - How the Council would tackle youth homelessness.
 - How the Council would integrate the homeless back into permanent housing.
 - How the Council would encourage landlords to bring the homeless back into the private sector.
- vi. Impressed with No 3 of the Performance Measures in the Strategic Objective HS01, which indicated that the majority of new Affordable Homes would be built to Level 4 of the Code for Sustainable Homes in 2014/15, a higher level of privately built houses which were usually built to Level 3.
- vii. Queried if the figure shown in No 2 of the Performance Measures in the Strategic Objective HS01 (completion of Affordable Housing on the other sites, total of 252), could be split into three categories:
 - Those outside the city boundaries.
 - Those on the growth sites.
 - Those elsewhere.

- viii. Asked if there was an update on the City Deal and how this would affect funding.
- ix. Requested if information could be circulated to the Committee on the work of the Town Hall Lettings Scheme.

In response to Members' questions the Executive Councillor for Housing and Officers confirmed the following:

- i. The 2000 new affordable houses was part of the City Homes Scheme and she did not believe that the statement misleading.
- ii. Advised that a Key Performance Indicator would be developed to measure how the Council was helping vulnerable people and this would be brought back to Committee for information.
- iii. Although the report did not specifically indicate how the Council would combat youth homelessness, the Service for Single Homelessness stated in the report would cover young people. There were also charities and hostels that were in partnership with the Council such as the Cambridge Youth Foyer which assisted young people.
- iv. Reminded the Committee that the report provided a general overview of the work that was carried out.
- v. Confirmed that the Council were below the national average eviction rate. Fewer people were likely to be evicted than in previous years. Other measures were more complicated to calculate due to tenants who move on from a property and then re-present themselves later. A report would come back to Committee at a later date on these measures.
- vi. Advised the Town Hall Lettings Scheme referenced in Strategic Objective HS03.1 would be working with landlords in the private sector. Confirmed that figure No 2 of the Performance Measures in the Strategic Objective HS01 other sites could be divided into further categories for better clarity.
- vii. Advised that the City Deal could have an impact to the build rate of the 2000 new affordable homes, therefore it had been best not to include an end date.
- viii. Noted the Committee's comments that the report did not make reference to the business plan or an end date in Strategic Objective HS01 in relation to the completion of 2000 new affordable homes.
- ix. Would like the Council to continue with the installation and energy efficiency to ensure that tenants could keep warm at a low cost.
- x. There was no reason why an item on the Town Hall Lettings Scheme could not be included on a future agenda.

The Committee:

Resolved unanimously to note the Draft Housing Portfolio Plan 2014/15

The Executive Councillor for Housing noted the Draft Housing Portfolio Plan

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

14/18/HMB Progress Report From Residents' Housing Regulation Panel

To note the Housing Regulation Panel (HRP) progress report 2013/14 and the HRP inspection report on the City Homes Communal Window Cleaning Service.

Decision of Executive Councillor for Housing

- i. Noted and welcomed the positive outcomes achieved by residents' Housing Regulation Panel in their third year of activity.
- ii. Resolved to continue to support residents' co-regulation and the constructive challenge provided by residents' Housing Regulation Panel.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee were presented with a report by the Chair of the Housing Regulation Panel, Mr Best, on the 2013/14 HRP progress report and inspection report on the City Homes Communal Window Cleaning Service.

Diana Minns expressed the Committee's thanks to the HRP for their hard work and to Mr Best for collating such comprehensive and detailed reports.

The Executive Councillor for Housing also passed on her thanks to Mr Best and the Housing Regulation Panel for the work that they had undertaken.

In response to the report the Committee made the following comments:

- i. Welcomed the reports and reiterated thanks to Mr Best, members of HRP and Officers for their work.
- ii. Acknowledged that there had been no capacity in the past to monitor the window cleaning service to such a standard.
- iii. Agreed it was important to hold the Council to account if standards were not being met and to discuss how any issues could be resolved.
- iv. As tenants paid a service charge the work of the HRP was vital to ensure that the money had been well spent.
- v. The report had clearly highlighted that the Window Cleaning Service had not been value for money.
- vi. Disappointed to note the sub-standard of service that had been identified in the inspection report; not one window had met with the inspection standards.
- vii. Clean windows contributed to a sense of pride to the building and the area in which the tenant's lived.
- viii. Questioned the role of the Contractor's Supervisor and how the standards had failed.
- ix. Pleased to note the SMART requirements for improvements and the action plan.
- x. Acknowledged that the service had not been continuously monitored but with the action plan in place hoped that there would be continuing improvements.
- xi. By publishing the Service Standard and Window Cleaning Schedule this should encourage tenant participation to report to Officers if standards had not been met.

In response to Members' questions the Executive Councillor for Housing and Officers confirmed the following:

- i. The inspection report had been taken extremely seriously.
- ii. Dismayed to note that windows at the back of Sheltered Housing had not been cleaned.
- iii. Acknowledged that there were lessons that needed to be learnt.
- iv. This particular service would be looked at in the overall bigger procurement contract.
- v. Tenants would be encouraged to become more involved.
- vi. The service standard would be looked at on a regular basis.

Mr Best informed the Committee that due to meetings that he had attended with Officers and the Contractor, the SMART requirements and action plan in place, he now had confidence in the service. He acknowledged the improvements would not take place overnight but they would happen.

The Committee:

Resolved unanimously to endorse the Officer recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

Diana Minns, as Chair of the Housing Management Board, thanked the Committee and Officers for their attendance during the year, their debate and interest. She also thanked the Committee Manager, Claire Tunncliffe.

The meeting ended at 6.55 pm

CHAIR

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To: Executive Councillor for Housing
Report by: Director of Customer & Community Services
Relevant scrutiny committee: Housing Committee 1/7/2014
Wards affected: All Wards

WRITE-OFF OF CURRENT AND FORMER TENANT ARREARS

Not a Key Decision

The background information used in the preparation of this report is exempted from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive Summary

This report sets out the detail of one current tenant and nineteen former tenant arrears cases together with a summary of the action taken to try to recover the debts.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To approve the one case of current tenant arrears totalling £2,605.52 detailed in the attached appendix be written off, due to the expiration of a Debt Relief Order.
- 2.2 To approve the nineteen cases of former tenant arrears totalling £54,414.29 also detailed in the attached appendix, be written off due to recovery activity being exhausted.

3. Background

- 3.1 The former tenant arrears cases have been subject to the standard rent arrears recovery process where applicable.
- 3.2 The current tenant arrears case has been subject to the standard rent arrears recovery process applicable before the Debt Relief Orders were granted.
- 3.3 In April 2009, the UK Government introduced the Debt Relief Order, as a simplified, quicker and cheaper alternative to bankruptcy as a

debt relief solution. Debt Relief Orders are run by The Insolvency Service in partnership with skilled debt advisers and do not involve the courts. A Debt Relief Order (DRO) enables debtors to repay their debt without the need to file for bankruptcy, which is a more costly solution. The current cost of a Debt Relief Order is £90.00, which must be paid in advance before an application will be considered.

3.4 Debt Relief Orders are suitable for people who cannot pay their debts and do not own their own home, have little surplus income and assets and have no prospect of the situation improving.

3.5 *Application Conditions of a Debt Relief Order*

- The debtor must be unable to repay their debts.
- The debtor must owe less than £15,000.
 - The debtor can own a car to the value of £1,000 but the total value of other assets must not exceed £300.
 - After taking away tax, national insurance contributions and normal household expenses, the debtors' disposable income must be no more than £50 a month.
 - The debtor must be domiciled (living) in England or Wales, or at some time in the last 3 years have been living or carrying on business in England or Wales.
 - The debtor must not have been subject to another DRO within the last 6 years.
 - The debtor must not be involved in another formal insolvency procedure at the time they apply.

Effects of a Debt Relief Order

3.6 Debt Relief Orders usually last for 12 months, however these can be extended and the individual is:

- Protected by enforcement action from many of their creditors
- Obligated to co-operate with the Official Receiver
- Expected to repay their creditors if their circumstances improve

3.7 While the DRO is in force the debt will be subject to a moratorium. During this time, creditors named on the order cannot take any legal action to recover their money without permission from the court.

3.8 Debtors should not make any payments towards any debt contained within their DRO but should continue to pay ongoing commitments such as rent and utility bills that occur after the DRO has been approved.

- 3.9 At the end of the moratorium period, if the debtor's circumstances have not changed, they will be freed from the debts that were included in their order, as they should be written off and creditors may not take any action for repayment of the debts.
- 3.10 If the debt forms part of a joint debt, action can be taken against any other joint debtor, unless they too are subject to a DRO or other insolvency process.
- 3.11 If the moratorium is extended, ended early, or if the DRO is cancelled, creditors will be sent notice by the official receiver.

Process

- 3.12 During the 12 months that the order is in place, City Homes transfer the debt to a sub account within the tenancy in order that arrears action is not undertaken against the amount specified.
- 3.13 At the end of the 12 month period if the debtors circumstances are unchanged, the council has no option but to write the debt off.
- 3.14 Any tenant who has had a DRO is unable to apply for another one within a 6-year period.

4. Implications

(a) Financial Implications

Provision for writing off of bad debts has been made in the Housing Revenue Account.

(b) Staffing Implications (if not covered in Consultations Section)

There are no staffing implications associated with this report.

(c) Equality & Poverty Implications

An Equalities Impact Assessment has not been undertaken in respect of this report, as each case has been individually considered prior to submission for write off.

(d) Environmental Implications

There are no environmental implications associated with this report.

(e) Procurement

There are no direct procurement implications associated with this report.

(f) Consultation and communication

This report considers an individual case for write off. A number of attempts will have been made to contact the tenant concerned prior to the preparation of this report.

Members and tenant and leaseholder representatives are reminded that they are welcome to spend time with City Homes officers to gain further insight into the arrears recovery and write off process.

(g) Community Safety

There are no environmental implications associated with this report.

5. Background Papers

The background papers used in the preparation of this report are exempt from publication as they contain information relating to the financial or business affairs of any particular person.

6. Appendices

The following appendix is included as part of this report:

- Appendix 1: Individual arrears case and action taken.

7. Inspection of Papers

If you have a query on the report please contact:

Author's Name:	Cherie Carless
Author's Phone Number:	01223 - 457824
Author's Email:	cherie.carless@cambridge.gov.uk

Area Team	Ward	Amount	Action Taken To Recover Debt	Reason for Write-off
South	Coleridge	£2,605.52	Debt Relief Order	The tenancy has been live for the period July 2000 to present, and the debt comprises outstanding rent arrears and court costs. In December 2010 the tenant applied for a Debt Relief Order against the outstanding debts that they held, which included £2,605.52 to the City Council. The moratorium period has now passed so the debt is to be written off.
Current Tenants		£2,605.52		
South	Abbey	£2,543.59	No recovery action for 6 years	The tenancy was for the period April 1986 - September 1999. The debt comprises arrears and associated court costs that accumulated over the period of the tenancy as well as former tenant arrears from a previous tenancy. The tenant was evicted from the property following legal action and no contact was received from tenant regarding the arrears. The debt was passed to a tracing agent but was returned 'unable to collect' and no further action has been taken to recover the debt since 2005. As the debt has not been chased for the last 6 years we can no longer enforce recovery.
South	Abbey	£2,783.19	No recovery action for 6 years	The tenancy was for the period June 2000 - April 2005. The debt comprises arrears & associated court costs that accumulated from the period January 2004, when benefits stopped. The tenants were evicted from the property and debt recovery action commenced in January 2006, however was subsequently returned as 'unable to collect'. No further recovery action has been taken to recover the debt since 2006. As the debt has not been chased for the last 6 years we can no longer enforce recovery.
South	Coleridge	£2,856.23	No recovery action for 6 years	The tenancy was for the period October 2001 - July 2005. The debt comprises arrears & associated court costs. The tenant was placed into a witness protection programme and so their identity would not now be made public. No further recovery action has been taken to recover the debt since 2005 and as the debt has not been chased for the last 6 years we can no longer enforce recovery.
South	Coleridge	£3,034.28	No recovery action for 6 years	The tenancy was for the period November 1999 - February 2005. The debt comprises arrears & associated court costs. The tenant was evicted due to the high level of arrears. No further recovery action has been taken to recover the debt since 2005 and as the debt has not been chased for the last 6 years we can no longer enforce recovery.
South	Queen Ediths	£4,389.40	No recovery action for 6 years	The tenancy was for the period August 1990 - October 2005. The debt comprises arrears & associated court costs. The arrears on the account accrued over a long period of time between 2001 and 2005 during which payments were received but were not enough to cover the ongoing rent liability overall. The property was then reposessed and an arrangement was made of £5 per week to pay the arrears however the payments ceased in Sept 2006. The account was not passed to an agency and no arrears action has been taken for the last six years and therefore the debt is now deemed not recoverable.
South	Abbey	£2,997.64	No recovery action for 6 years	The tenancy was for the period May 2004 - Feb 2006. The debt comprises a HB overpayment, rechargeable repairs and outstanding rent arrears. The arrears started to accrue on the account from the commencement date of the tenancy when arrears direct payments were sought. The tenant then had to flee the Cambridge area due to domestic violence in April 2005.
South	Trumpington	£2,998.63	Tenant Deceased	The tenancy was for the period April 1986 - November 2012. The debt comprises arrears that accumulated after the tenant passed away in July 2012. Relatives requested no involvement and no known monies in estate. Following Area Housing Manager involvement, the tenancy was ended in November 2012.

Area Team	Ward	Amount	Action Taken To Recover Debt	Reason for Write-off
South	Abbey	£3,155.58	Debt Relief Order	The tenancy was for the period April 2006 to March 2013, and the debt comprises outstanding rent arrears and court costs. In February 2012 the tenant applied for a Debt Relief Order against the outstanding debts that they held, which included £3,155.58 to the City Council. The debt relief order moratorium period has now passed so the debt is to be written off.
South	Coleridge	£3,332.87	Tenant moved abroad	The tenancy was for the period December 2004 to June 2013, and the debt comprises outstanding rent arrears and ASB Injunction costs. The arrears started to accrue after housing benefit stopped due to the tenant moving abroad. Arrears direct payments were received initially but were not enough to cover the rent. Notice was finally given by the tenant and the tenancy was ended.
South	Coleridge	£3,449.06	Unable to trace debtor	The tenancy was for the period November 1993 - July 2012. The debt comprises rent arrears, court costs and housing benefit overpayment. The last payment received on the rent account was in September 2011 and arrears steadily accrued until the tenancy was repossessed in July 2012. Tenant had previously obtained a green card and moved to America.
South	Trumpington	£4,220.46	Tenant Deceased	The tenancy was for the period April 1986 - December 2012. The account was clear when the tenant passed away in March 2012 as they were on full housing benefit however no death certificate was received. Son left in property after death of mother. Not able to succeed tenancy. Son advised to go to Housing Options. Housing Officer had difficulties getting son to engage. Several attempts made by Housing Officer to contact son. Tenancy ended December 2012
North	Arbury	£2,116.40	Recovery Exhausted	The tenancy was for the period September 2010 - November 2012. The tenant was evicted due to the high level of rent arrears. The case was then sent to a tracing agency for debt recovery however this was returned as 'activity exhausted'.
North	Arbury	£2,391.21	Unable to trace debtor	The tenancy was for the period December 2003 - August 2009. The tenant decided to give notice on the property as they were serving a prison sentence and an arrangement was made to clear the arrears accrued on the account but this subsequently ended. On release from prison the tenant was sectioned under the Mental Health Act in early 2013. Once released the case was sent to a tracing agency for debt recovery however this was returned as 'unable to trace'.
North	Kings Hedges	£2,329.32	Debt Relief Order	The tenancy was for the period July 2004 - July 2011, and the debt comprises outstanding rent arrears and court costs. In December 2011 one of the tenants applied for a Debt Relief Order against the outstanding debts that they held, which included £2,329.32 to the City Council. The moratorium period has now passed so the debt is to be written off. The other joint tenant passed away in 2012 and had no money to cover any funeral expenses.
North	Arbury	£2,496.90	Debt Relief Order	The tenancy was for the period August 2009 - January 2012, and the debt comprises outstanding rent arrears and court costs. In June 2012 the tenant applied for a Debt Relief Order against the outstanding debts that they held, which included £2,496.90 to the City Council. The moratorium period has now passed so the debt is to be written off.
North	Kings Hedges	£2,390.57	Unable to trace debtor	The tenancy was for the period October 2004 - June 2012 and the debt comprises outstanding rent arrears and court costs. The debt was sent to a tracing agency for debt recovery however this was returned as 'unable to trace'.
North	Kings Hedges	£2,444.57	Unable to trace debtor	The tenancy was for the period November 2004 - December 2005 and the debt comprises outstanding rent arrears and court costs. The debt was sent to a tracing agency for debt recovery however this was returned as 'unable to trace'.

Individual arrears cases and action taken.

Area Team	Ward	Amount	Action Taken To Recover Debt	Reason for Write-off
North	Kings Hedges	£2,294.34	Unable to trace debtor	The tenancy was for the period January 2005 - April 2007 and the debt comprises outstanding rent arrears and court costs. The debt was sent to a tracing agency for debt recovery however this was returned as 'unable to trace'.
North	Kings Hedges	£2,190.05	Tenant Deceased	The tenancy was for the period June 2005 - April 2009. The debt comprises former tenant arrears, court costs and housing benefit overpayment before the tenant was evicted for non payment whilst serving a custodial sentence. The tenant then passed away soon after being released from prison. No next of kin details are held or monies in the estate.
Former Tenants		£54,414.29		

Overall Total £57,019.81

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To: Kevin Price: Executive Councillor for Housing
Report by: Robert Hollingsworth, Head of City Homes.
Relevant scrutiny committee: Housing Scrutiny Committee 1/7/2014
Wards affected: All Wards

Leasehold Services Update Key Decision

1. Executive summary

1.1 The last major review of Leasehold Services took place in 2007 when there were 1,041 leaseholders who had either purchased under the Right to Buy, or were successive purchasers from the original RTB leaseholder. At that time, 25% of leaseholders did not live in their property but sublet them. The number of leaseholders has now increased to 1,107 (just over 13% of the overall council stock). Of these, 44% now sublet the property and are Landlords themselves.

1.2 As well as Leasehold Services, the Leasehold team also manage the Right to Buy and Shared Ownership. There has been a significant increase in the workload of the team, both in terms of leaseholders and the increase in Right to Buy activity. New building developments, with plans for an increase in shared ownership and complicated management arrangements involving freehold properties, will also impact on the team.

1.3 Staffing of the team has remained consistent since 2007 with 2.5 full time equivalent staff, despite the increases in RTB, Shared Ownership and leasehold activity. Similar authorities with comparable stock numbers have an average team size of 3.5. A review of staffing is to be undertaken during 2014/2015 to ensure appropriate numbers of staff to meet the increasing demands on the service.

2. Recommendations

The Executive Councillor is recommended:

2.1 To instruct officers to review the level of staff resources in

the Leasehold Team.

- 2.2 To instruct officers to set up a working group to progress the action plan as outlined in appendix 2.
- 2.3 To instruct officers to report back on progress of the working group in 2015.
- 2.4 To instruct officers to review the Building Insurance covered in 7.1 of appendix 1.

3. Background

- 3.1 Right to Buy:** With the increase in the discount to which RTB applicants are eligible to £75,000 from 1st April 2012, Right to Buy applications have increased three-fold over the past year, and the numbers of completions have increased from 11 in 2011/2012 to 60 in 2013/2014.
- 3.2 Management Charge:** The Management charge comprises the costs and associated overheads in the provision of staff to manage the Leasehold Service to leaseholders. From April 2008, the Council have charged leaseholders the actual cost of administering the leasehold service. In 2008, the Management Charge was calculated at £142.40. The cost of the service per leaseholder in 2012/2013 was £143.02 (*see Appendix 2*).
- 3.3 Service charges:** Since 2007, there has only been one challenge at a Leasehold Valuation Tribunal in respect of the “reasonableness and payability” of our service charges. The LVT decision was that the charges are reasonable and payable, particularly in comparison to the private sector – where average management costs would be £200 – 250 per unit. The tribunal felt that leaseholders benefited from in-house resources being provided at ‘cost’ rather than having a profit element attached to them.
- 3.4 Repairs and Maintenance:** The responsibility for repairs to the structure and exterior communal areas of the block are set out in each Lease, and require the Council as Landlord to keep the property in good repair and condition. The Estates and Facilities Section perform this function for Cambridge City Council. Following a restructure the Estates and Facilities team have transferred to the Customer and Community Services Department and the Director is recruiting a new Head of Service.

This arrangement should improve the communication between the two teams.

- 3.5 Day to day repairs:** Leaseholders have been raising issues regarding the day to day communal repairs of the blocks through the Leaseholder Consultation Forum, which include the reporting, notification of completion and invoicing of communal day to day repairs. It is proposed that a working group be set up to include leaseholders, tenants and officers to review Communal Repairs. An action plan is proposed in Appendix 3.
- 3.6 Section 20 Major Works:** The Commonhold and Leasehold Reform Act 2002 requires that a leaseholder must be consulted before the landlord carries out works above a certain amount (£250.00) or enters into a long term agreement for the provision of services. The Asset Management Plan currently does not provide a rolling 5-year programme of work that can be communicated to current or future leaseholders, and leaseholders only find out about the work once a Section 20 Notice is served. Whilst the Council wants the maximum flexibility in the programme of work, to allow changes to any investment priorities, – this does mean that programmes of work cannot be communicated to leaseholders. It is proposed to publish a 5 -year rolling Capital Programme that can be effectively communicated to leaseholders for works that will commence April 2015/2016.
- 3.7 Resident Involvement:** The Leaseholder Consultation Forum is currently held three times per year, at different locations around the City. In the Annual Report to Tenants and Leaseholders in Open Door Summer 2013, leaseholder satisfaction was reported at a low 30% satisfied with the value for money of service charges, without any explanation of how this figure was arrived at. The STAR survey in 2014/2015 will try to capture why satisfaction is so low, and results will be fed-back through the Leaseholder Consultation Forum.

4. Implications

(a) Financial Implications

There are no direct financial implications of this report. Any financial implications resulting from the review of staffing will be considered as part of the HRA Mid-Year Financial Review process for 2014/15 or HRA Budget Setting Report for 2015/16.

(b) **Staffing Implications**

There are no direct staffing implications identified as a consequence of this report. However the staffing resources will be reviewed.

(c) **Equality and Poverty Implications**

There are no direct equality or poverty implications of this report. However, outcomes of the working group may lead to changes in charges to residents, including leaseholders, and this will be subject to an Equality and Poverty implication assessment.

(d) **Environmental Implications**

There are no direct environmental implications of this report.

(e) **Consultation and Communication Implications**

The annual STAR survey of tenants and leaseholders will be carried out in the summer of 2014.

(f) **Community safety**

There are no community safety implications.

5. Background papers

There are no background papers to this report.

6. Appendices

Appendix 1 – Leasehold Service Update

Appendix 2 – Management Charge Calculation 2012 / 2013

Appendix 3 – Action Plan

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name: Andrew Latchem

Author's Phone Number: 01223 - 458402

Author's Email: Andrew.latchem@cambridge.gov.uk

Appendix 1

LEASEHOLD SERVICE UPDATE

1.0 Background

1.1 The last major review of Leasehold Services took place in 2007 when there were 1,041 leaseholders who had either purchased under the Right to Buy, or were successive purchasers from the original RTB leaseholder. At that time, 25% of leaseholders did not live in their property but sublet them.

1.2 The number of leaseholder has now increased to 1,107 leaseholders (just over 13% of the overall council stock). Of these, 44% now sublet the property and are Landlords themselves.

1.3 As well as Leasehold Services, the team also manage Right to Buy and Shared Ownership.

1.4 There has been a significant increase in the workload of the team, both in terms of leaseholders and the increase in Right to Buy activity. New building developments, with plans for an increase in shared ownership and complicated management arrangements involving freehold properties, will also impact on the team.

1.4 Staffing of the team has remained consistent since 2007 with 2.5 full time equivalent staff, despite the increases in RTB, Shared Ownership and leasehold activity. Similar authorities with comparable stock numbers have an average team size of 3.5. A review of staffing is to be undertaken during 2014/2015 to ensure appropriate numbers of staff to meet the increasing demands on the service.

2.0 Right to Buy

2.1 With the increase in the discount paid to RTB applicants of £75,000 from 1st April 2012, Right to Buy applications have increased three-fold over the past year, and the numbers of completions are as follows:

Year	Number sold	No of which were Flats
2011-2012	11	5
2012-2013	41	18
2013-2014	60	29

2.2 The Department for Communities and Local Government announced on 3 January 2014 further steps to ensure eligible tenants are able to realise their home ownership aspirations, which include:

- Plans to reduce the number of years a tenant has to have a secure tenancy from 5 to 3 years;
- Plans to increase the maximum percentage discount for houses from 60% to 70%;
- Plans to increase the maximum cash caps in line with the Consumer Price Index rise in inflation;
- Introduction of Right to Buy Agents, to help buyers complete their home purchase with a £100m fund to improve access to mortgage finance.

3.0 Management Charge

3.1 The Management charge comprises the costs and associated overheads in the provision of staff to manage the Leasehold Service to leaseholders. It includes the full cost of the leasehold team and a proportion of other staff supporting the Leasehold service as well as associated overheads, such as IT and office running costs. Management of the services to the blocks and on estates is managed through the Housing Officers at City Homes North and City Homes South.

3.2 From April 2008, the Council have charged leaseholders the actual cost of administering the leasehold service. In 2008, the Management Charge was calculated at £142.40. The cost of the service per leaseholder in 2012/2013 was £143.02 (*see Appendix 2*). The very low increase in costs has been achieved by managing the quality of the service, but at the same time delivering efficiencies.

3.3 Since 2007, there has only been one challenge at a Leasehold Valuation Tribunal in respect of the reasonableness and payability of service charges. The LVT decision was that the charges are reasonable and payable, particularly in comparison to the private sector – where average management costs would be £200 – 250 per unit. The tribunal felt that leaseholders benefited from in-house resources being provided at ‘cost’ rather than having a profit element attached to them.

4.0 Service charges

4.1 The annual service charge debit is now more than £400,000 per annum – with an average annual service charge of £360 per leaseholder. This remains very competitive, as an average service

charge in the private sector would be of £1, 000 per annum or more. The collection rate remains high, at over 97% successfully collected. The Council have never had to forfeit a Lease for non-payment of service charges. Repossessions by mortgage companies of leasehold properties have averaged two per year for the last four years.

4.2 Leaseholders contribute to services to the block in which the flat is situate, and these can vary from one block to another and one estate to another. Generally, they will include:

Caretaking Services	The caretakers are directly employed by Cambridge City Council, and cover a total of 956 properties. The cleaning element is currently subject to the Building Cleaning Procurement.
Communal cleaning	Communal cleaning is currently undertaken by our Direct Works team. In May 2013 the Council wrote to leaseholders regarding the tender of the Building Cleaning contract, and its procurement.
Window cleaning	Window cleaning is currently undertaken by our outside contractors Advanced Cleaning Services. In future, this service will be provided as part of the Building Cleaning Procurement.
Lift services	We have lifts in our larger blocks at Hanover and Princess Courts, and Kingsway.
Grounds Maintenance	Grounds maintenance is currently undertaken by our Direct Works Team.
Communal electricity	This is the cost of providing electricity for communal lighting to the blocks. The Council have, with our suppliers, installed Smart Meters to all of our communal areas, which ensures prices are based on actual rather than estimated costs.
Door entry services	The cost of maintaining and repairing door entry systems across 30 estates. Residents will shortly be consulted on new door entry systems to Kingsway, where residents have expressed a wish for a more secure entrance to the blocks.
Repairs and Maintenance	Leaseholders pay an estimated charge of £70.00 per year, which is then adjusted in September the following year to the actual cost of day to day repairs to the block.

5.0 Repairs and Maintenance

5.1 The responsibility for repairs to the structure and exterior communal areas of the block are set out in each Lease, and require the Council as Landlord to keep the property in good repair and condition. The Estates and Facilities Section perform this function for Cambridge City Council.

5.2 Leaseholders are required to pay a reasonable proportion of repairs costs to the block in which their flat is situated. In a block of 4

flats, a leaseholder would pay a quarter contribution to the costs. This is important, as if a block was entirely occupied by leaseholders, the full costs of maintenance and repair in any year would be fully rechargeable.

Day to day Repairs

5.3 The Repairs Improvement Plan of day to day repairs has so far been limited to improvements in the day to day service to tenants.

5.4 Leaseholders have been raising issues regarding the day to day communal repairs of the blocks through the Leaseholder Consultation Forum, which include the reporting, notification of completion and invoicing of communal day to day repairs. For example, a repair reported in June 2013 would not be seen by the leaseholder as a charge until the Actual Statements in September 2014, some 18 months later.

5.5 It is proposed that a working group be set up to include leaseholders, tenants and officers to review Communal Repairs. An action plan is proposed in Appendix 3. The Working Group to report back to Housing Management Board in 2015 on the progress of these issues.

Section 20 Major Works

5.6 The Commonhold and Leasehold Reform Act 2002 requires that a leaseholder must be consulted before the landlord carries out works above a certain amount (£250.00) or enters into a long term agreement for the provision of services.

5.7 Following the delivery of the Decent Homes programme, which mainly concentrated on the inside of tenants homes (kitchens, bathrooms, electrics and re-roofing), and the implementation of housing self-financing 2012 there is now a greater emphasis on investment on the outside of homes and in communal areas.

5.8 Work to the communal areas of blocks is rechargeable to leaseholders under the Repairs and Maintenance, Schedule 3, of the Lease. There has been a significant increase in the service of Section 20 Notices to leaseholders, from a value of £100,000 in 2011/2012 to over £400, 000 in 2013/2014. At a time of financial pressure on individual households, Leaseholders are being asked to find significant funds for work which the Council have prioritised as essential for investment in our stock, including Fire Risk Assessment works and Housing Health & Safety Rating System works.

5.9 The Asset Management Plan currently does not provide a rolling 5-year programme of work that can be communicated to current or future leaseholders, and leaseholders only find out about the work once a Section 20 Notice is served. Whilst the Council wants the maximum flexibility in the programme of work, to allow changes to any investment priorities – this does mean that programmes of work cannot be communicated to leaseholders. It is proposed to publish a 5 – year rolling Capital programme that can be effectively communicated to leaseholders for works that will commence April 2015/2016.

5.10 In delivering these Capital Programmes, the Council should consider value for money for both the Council and the leaseholders.

5.11 The Department of Communities and Local Government have recently consulted on protecting leaseholders from un-reasonable charges; and have proposed a cap of £10,000 on leasehold works within any 5 year-period. Whilst Cambridge is self-financing and is not subject to any repairs grant that would cap works, it is suggested that thought needs to be given to scheduling work so as not to excessively burden any one leaseholder.

6.0 Resident Involvement

6.1 The Leaseholder Consultation Forum is currently held three times per year, at different locations around the City. More recently, additional meeting have been held to give leaseholders the opportunity to discuss proposals for Major Works in their area, and this early engagement with leaseholders on works should be proactively carried out by Estates and Facilities as part of their project management role.

6.2 Leasehold review meetings have been instigated by City Homes to look proactively at cross-departmental issues affecting leaseholders.

6.3 In the Annual Report to Tenants and Leaseholders in Open Door Summer 2013, leaseholder satisfaction was reported at a low 30% satisfied with the value for money of service charges, without any explanation of how this figure was arrived at. The STAR survey in 2014/2015 will try to capture why satisfaction is so low, and results will be fed-back through the Leaseholder Consultation Forum.

7.0 Leaseholders Insurance

7.1 The City Council insure all our buildings under a block policy with Zurich Municipal, and charge the leaseholders an annual flat fee

(currently £43.97 per property) for Buildings Insurance. Our Buildings Insurance currently only covers Public Liability for the communal areas of the block. We are looking with our Insurers at a more tailor-made policy for leaseholders – that separates out the leasehold flats from the rented council houses and flats.

Appendix 2

Management Charge Calculation 2012 – 2013

The management charge is calculated by dividing the cost of the service by the number of leaseholders – last year the average number of leasehold properties was 1,085.

The estimated charge for 2012/2013 was notified as £145.30, and the actual cost of the service was £143.02.

	Full Cost £
Leasehold Team Staff Costs	52.12
Leasehold Team Office Resources	7.20
Leasehold Team Income Generated from Fees e.g. sales enquiries, sublet registration	-5.30
City Homes Management and Administrative Costs, including : housing management, contract monitoring (cleaning, grounds maintenance), repairs processing, surveying	8.68
Finance and IT Support and System Costs	5.05
Legal Advice and Support	9.77
Share of Corporate and Departmental Overheads and Business Running Costs, including : Premises, Utilities, Customer Service Centre, Cashiers, Human Resources, Audit, IT Infrastructure / Hardware	65.50
2012/13 Actual Management Charge	<u>£143.02</u>

Appendix 3

Proposed Action Plan – Communal Repairs Working Group

Action	Completion date	Interim Head of Service / Lead Officer
1. Reporting of Communal Repairs The Repairs Improvement Plan of day to day repairs has so far been limited to improvements in the day to day service to tenants.	Dec - 2014	Robert Hollingsworth / Andrew Latchem
2. Notification to leaseholders of completion of works	Dec - 2014	Robert Hollingsworth / Andrew Latchem
3. Advising leaseholders of the individual costs of communal repairs	Dec - 2014	Robert Hollingsworth / Andrew Latchem
4. Production of a 5-year rolling Capital Works Programme to be communicated to leaseholders and tenants for 2015/2016	March - 2015	Alan Carter / Will Barfield
5. Ensuring all Projects meet best value for money to both the authority and the leaseholder.	March – 2014 <i>Implemented and ongoing</i>	Alan Carter / Will Barfield
6. Consider the scheduling of works so as not to excessively burden any one leaseholder with excessive charges in any 5 year period.	April – 2014 <i>Implemented and ongoing</i>	Alan Carter / Will Barfield
7. Proactively engage with leaseholders on Major Works, where a choice of options is available.	April – 2014 <i>Implemented and ongoing</i>	Alan Carter / Will Barfield



To: Executive Councillor for Housing:
Councillor Kevin Price
Report by: Liz Bisset
Relevant scrutiny committee: Housing Scrutiny Committee 1/7/2014
Wards affected: All wards containing Council housing

RESIDENT INVOLVEMENT UPDATE

Not a Key Decision

1. Executive summary

An annual Resident Involvement update, focusing on:

- Volunteer recruitment
- Digital inclusion
- Complaints resolution
- HSC Tenant and Leaseholder representatives allowances

2. Recommendations

The Executive Councillor is recommended:

2.1 To approve the on-going focus of resident involvement on volunteer recruitment, digital inclusion and complaints resolution.

2.2 To approve the increase of the HSC Tenant & Leaseholder representative allowances.

3. Background

3.1 Volunteer Recruitment

3.1.1 Cambridge City Council has a long tradition of involving tenants and leaseholders in the management and scrutiny of their housing service.

3.1.2 The reduction in top-down regulation from central government has put a greater emphasis on social landlords regulating themselves. This kind of regulation only works if council tenants and leaseholders are invited to be part of that system. This opportunity is offered through three specific areas:

- Making Big Decisions
- Quality of the Home
- Estate & Community

3.1.3 The various groups, panels and roles are outlined in the leaflet '3 Easy Ways To Have Your Say' (appendix 1).

3.1.4 In order for these platforms to continue to be effective, they need new volunteers. This is why the current focus of Resident Involvement is on outreach work to recruit and train newly involved tenants and leaseholders.

3.2: Digital Inclusion

3.2.1 The internet is now one of the preferred ways for people to engage with their public services, local community and local democracy. But of the 20% (approx.) of UK households without internet access, around half live in social housing. For many this is due to a combination of cost and lack of training.

3.2.2 Cambridge City Council have linked with a number of specialist charities to trial the 'Get Online' computer/internet loan scheme for those tenants and leaseholders who are unable to connect through their own means. See the leaflet 'Want to Get Online - It's Easy As 1,2,3' (appendix 2) for more detail.

3.2.3 The success of the pilot scheme is covered in 'Get Online - Pilot Scheme Report' (appendix 3)

3.3 Complaints Resolution

3.3.1 To make it more likely that complaints about housing are sorted out locally, and to involve more local people and politicians in this process, the Government has introduced the role of 'designated persons'. A designated person can be an MP, a local Councillor, or a Tenant Panel. Tenant Panels must be 'recognised' by the landlord.

3.3.2 If a tenant (or leaseholder) remains unsatisfied with the outcome of a complaint at the conclusion of the landlord's complaints process, they may submit their complaint to a councillor, an MP, or a Tenant Panel.

3.3.3 Cambridge City Council is currently exploring a model for a local tenant complaint panel. A report on this will be coming to HSC for discussion in the Autumn.

3.4 Tenant and Leaseholder Representatives allowances

3.4.1 HSC Tenant and Leaseholder representatives have traditionally received 6-monthly allowances for their time. These amounts were set over 10 years ago and have never been reviewed or increased - even for inflation.

3.4.2 It is recommended that the HSC Tenant and Leaseholder representative allowances be increased by 10% annually, for the next 4 years:

Current	July 2014	April 2015	April 2016	April 2017
A £400	£440	£484	£532	£585
B £200	£220	£242	£266	£292
C £100	£110	£121	£133	£146

3.4.3 From 2018 onwards, it is recommended that these amounts be reviewed annually.

4. Implications

- (a) **Financial Implications** – All work detailed above is covered within the existing Resident Involvement budget
- (b) **Staffing Implications** - This work is part of the routine duties of existing staff.
- (c) **Equality and Poverty Implications** - Advances equal opportunities by granting internet access to the unemployed, elderly and disabled
- (d) **Environmental Implications** - Nil
- (e) **Procurement** - Nil
- (f) **Consultation and communication** – All tenants and leaseholders were consulted on whether they wanted a tenant complaints panel (via Open Door magazine).
- (g) **Community Safety** - Nil

5. Background papers

These background papers were used in the preparation of this report:

6. Appendices

Appendix 1 - 3 Easy Ways To Have Your Say

Appendix 2 - Want to Get Online? It's Easy As 1,2,3

Appendix 3 - Get Online - Pilot Scheme Report

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Contact

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Resident Involvement
City Homes South
89 Cherry Hinton Road
Cambridge CB1 7BS

3 easy ways to have your say...

1. Making The Big Decisions



2. Quality Of Your Home



3. Your Estate & Community



Learn, gain experience and improve your community as a tenant or leaseholder volunteer

www.cambridge.gov.uk/resident-involvement



BUSINESS REPLY SERVICE
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Resident Involvement
City Homes South
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CB1 7BS

3 easy ways to have your say...

Volunteer tenants and leaseholders are already **making big decisions**, getting a fair deal and helping to improve their street, estate or block. Why not join them?

1. Making The Big Decisions

Are you interested in city-wide issues and getting a fair deal for tenants and leaseholders?



Housing Management Board are 5 tenants and 1 leaseholder, elected every 4 years to sit on the Council's Housing Board. They vote alongside Councillors on all the big decisions that affect tenants and leaseholders city-wide.

Housing Regulation Panel independently challenge the standard of housing services. If things aren't right they have the power to make the Council improve.

2 Quality Of Your Home

Do you care about the quality of Council homes and the services that go with them?



Resident Inspectors test the quality of repairs and maintenance work done to Council homes. All necessary training is provided.

Mystery Shoppers measure the quality of service by making phone calls, sending emails or visiting receptions - then provide feedback about their experiences. Training is provided free.

3. Your Estate & Community

Do you want to see real results and local improvements for your community?



Green Inspectors test the quality of the grounds maintenance work done to green spaces around the city's estates.

Street Champions act as local contacts for the Council - representing their neighbourhood, estate or block of flats and helping to get improvements.

Want to find out more?

Just fill out this slip and return it by Freepost or go to: www.cambridge.gov.uk/resident-involvement

Please send me more information on:

- ☐ **Housing Management Board**
- ☐ **Housing Regulation Panel**
- ☐ **Resident Inspectors**
- ☐ **Mystery Shoppers**
- ☐ **Green Inspectors**
- ☐ **Street Champions**

Name

Address

Phone

Email

☐ Please tick this box if you'd like to sign up as an involved tenant or leaseholder.

Please tell us how you'd prefer to be contacted: ☐ Post ☐ Email

Don't have the time to join a group? Have your say by signing up as an **involved tenant or leaseholder**. Membership means you'll receive **updates, surveys and competitions** - all by post or email. Return the tear-off slip on the right by freepost or use the contact details overleaf.

**Claim your computer
now - **free for a year**
Look inside for details**

**Want to get
online? It's
easy as 1,2,3....**

- 1. Get a Computer**
- 2. Get online**
- 3. Get some training**

Increasing your computer skills and getting online could:

- Save you up to £400 a year on household bills
- Add up to 10% to your potential earnings
- Save you money on food and other essentials
- Help you search for jobs that are only advertised online



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2

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CB1 7BS



Want to get online? It's easy as 1,2,3....

Claim your computer now - **free for a year**

If you aren't connected to the Internet, there's a lot you're missing out on.

By increasing your computer skills and getting online you could save hundreds of pounds on your household bills, food and other essentials. You can also search and apply for jobs that are only advertised online.

Households with internet access are up to £400 a year better off than those that aren't connected. But sometimes the costs can stop people from getting access.

That's why Cambridge City Council is now offering to lend Council tenants and leaseholders a laptop or desktop computer for up to a year.

If you need training or have never even used a computer before, we can help you find free or low-cost training near to you.

To find out if you are eligible, just fill out and return this slip

1. Get a Computer

If you claim certain benefits (like Housing Benefit, Income Support, JSA) Cambridge City Council will loan you a computer, and a gadget that will give you internet access.



If, after a year, you wish to purchase the equipment, the council will sell it to you for half the cost price (typically £50 for a desktop PC and £75 for a laptop).

Even if you're not eligible the council can give you the details of suppliers who will sell you a refurbished computer for only £149.

2. Get online

Low-use tariffs allow those out of work and claiming income-related benefits to have a fixed line internet connection for around £9 a month.



If you already have a computer and a landline connection, but cannot afford the extra cost of broadband, the council can help you for up to a year.

3. Get some training

There are already lots of different places you can get free or low-cost computer training - no matter your level of experience.



Your local library is one of the most popular locations for training and probably holds courses already.

We can put you in touch with people who can help get you started, increase your confidence, or build on your existing skills.

1. Are you a Cambridge City Council Tenant or Leaseholder?

☐ Yes ☐ No

2. Are you unemployed?

☐ Yes ☐ No

3. Are you claiming any benefits?

☐ Yes ☐ No

4. Do you already own a computer?

☐ Yes ☐ No

4. If so, how old is your computer?

☐ Less than 3 years old
☐ 3-5 years old
☐ Older than 5 years

6. Is your computer connected to the internet?

☐ Yes ☐ No

Name

Address

Phone Number

Email

Get Online progress report

23/05/14

Current situation:

19 residents have received assistance under the scheme at the time of writing this report. Break down as follows:

- 14 have been loaned a laptop and dongle
 - 2 have been loaned a laptop only, as they have broadband already
 - 2 have been loaned a desktop computer
 - 2 have been loaned a dongle only, as they already have a computer
- The scheme is proving extremely popular, with a waiting list of 33 residents.
 - As of 31st March 2014, total expenditure on the project: £3252.99.

Procedure:

Applicants are assessed using two forms, (attached).

- The first asks whether they are a tenant or leaseholder in receipt of benefits. They are also asked about any equipment and/or internet access in their home.
- The second form aims to assess the applicants currently level of computer and internet skills. As a result of this form, it was recommended that two applicants attend a basic internet course before receiving their equipment.

Resident Involvement contacts applicant to discuss any specific needs or issues.

Recipients are asked to complete a quarterly internet use survey, (attached). As the first five sets of equipment were only delivered in December, insufficient data has been collected to identify any trends. A report will be produced at a later date.

Demographics and impact of the scheme:

Whilst no specific demographic information, (age, ethnicity, etc.), is collected about individuals receiving equipment, the following examples help to illustrate the impact the scheme is having.

- 1) "P" was made redundant just before Christmas, having been employed in the catering sector for over forty years. He was referred via Job Centre Plus, who stated that he was highly motivated and a regular attendee at Job Club. As a result of receiving the equipment he has continued to build on newly acquired IT skills and has been in contact with the Independent Living Service (ILS) about volunteering opportunities.
- 2) "F" was one of the first recipients of the scheme. She lives in Cherry Hinton and was finding it difficult to attend Job Centre Plus to look for employment. Using the equipment provided, she has now found full time employment in the retail sector.

Get Online progress report
23/05/14

- 3) "M" is a single parent who was referred by her caseworker. Her nine year old daughter was having difficulties keeping up with homework. The equipment has addressed this problem and "M" has expressed her gratitude.
- 4) "FI" is a young woman with multiple mental health issues. She has high level computer skills, but her existing equipment was no longer fit for purpose. Her caseworker has stated that the loan of newer equipment will greatly assist her in maintaining contact with the outside world.
- 5) "H" and "C" are both tenants with mobility issues. They had computers which were very old and temperamental. The equipment from the scheme has allowed them to stay in touch with family and the wider community.

Issues with the supply of equipment:

Finding a reliable supplier of good quality, refurbished equipment at reasonable cost has proven difficult. We have been using Partners IT and Social Telecoms CIC, two not for profit social enterprises. However, the former has recently ceased trading, whilst the latter is experiencing some difficulty in keeping up with demand. If the scheme is to continue beyond the pilot stage this issue will need to be addressed.

Wireless broadband in ILS communal areas:

Robert Hollingsworth (Head of City Homes) has asked the RI Team to investigate options for installing and supporting Wi-Fi in the communal areas of our sheltered schemes. Below is a brief summary of the research carried out to date.

The Resident Involvement Communications Officer has held discussions with our in-house IT department. These discussions have highlighted that Cambridge City Council is a partner in the Cambridgeshire Public Sector Network (CPSN), a project that aims to install Wi-Fi in all its buildings. It is possible that a single sheltered scheme could be identified as a pilot.

A recent visit to Camden Council, who have used funding from central government's Digital Deal to install Wi-Fi in all their sheltered schemes, highlighted the importance of identifying "hooks" to encourage residents to get involved. Camden quickly found that tablets, as opposed to the more traditional desktops and laptops, were much easier to use for those with limited experience of the internet. They also emphasised the importance of continual training and support for both residents and staff. To this end, Matt has been in discussion with Cambridge Online, who have the capacity to provide this service.

A meeting with Robert and Independent Living Service (ILS) staff is scheduled for early June to discuss the way forward.



Cambridge City Council

To Executive Councillor for Housing
Report Director of Customer and Community Services
by Director of Business Transformation

Relevant Scrutiny Committee Housing Committee 1 July 2014

2013/14 Revenue Outturn, Carry Forwards and Significant Variances

Key Decision

1. Executive Summary

- 1.1 This report presents a summary of the 2013/14 outturn position (actual income and expenditure) for services within the Housing Revenue Account, compared to the current budget for the year. The position for revenue is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2014/15 are identified.
- 1.2 The position in relation to the Housing Capital Investment Plan will be reported to the Housing Committee under a separate report.

2. Recommendations

The Executive Councillor is recommended:

- a) To agree that the carry forward requests, totalling £3,393,320 as detailed in Appendix C, are to be recommended to Council for approval.

3. Background

Revenue Outturn

- 3.1 The final outturn position for the Housing Revenue Account, compared to revised and current revenue budget, is presented in detail in Appendix A.
- 3.2 The outturn position is currently presented prior to final accounting adjustments, which are not expected to have an impact on the net use of, or contribution to, balances for 2013/14. The final version of

the HRA accounts for 2013/14 will be presented to Civic Affairs on 25th June 2014, for final approval at Civic Affairs in September 2014.

- 3.3 Appendix B to this report provides explanations of the main variances.
- 3.4 Appendix C sets out the final list of items, for the Housing Revenue Account, for which approval is sought to carry forward unspent budget from 2013/14 to the next financial year, 2014/15.
- 3.5 The overall revenue budget outturn position for the Housing Revenue Account, is set out in the table below:

Housing Revenue Account 2013/14 Total (Surplus) / Deficit	£
Final Budget (Deficit - Use of Reserves)	(1,875,940)
Outturn (Surplus – Contribution to Reserves)	3,385,249
Variation – (Under) / Overspend for the year	(5,261,189)
Carry Forward Requests:	3,393,320
Net Variance	(1,867,869)

- 3.5 The net variance of (£5,261,189) on the overall Housing Revenue Account, before allowing for carry forwards, comprises a 6.6% variance in direct expenditure and a 0.2% variance in direct income. After allowing for carry forwards, the outturn position will comprise a 4.6% variance in expenditure and a 0.2% variance in income.

4. Implications

- 4.1 The net variance from final budget, after approvals to carry forward £3,393,320 budget from the current year into 2014/15, will result in a reduction in the use of Housing Revenue Account reserves, from £1,875,940 to £8,071.
- 4.2 In relation to requests to carry forward revenue budgets into 2014/15 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have

staffing, equal opportunities, environmental and / or community safety implications.

5. Background Papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2013/14
- Directors Variance Explanations – March 2014
- Budgetary Control Reports to 31 March 2014

6. Appendices

- Appendix A - Revenue Budget 2013/14 - Outturn
- Appendix B - Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2013/14 - Carry Forward Requests

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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[O:\accounts\Committee Reports & Papers\Housing Management Board\2014 June\HMB Final Outturn 2013-14 Report.doc](#)

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Final Outturn

Service Grouping	Original Budget £'s	Final Budget £'s	Outturn £'s	Variation Increase/ (Decrease) £'s	Carry Forward Requests - see Appendix C £'s	Net Variance £'s
INCOME						
Dwelling Rents	(34,073,000)	(34,184,090)	(34,175,372)	8,718	0	8,718
Garage Rents	(640,380)	(640,380)	(645,223)	(4,843)	0	(4,843)
Other Land and Premises Rents	(407,030)	(397,730)	(419,362)	(21,632)	0	(21,632)
Service Charges	(2,104,180)	(2,338,960)	(2,351,338)	(12,378)	0	(12,378)
Contributions towards Expenditure	(414,140)	(461,100)	(468,282)	(7,182)	0	(7,182)
Other Income (Incl. RTB Capitalisation)	(58,070)	(83,070)	(124,065)	(40,995)	0	(40,995)
Total Income	(37,696,800)	(38,105,330)	(38,183,642)	(78,312)	0	(78,312)
EXPENDITURE						
Supervision & Management (General)	4,956,920	4,764,720	4,493,315	(271,405)	0	(271,405)
Supervision & Management (Special)	2,311,650	2,319,670	2,212,536	(107,134)	0	(107,134)
Repairs & Maintenance	7,117,230	7,320,570	6,049,606	(1,270,964)	483,910	(787,054)
Depreciation	9,603,470	9,811,240	9,781,483	(29,757)	0	(29,757)
Debt Management Expenditure	20,000	0	0	0	0	0
Other Expenditure	672,300	526,540	572,528	45,988	0	45,988
Total Expenditure	24,681,570	24,742,740	23,109,468	(1,633,272)	483,910	(1,149,362)
Net Cost of HRA Services	(13,015,230)	(13,362,590)	(15,074,174)	(1,711,584)	483,910	(1,227,674)
Interest Receivable (Interest on Balances)	(104,770)	(79,420)	(113,397)	(33,977)	0	(33,977)
Interest Receivable (Mortgage Interest)	0	0	(60)	(60)	0	(60)
(Surplus) / Deficit on the HRA for the Year	(13,120,000)	(13,442,010)	(15,187,631)	(1,745,621)	483,910	(1,261,711)
Appropriations / Other Movement in the HRA Balance						
Loan Interest	7,474,240	7,501,770	7,499,934	(1,836)	0	(1,836)
Housing Set-Aside	0	0	0	0	0	0
Depreciation Adjustment (MRA)	(2,242,080)	(2,280,780)	(2,103,293)	177,487	0	177,487
Impairment	0	0	0	0	0	0
Direct Revenue Financing of Capital	7,162,340	10,096,960	6,405,741	(3,691,219)	2,909,410	(781,809)
(Surplus) / Deficit for year	(725,500)	1,875,940	(3,385,249)	(5,261,189)	3,393,320	(1,867,869)
(Surplus) / Deficit b/f	(5,495,489)	(5,495,489)	(5,495,489)			
Balance Carried Forward	(6,220,989)	(3,619,549)	(8,880,738)	0	0	0

Changes between original and final budgets may be made to reflect:

- departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the HRA Mid-Year Business Plan Update)
- in the January committee cycle (as part of the HRA budget setting report)
- and via technical adjustments/virements throughout the year

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Supervision and Management (General)		
Computer Services	Significant under-utilisation of application support days through the Serco Northgate contracts for 2013/14 (£86k), coupled with savings in the costs of the Orchard Housing Management System due to rationalisation of IT systems.	(106,400)
HRA Allocation for Recharged Costs	A specific sum of money was ear-marked in the HRA to meet any increases in recharges to the HRA following restructures and re-organisation. This was not called upon in 2013/14 as anticipated.	(72,000)
Tenant Participation / Resident Involvement	Resident Involvement activity continued to be delivered at a lower level in 2013/14, due to a combination of staff vacancies and reduced working hours in the team and the lead in time for the new work plan identified following the transition of resident involvement services back to the Council.	(35,393)
HRA Departmental Overheads	The budget for abortive development fees was under-utilised in 2013/14 as the majority of new build schemes considered are currently being progressed (£10k). Employee costs were underspent due to staff opting not to join the pension scheme (£14k) and training budgets were not fully utilised (£9k). These underspends were partially offset by overspending in both the costs of maternity cover for the HRA for 2013/14 and general office running costs. This represents a 2.8% variance on the cost centre.	(25,769)
City Homes	Net underspending in general operational costs such as staff recruitment, consultancy, training, telephones, stationery and printing. This represents a 1.1% variance on the cost centre.	(13,918)
Open Door	The costs of producing Open Door were lower in 2013/14, partly due to fewer additional inserts into the publication during the year.	(9,459)
	Minor Variations	(8,466)
	Total	(271,405)
Supervision and Management (Special)		
Independent Living Services Management	Underspending in employee costs due to vacancies within the team prior to the outcome of a management restructure, coupled with savings in resource identified for consultancy input to support the delayed tender process for Supporting People Services, which has now been superseded with a community budgeting model.	(24,611)
Independent Living Service	Underspending in training, IT, telephones and mileage allowances have been combined with no increase in the cost of the out of hours service where inflation was anticipated to apply. The bid incorporated to cover the costs of retaining the current staffing structure if Supporting people funding were to have reduced were less than anticipated due to changes in staffing and recruitment to vacancies at lower points on pay bands.	(24,147)

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Estate Management	Underspending in communal electricity costs partially offset by overspending in bulky refuse costs. Electricity budgets will be reviewed as part of the 2015/16 budget process to take account of current electricity prices and recent usage levels.	(21,298)
Temporary Accommodation	Underspending in employee costs due to vacancies within the team coupled with savings in building maintenance costs due to reduced void repair costs. Underspending has been partially offset by an increase in both cleaning costs and gas across the Temporary Housing stock.	(18,427)
Brandon Court	The cost of gas used at this scheme was significantly lower than anticipated, where budgets for the scheme were based upon other similar schemes and early indications of usage levels. Budgets for all utility costs will be reviewed as part of the 2015/16 budget process.	(13,047)
Stanton House	The cost of electricity for 2013/14 was significantly higher than budgeted, due entirely to an adjustment received from the energy supplier in respect of a prior period.	9,548
Emergency Alarms	Underspending in maintenance of emergency alarm equipment coupled with an over-achievement in income based upon maintained customer numbers throughout the year.	(9,052)
	Minor Variations	(6,100)
	Total	(107,134)

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Repairs and Maintenance		
Planned Repairs	The planned repair (PTR) programme was underspent in 2013/14, with Apollo still in the process of undertaking the work identified and ordered for the year. The final valuation for work undertaken is not expected until September / October 2014, and as a result it is requested that the budget be carried forward to complete the 2013/14 programme. Due to the cessation of the current planned maintenance contract with Apollo anticipated to be in August 2014, it is not yet possible to predict whether the full 2014/15 PTR programme will be deliverable in addition to the works carried forward from 2013/14. Any financial impact in 2014/15 will be incorporated as part of the HRA Mid-Year Financial Review at which point the position for 2014/15 will be clear.	(349,325)
Void Repairs	Spending in respect of void repairs was significantly lower than previously experienced and budgeted, where the average cost of a void repair has been reduced in 2013/14 due to operational changes that include the voids team also undertaking emergency repairs to ensure improved productivity. A reduction in reliance upon sub-contractors has also contributed to a significant reduction in the average cost of a void repair. The budget for void repairs was reduced on an ongoing basis as part of the 2014/15 budget process, but this area will be subject to a zero based budget exercise as part of the 2015/16 budget process to determine whether the changes made will result in the ability to reduce budgets further.	(316,109)
Response Repairs	Response repair costs were lower than previously experienced due to a combination of the successful outcome of the Repairs Improvement Plan Project, which has seen a significant reduction in the use of sub-contractors and the implementation of a new IT system and mobile working solution and a mild winter. It was difficult to predict the overall outcome for 2013/14 at earlier stages during the year due to the transition between IT systems between December 2013 and March 2014. It is anticipated that a zero based budget exercise for the 2015/16 budget process will result in a level of proposed ongoing savings, whilst recognising the need to retain resource to meet the costs of a harsher winter and to offset any changes that may be made to the level of capital investment in the housing stock.	(261,284)

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Technical Services	Funds ear-marked for potential restructure costs were not required due to successful recruitment and redeployment (£65k), IT costs were underspent (£49k) due to a combination of the timing of 'go live' with the new repairs IT solution and lack of payment for the planned maintenance contract software in 2013/14, the latter of which is requested as a carry forward to allow retrospective payment of this in 2014/15. Consultants fees were less than budgeted, and the funds ear-marked for the work associated with procuring and implementing a new planned maintenance contractor were not fully realised in 2013/14 due to delays in the process. A carry forward is requested for the resource to complete the planned maintenance procurement project in 2014/15.	(185,029)
Citywide Schemes	Underspending in 2013/14 was predominantly evident in the servicing and maintenance of electrical and heating appliances in sheltered schemes, lift maintenance and lamp column maintenance. Work was not completed fully in respect of asbestos surveys, electrical testing and water safety testing, where resources are requested to be carried forward into 2014/15 to complete the programmes. The gas maintenance contract shows an underspend of £29,000, the majority of which (£20,000) is requested as a carry forward to meet the anticipated contract bonus payment for 2013/14, with the balance being predominantly due to reduced repairs outside of the core contract.	(164,488)
	Minor Variations	5,271
	Total	(1,270,964)
HRA Subsidy and Other Expenditure		
Council Tax	The cost of Council Tax which has to be met from the HRA in respect of void properties was significantly higher than anticipated in 2013/14 due to changes in the local Council Tax Discounts and Exemptions Policy from April 2014, coupled with lengthy void periods in properties vacated for demolition and redevelopment as part of the affordable housing programme.	113,956
Bad Debt Provision	The contribution to the bad debt provision for 2013/14 was lower than budgeted based upon the opening fund balance, call on the fund in the year and the incidence of both current and former tenant arrears at 31st March 2014.	(67,968)
Depreciation	The level of depreciation charged to the HRA for 2013/14 was marginally lower than anticipated, as depreciation for new build assets is only chargeable in year if the asset was in stock at 1st April of the year in question.	(29,757)
	Minor Variations	0
	Total	16,231

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>HRA Income and Other</i>		
Right to Buy Capitalisation	The value that the authority was able to capitalise in respect of work in relation to the right to buy sale of a dwelling was higher than budgeted due to the continuation of right to buy activity at the higher levels experienced from the latter part of 2012/13 following changes in legislation from April 2012.	(40,995)
Rent - Other Land and Premises	Rent income invoiced for HRA shops and land was higher than budgeted for in 2013/14 due to rent being levied for a property where the lease was in the lengthy process of being terminated for non-payment of rent. It is anticipated that the rent due will ultimately need to be written off, and therefore provision has been made in the bad debt provision to meet the cost.	(21,632)
Service Charges	Service Charge income was marginally over-achieved due to a combination of the incidence of void activity across housing stock where service charges are levied, and an increase in the number of leasehold flats, where service charges are levied for items which are currently recovered via rental income when the property is tenanted.	(12,378)
	Minor Variations	(3,307)
	Total	(78,312)
<i>HRA Interest, Premiums and Appropriations</i>		
Direct Revenue Funding of Capital Expenditure (DRF)	A reduced demand on the use of revenue funding of capital was realised in 2013/14 as a result of the decision to procure new planned maintenance contractors from 2014/15 coupled with the timing of payments in respect of the new build affordable housing projects. This resource will instead be required in 2014/15 and beyond.	(3,691,219)
Depreciation Adjustment	Transfer of funding into the Major Repairs Reserve (the equivalent of depreciation for HRA dwelling assets) can be adjusted under transitional arrangements for a five year period, after which full depreciation will be applicable. The transitional income adjustment for 2013/14 was less than budgeted recognising the application of the sum identified in the self-financing settlement, which both applies inflation and de-recognises any further stock reductions in a move towards full depreciation charges across the five year transitional period.	177,487
Interest Received	Interest received in respect of HRA balances during 2013/14 was higher than anticipated due to the level of underspending across the HRA as a whole.	(34,037)
	Minor Variations	(1,836)
	Total	(3,549,605)
Total for Housing Revenue Account		(5,261,189)

Housing Committee - Housing Revenue Account

Revenue Budget 2013/14 - Carry Forward Requests

Request to Carry Forward Housing Revenue Account Budgets from 2013/14 into 2014/15 and future years

Item		Request £
	Director of Customer and Community Services	
	Supervision and Management General	
	No carry forward requests	
	Supervision and Management Special	
	No carry forward requests	
	Repairs and Maintenance	
1	Costs associated with the project to procure, select, train and implement new planned maintenance contractors for the Housing Service are not yet fully realised. The completion of this project is anticipated during 2014/15, with new contracts estimated to start in July 2014	55,290
2	Costs for the 2013/14 support of an IT system used to monitor the contractual relationship with the planned maintenance contractors were not realised in 2013/14, but have subsequently been invoiced to the authority in 2014/15. A request to carry the resource forward into 2014/15 is made to ensure that there is sufficient resource in 2014/15 to meet the costs for both 2013/14 and 2014/15.	13,800
3	Carry forwards are requested to complete works in respect of asbestos surveys (£18,000), electrical testing (£21,000) and water safety testing (£6,500), where the full programme of works was not completed during 2013/14. Resources of £20,000 are also requested as a carry forward to meet the anticipated contract bonus for 2013/14 in respect of the gas maintenance contract.	65,500
4	The full 2013/14 PTR programme was not undertaken or invoiced in year, but is anticipated to instead be completed during 2014/15.	349,320
	Appropriations	
5	A reduced demand on the use of revenue funding of capital was realised in 2013/14 as a direct result of underspending in the Housing Capital Investment Plan brought about in part by the decision to procure a new planned maintenance contractor from 2014/15 onwards. A significant proportion of this resource will instead be required in 2014/15 and beyond to fund the deferred spending.	2,909,410
		3,393,320



To Executive Councillor for Housing
Report Director of Customer & Community Services, Director of
by Environment and Director of Business Transformation

Relevant Scrutiny Committee Housing Committee 1 July 2014

2013/14 Revenue and Capital Outturn, Carry Forwards and Significant Variances – Housing General Fund Portfolio

Key Decision

1. Executive Summary

- 1.1 This report presents a summary of the 2013/14 outturn position (actual income and expenditure) for services within the Housing portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2014/15 and future years where relevant, are identified.
- 1.2 It should be noted that outturn reports being presented in this Committee cycle reflect the reporting structures in place prior to the recent changes in Executive portfolios. In light of those changes (together with the requirement to report outturn on the basis of portfolios in place during 2013/14) members of this committee are asked to consider the proposals to carry forward budgets and make their views known to The Executive Councillor for Finance and Resources, for consideration at Strategy & Resources Scrutiny Committee prior to his recommendations to Council.

2. Recommendations

Members of the Scrutiny Committee are asked to consider and make known their views on the following proposals:

- a) To agree the carry forward requests, totalling £84,000 as detailed in Appendix C, are to be recommended to Council for approval.
- b) To seek approval from Council to re-phase spending of £25,000 in respect of energy efficiency improvements in the private sector

into 2014/15, and £9,000 in respect of the scheme to upgrade facilities at 125 Newmarket Road, as detailed in Appendix D.

- c) To seek approval from Council to carry forward net capital resources of £11,633,000 from 2013/14, to fund re-phased capital spending in the Housing Capital Investment Plan, as detailed in Appendix E and the associated notes, re-profiling investment as follows:
- Re-phase £8,993,000 into 2014/15
 - Re-phase £2,390,000 into 2015/16
 - Reduce investment in 2016/17 by £87,000
 - Re-phase £337,000 into the period post 2018/19
- d) To recognise a delay into 2014/15, for receipt of the remainder of Homes and Communities Agency Grant for the affordable housing new build and re-development programme of £889,000 and the associated £1,509,000 in capital receipts for the land on which the market housing is being delivered on the remainder of the 146 programme sites.
- e) To also seek approval from Council to carry forward an additional £100,000 of the net underspend in the Housing Capital Programme into 2014/15, to fund an enhanced level of investment in fencing, as proposed as part of the Labour Alternative Budget in February 2014.
- f) To note the resulting need to defer the use of both £2,909,000 of revenue funding of capital expenditure into 2014/15, as considered as part of the HRA revenue outturn at Housing Committee and £1,828,000 of major repairs reserve funding, both of which will be required to fund the requested re-phasing in capital investment.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Housing portfolio, compared to final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.

- 3.3 Appendix C sets out the final list of items, for this service portfolio, for which approval is sought to carry forward unspent budget from 2013/14 to the next financial year, 2014/15.
- 3.4 The overall revenue budget outturn position for the Housing portfolio is set out in the table below:

Housing Portfolio 2013/14 Revenue Summary	£
Final Budget	3,654,640
Outturn	3,479,117
(Under)/Overspend for the year	(175,523)
Carry Forward Requests:	84,000
Net Variance	(91,523)

The net variance represents 2.5% of the overall portfolio budget for 2013/14 financial year.

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Housing portfolio, with explanations of variances.
- 3.6 An overall net underspend of £33,000 is evident, with a £1,000 overspend in the property accreditation scheme, more than offset by underspending in respect of energy efficiency improvements in the private sector (£25,000) and investment to upgrade the facilities at 125 Newmarket Road (£9,000). It is requested that both underspends are re-phased into 2014/15, where in the case of the latter, the balance of funding for the project already exists.
- 3.7 Appendix E provides detail for the capital schemes covered by the Housing Capital Investment Plan (Housing Revenue Account and Housing General Fund schemes funded from HRA resources).
- 3.8 Appendix E summarises the outturn position for the Housing Capital Investment Plan and the associated notes give brief explanations of the variances. A net underspend of £12,234,000 is evident, combining overspending in areas such as heating and boilers, re-wiring, doors, kitchens, bathrooms, major voids, garage

improvements, emergency alarm upgrades and the investment in the refurbishment of Brandon Court, with underspending in masonry decorating, re-roofing, roof strengthening, window replacements, sulphate works, asbestos removal, chimneys, smoke detectors, external professional fees and contractor overheads. There is a requirement to carry forward £11,633,000 of re-phased expenditure in capital schemes between 2013/14 and 2014/15 and future years. This is predominantly in relation to net investment in decent homes in our own stock (£1,469,000), other investment in HRA stock (£1,705,000), new build affordable housing (£5,960,000), Cambridge Standard works (£106,000), the refurbishment of and other works to the authority's sheltered schemes (£1,900,000) and other HRA capital investment (£493,000).

- 3.9 The two key contributory factors in the level of slippage that is evident are the timing of the exit of the existing planned maintenance contractor, and the phasing of resource for the new build programme, where it is difficult to predict at the outset in which months we will hit the trigger points for contract payments. This is dependent upon the time taken to obtain the relevant approvals, gain planning permission, find existing residents new accommodation and build out the site to the stage where the Council becomes liable to meet the build costs. This varies hugely from scheme to scheme.
- 3.10 An additional proposal, incorporated into this report is the carry forward of £100,000 of the net underspend in the Housing Capital Investment Programme in 2013/14, into 2014/15, reallocating it to fencing, to allow delivery of the enhanced level of investment in fencing which was proposed as part of the Labour Alternative Budget in February 2014. The desire to invest in fencing at the accelerated level of £200,000 per annum on an ongoing basis will be considered as part of the review of the Housing Capital Investment Programme in the HRA Mid-Year Financial Review in the context of other spending priorities.
- 3.11 Appendix E and the associated notes also highlight the need to defer the anticipated receipt of £889,000 in respect of Homes and Communities Agency Grant and £1,509,000 in respect of land receipts into 2014/15, with both directly related to the timing of progress in respect of the affordable housing new build and re-development programme.
- 3.12 Permission is also sought to re-phase the use of £2,909,000 of direct revenue funding of capital expenditure from the Housing Revenue Account and £1,828,000 in major repairs reserve into 2014/15 to finance the re-phased capital expenditure identified in paragraph 3.8.

- 3.13 Right to buy receipts were significantly higher in 2013/14 than anticipated, with 60 dwellings sold during the year. This continued increase results from the Government's legislative changes increasing discounts to a maximum of £75,000 and introducing a mechanism for the re-provision of lost units, requiring local authorities to contribute 70% of the cost of the replacement dwellings. The authority had resource of £5,783,000 as at 31st March 2014 which is required to be re-invested in the delivery of new affordable housing within the prescribed three year timescales.

4. Implications

- 4.1 The net variance from the final budget, after approvals to carry forward £84,000 budget from 2013/14 to the next financial year, 2014/15, would result in a decreased use of General Fund reserves of £91,523.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2014/15 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background Papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2013/14
- Directors Variance Explanations – March 2014
- Capital Monitoring Reports – March 2014
- Budgetary Control Reports to 31 March 2014

6. Appendices

- Appendix A - Revenue Budget 2013/14 - Outturn
- Appendix B - Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2013/14 - Carry Forward Requests
- Appendix D - Capital Budget 2013/14 - Outturn
- Appendix E – Housing Capital Investment Plan 2013/14 – Outturn
- Appendix E Notes – Notes to the Housing Capital Investment Plan

7. Inspection of Papers

To inspect the background papers or if you have a query on the report please contact:

Authors' Names:	Julia Hovells; Karen Whyatt
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General Fund Housing Portfolio / Housing Committee

Revenue Budget - 2013/14 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Housing General Fund						
Housing Strategy, Development, Housing Aid/ Needs						
Homelessness Costs	220,250	343,770	292,449	(51,321)	37,930	(13,391)
Grant Funded Homelessness Costs	572,220	613,070	595,201	(17,869)	17,870	1
Housing Advice Service	413,010	443,600	442,539	(1,061)	0	(1,061)
Choice Based Lettings (Revenue Running Costs)	45,120	43,690	35,324	(8,366)	0	(8,366)
125 / 451 Newmarket Road - Revenue costs	4,940	12,330	17,246	4,916	0	4,916
Anti Social Behaviour	64,980	63,780	63,780	0	0	0
Housing Strategy	54,350	69,650	58,401	(11,249)	0	(11,249)
DCLG Specialist Advisor	0	19,850	20,026	176	0	176
Growth - Community Services	38,170	38,170	38,568	398	0	398
Development	61,940	61,940	61,061	(879)	0	(879)
	1,474,980	1,709,850	1,624,595	(85,255)	55,800	(29,455)
Private Sector Housing Renewal/ Voluntary Sector						
Home Aid / Home Improvement Grants	45,840	89,340	60,629	(28,711)	0	(28,711)
Grants to Housing Agencies	159,140	159,470	161,522	2,052	0	2,052
	204,980	248,810	222,151	(26,659)	0	(26,659)
Miscellaneous Housing						
Bermuda Road Garages	(7,930)	(7,930)	(7,222)	708	0	708
Racial Harassment	22,870	22,870	23,386	516	0	516
Supporting People	14,050	14,050	6,443	(7,607)	0	(7,607)
Strategic Housing Direct Overheads	199,740	199,740	195,479	(4,261)	0	(4,261)
Strategic Housing and City Homes GF Recharges	691,100	691,100	691,100	0	0	0
Contribution to / from HRA	329,030	329,030	336,211	7,181	0	7,181
Ditchburn Place Care Contract Deficit	0			0	0	0
	1,248,860	1,248,860	1,245,397	(3,463)	0	(3,463)
Total Housing General Fund	2,928,820	3,207,520	3,092,143	(115,377)	55,800	(59,577)
Environment - Refuse and Environment						
Housing Standards	400,230	363,580	322,379	(41,201)	24,450	(16,751)
Property Accreditation	45,580	45,580	39,980	(5,600)	0	(5,600)
Energy Officer	58,060	58,060	54,901	(3,159)	3,750	591
Miscellaneous Licensing - Housing	(20,100)	(20,100)	(30,286)	(10,186)	0	(10,186)
Total Environment	483,770	447,120	386,974	(60,146)	28,200	(31,946)
Total Net Budget	3,412,590	3,654,640	3,479,117	(175,523)	84,000	(91,523)

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime

- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted

and are detailed and approved:

- in the January committee cycle (as part of the Budget Setting Report)
- in the June/July committee cycle (outturn reporting and carry forward requests)
- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year

- in September (as part of the Mid-Year Financial Review, MFR)
- via technical adjustments/virements throughout the year

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Customer & Community Services - Housing Strategy, Development, Housing Advice, Private Sector Housing and Miscellaneous Housing			
Homelessness Costs	Spending on bed and breakfast provision continued its previously upward trajectory in the early stages of 2013/14 and funding was vired from the CLG Homelessness Grant cost centre to meet the anticipated shortfall, putting other potential projects on hold as a result. The increased supply of new Affordable Housing; introduction of more alternative provision using both our own housing stock and some leased accommodation, reduced the need to use bed and breakfast provision in the latter part of the year, resulting in an underspend against the final budget for the year. A carry forward request is being made to resurrect some of the projects that were not undertaken during 2013/14 as a result of the uncertainty in this area.	(51,321)	D Greening
Home Aid / Home Improvement Grants	Additional income was received in 2013/14, with £23k of small value grant and loan repayments being repaid to the authority by the clients. It is not possible to budget for this income as there may be no grant or loan repayments in any one year.	(28,711)	H Reed
CLG Homelessness Grant	Underspending in CLG Homelessness Grant for 2013/14, based on projects completed by 31st March 2014. Local authorities are free to carry over underspent sums between financial years. A carry forward of this external grant balance is requested, in line with delegations given to the Head of Strategic Housing, to allow use of the monies in line with CLG expectations and existing commitments in respect of homelessness prevention work and homeless support activity.	(17,869)	D Greening
Housing Strategy	Underspending in employee costs where vacant hours exist in the establishment, but have neither been recruited to nor utilised on a project basis during 2013/14.	(11,249)	J Hovells
Minor Variations		(6,227)	
Total		(115,377)	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2013/14 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Environment - Refuse and Environment			
Housing Standards	A delay in the appointment of the Empty Homes Officer post resulted in an underspend of £17,450 and the CPO budget has been underspent by £7,000 due to the time to take CPOs to committee. A request for the carry forward of these budgets to 2014/15 is included in Appendix C. The balance of £16,750 is split over many account codes within the Housing Standards.	(41,201)	
Miscellaneous Licensing - Housing	Due to an overachievement of HMO income of £10,023.	(10,186)	
Minor Variations		(8,759)	
Total		(60,146)	
Total for Housing Portfolio / Community Services Scrutiny Committee		<u>(175,523)</u>	

General Fund Housing Portfolio / Housing Committee

Revenue Budget 2013/14 - Carry Forward Requests

Request to Carry Forward Budgets from 2013/14 into 2014/15 and future years

Item		Request £	Contact
	Director of Customer & Community Services		
1	Homelessness Costs - Funding was transferred into this cost centre during 2013/14 to meet the anticipated overspend in Bed and Breakfast expenditure. This meant putting other potential homelessness projects on hold. Action taken to reduce the increase in Bed and Breakfast costs was effective, and not all of the additional resource allowed was utilised. It is requested to carry forward a proportion of the under-spend to meet the cost of 3 specific projects. These are an additional grant to Cambridge Cyrenians of £5k for an older persons project, additional grant to Wintercomfort of £20k for the learning and development service and an increase in Assessment and Support Officer hours on a temporary basis to reduce registration waiting times on the housing register.	37,930	D Greening
2	CLG Homelessness Grants - Carry forward of these external grant balances are requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. This grant is no longer ring-fenced, but local authorities are strongly encouraged to utilise the resource for the purpose it was awarded, with the Head of Strategic Housing having delegated authority to approve spending across the spending review period.	17,870	D Greening
	Director of Environment		
4	Housing Standards - Carry forward of the underspend within the Empty Homes Officer budget due to the delay in appointment of the two year fixed term contracted post.	17,450	Y O'Donnell
5	Housing Standards - Carry forward CPO revenue budget to continue to progress CPOs that did not progress in 2013/14.	7,000	Y O'Donnell
6	Energy Officer - Carry forward of funding into 2015/16 for the purchase of a thermal camera for which a budget was allocated in 2013/14. The goods were not delivered by 31/3 so a budget carry forward of £3,750 is requested.	3,750	Y O'Donnell
	Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee	84,000	

General Fund Housing Portfolio / Housing Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV163	Compulsory Purchase Orders (CPOs)	R Ray	400	0	0	0	0	0	CPO action on 3 properties is currently being pursued. There is a statutory requirement to ensure that funds are available if we choose to compulsory purchase properties
PV166	HMOs - Management Orders	R Ray	50	0	0	0	0	0	No HMO Interim Management Orders are being considered at present. There is a statutory requirement to ensure that funds are available if we decide to serve Management orders on HMO landlords
PV114	Property Accreditation Scheme	R Ray	25	7	8	1	0	1	Scheme Complete
PV527	Energy efficiency Improvements to private sector housing	J Dicks	0	48	23	(25)	25	0	The City Council has fully funded a limited number of installations, prioritising those originally allocated funding in conjunction with CERT who missed out this, has accounted for 23K of spend in this financial year. There is now diminishing demand for this work and Exec. Cllr for Housing has directed that the remaining funding be targeted at exemplar Green Deal retrofits to a number of properties identified through the Green Deal Pioneer Places Project. Three properties have now been identified and the work quoted for but following work to ensure the legality of the selection process completion is now unlikely before the end of June 2014

General Fund Housing Portfolio / Housing Committee

Capital Budget 2013/14 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance - Outturn compared to Final Budget £000	Re-phase Spend £000	Over / (Under) Spend £000	Variance Explanation / Comments
PV529	Upgrade facilities at 125 Newmarket Road	D Greening	100	20	11	(9)	9	0	Work to upgrade the facilities at 125 Newmarket Road is now underway, but will not be complete until 2014/15 when the remainder of the 120,000 total budget is allocated. Rephasing of the balance of resource identified in 2013/14 is required to facilitate completion of the project.
Total Provisions			575	75	42	(33)	34	1	
Total for Housing			575	75	42	(33)	34	1	

Changes between original and final budgets may be made in Appendices D and E to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June/July committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Mid-Year Financial Review, MFR)
- in the January committee cycle (as part of the Budget Setting Report, BSR)
- via technical adjustments/virements throughout the year

2013/14 Housing Capital Investment Plan - HRA & General Fund Housing

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Re-phase Spend £000's	Notes	Re-Phasing Year				Budget 2014/15 £000's
							2014/15 £000's	2015/16 £000's	2016/17 £000's	Post 2016/17 £000's	
General Fund Housing Capital Spend											
Investment in Non-HRA Affordable Housing	0	0	0	0	0	0	0	0	0	0	0
Other General Fund Housing	765	916	848	(68)	0	1	0	0	0	0	765
Total General Fund Housing Capital Spend	765	916	848	(68)	0		0	0	0	0	765
HRA Capital Spend											
Decent Homes Programme	9,003	9,782	8,233	(1,549)	1,469	2	1,325	58	(251)	337	10,603
Other Spend on HRA Stock	3,149	4,415	2,338	(2,077)	1,805	3	1,209	432	164	0	4,885
HRA New Build	11,977	11,101	5,140	(5,961)	5,960	4	5,960	0	0	0	21,897
Cambridge Standard Works	200	372	265	(107)	106	5	106	0	0	0	306
Sheltered Housing Capital Investment	1,900	1,927	135	(1,792)	1,900	6	0	1,900	0	0	1,900
Other HRA Capital Spend	660	1,243	563	(680)	493	7	493	0	0	0	1,238
Inflation Allowance	0	0	0	0	0						538
Total HRA Capital Spend	26,889	28,840	16,674	(12,166)	11,733		9,093	2,390	(87)	337	41,167
Total Housing Capital Spend	27,654	29,756	17,522	(12,234)	11,733		9,093	2,390	(87)	337	41,932
Housing Capital Resources											
Right to Buy Receipts (General Use)	(441)	(441)	(400)	41	0	8	0	0	0	0	(495)
Right to Buy Receipts (Retained for New Build / Acquisition)	0	0	(3,703)	(3,703)	0	8	0	0	0	0	(884)
Right to Buy Receipts (Debt Set-Aside)	0	0	(1,603)	(1,603)	0	8	0	0	0	0	0
Other Capital Receipts (Land and Dwellings)	(5,308)	(3,409)	(1,900)	1,509	(1,509)	9	(1,509)	0	0	0	(6,468)
MRA / MRR	(12,374)	(9,698)	(7,870)	1,828	(1,828)	10	(1,828)	0	0	0	(12,679)
Client Contributions	0	0	(180)	(180)	0	11	0	0	0	0	0
Direct Revenue Financing of Capital	(7,162)	(10,097)	(6,406)	3,691	(2,909)	12	(2,909)	0	0	0	(11,820)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments / R&R)	(1,866)	(1,877)	(640)	1,237	(889)	13	(889)	0	0	0	(2,656)
Developer's Contributions (Affordable Housing)	0	0	0	0	0		0	0	0	0	(4,469)
Prudential Borrowing	0	0	0	0	0		0	0	0	0	
Total Housing Capital Resources	(27,151)	(25,522)	(22,702)	2,820	(7,135)		(7,135)	0	0	0	(39,471)
Net (Surplus) / Deficit of Resources	503	4,234	(5,180)	(9,414)							2,461
Capital Balances b/f	(11,347)	(11,347)	(11,347)								(8,144)
Use of / (Contribution to) Balances in Year	503	4,234	(5,180)	(9,414)							2,461
Set-aside for future Debt Redemption	2,080	2,080	2,600			8					
Ear-marked for specific Retained Right to Buy Receipts 1-4-1 Investment	997	997	5,783			8					
Residual capital resources remaining to fund future Housing Investment Programme	(7,767)	(4,036)	(8,144)								(5,683)

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	The underspending of £68,000 is a combination of the following - a) an overspend on the Assessment Centre on East Road of £15,000, where final invoices and retention sums were higher than anticipated, b) no demand for the use of the budget to tackle unfit housing in the private sector (£20,000), c) an overspend in respect of Disabled Facilities Grants of £27,000 and d) an underspend in Private Sector Housing Grants and Loans of £149,000, where demand in the year was lower than previously experienced.
2	A net underspend of £1,549,000 in decent homes expenditure during 2013/14 relates predominantly to delivery of year 3 of the Planned Maintenance Contract, which was due to run until March 2014. Overspending in heating ad boilers (£218,000), re-wiring (£85,000), doors (£67,000), kitchens (£26,000), bathrooms (£7,000) and major voids (£253,000) was more than offset by underspending in masonry decorating (£193,000) re-roofing (£1,030,000) roof strengthening (£299,000), window replacement (£17,000), sulphate works (£101,000), chimneys (£90,000), smoke detectors (£8,000) health and safety works (£68,000) wall structure work (£13,000) and fees and overheads (£501,000), where not all of the planned work was completed during 2013/14, and where re-phasing of resources is required to allow completion of the anticipated programme in later years. This includes re-phasing into 2014/15 in respect of re-roofing (£946,000), roof structure works (£145,000), chimneys (£90,000), smoke detectors (£8,000), health and safety works (£17,000) and wall structures (£13,000). Re-phasing into 2015/16 and beyond is requested in respect of deferred masonry decorating (£193,000), sulphate works (£100,000), health and safety works (£50,000) and to the end of the existing funding, 2028/29, in respect of sulphate works (£204,000). Resource for heating and boilers (£218,000) has been brought forward into 2013/14 to fund the apparent overspend, as works were completed ahead of schedule in this area. Contractor overheads are requested to be re-phased pro rata to the re-phased work elements, with £173,000 into 2014/15, and £19,000 into 2015/16 and beyond.
3	A net underspend of £2,077,000 was evident in 2013/14, combining underspending in a number of areas where work is still required and funds will need to be re-phased, including; disabled adaptations (£60,000 into 2014/15), works to communal areas (£150,000 into 2014/15 and £376,000 into 2015/16), hard surfacing works on HRA land (£24,000 into 2014/15), hard-surfacing recycling works (£142,000 into 2016/17), works to communal flooring (£50,000 into 2014/15), fencing (£15,000 into 2014/15), fire safety works (£638,000 into 2014/15) and lifts (£28,000 into 2014/15). Contractor overheads are requested to be re-phased pro rata to the re-phased work elements, with £144,000 into 2014/15, and £78,000 into 2015/16 and beyond. In addition to re-phasing, there was residual underspending in respect of asbestos removal and disabled adaptation works. In addition to re-phasing £15,000 into 2014/15 in respect of investment in fencing, it is proposed to carry forward £100,000 of the net underspend in the Housing Capital Programme in 2013/14 into 2014/15 to allow the increase in fencing investment proposed as part of the Labour Alternative Budget in February 2014 to be delivered with immediate effect. The desire to invest in fencing at the higher level of £200,000 per annum on an ongoing basis will be considered as part of the review of capital investment in the HRA Mid-Year Financial Review in the context of all future investment priorities.
4	The apparent underspend in the new build programme in 2013/14 relates to the timing of the spend in respect of the 146 new and re-development programme. A net resource of £5,960,000 is required to be re-phased into 2014/15 and beyond to ensure that contractual commitments can be met. Payments are made under the development contract once the developer has spent more on building out the Affordable Housing element of the site than the notional value of the land that the market housing will occupy. The timing of this is difficult to predict at project outset, as the length of time taken to get on site in each case varies, dependent upon the number of existing residents that requires re-housing and any planning constraints on the site. The net re-phasing combines slippage of resource for Roman Court, Barnwell Road, Wadloes Road, Campkin Road , Colville Road, Stanesfield Road, Aylesborough Close, Atkins Close and Water Lane, partially offset by use of resource for Latimer Close and Clay Farm slightly ahead of profile against the latest capital plan.

5	Approval was given for the 2013/14 Cambridge Standard allocation to be spent on a variety of environmental projects across the city. Some of these projects are yet to be completed and resources of £106,000 are requested to be carried forward into 2014/15 to allow these, and other projects to take place.
6	Underspending of £1,900,000 in respect of the budget for work to re-develop Ditchburn Place is requested to be re-phased into 2015/16 to allow this scheme to be progressed in phases across the next 2 years, following some delay in the early stages of the project in 2013/14. Overspending has occurred in respect of Brandon Court (£85,000) where final costs were greater than anticipated due to the need to undertake some remedial works following problems with a sub-contractor and in the budget for upgrade and installation of emergency alarm equipment (£23,000), where the costs of upgrade for the sheltered schemes identified were higher than originally anticipated.
7	Projects to upgrade aspects of the Orchard Housing Management System and to implement a new Repairs IT Solution and Mobile Working Application have been completed, with underspending of £23,000 and £12,000 respectively. The funding identified to procure an IT system for the Anti-Social Behaviour Service is no longer required as the authority has opted to pilot use of the system deployed by the Police Authority. Resources of £148,000 are requested to be rephased to complete the roofing work to HRA commercial premises in Campkin Road. The remaining allocation from 2013/14 for buying back ex-Council dwellings of £333,000 is also requested as a carry forward, to allow the authority to proceed with acquisitions to ensure appropriate utilisation of retained right to buy receipts, which need 70% match funding.
8	60 properties were sold in total during 2013/14. £400,000 of the capital receipt is available for general use, while £1,603,000 of the overall capital receipt is identified as set-aside to be offset against the debt associated with the unit no longer owned. A further £3,703,000 of right to buy receipts have been retained by the local authority in 2013/14, but must be re-invested in financing up to 30% of additional social housing units, provided this is done within a 3 year time frame.
9	Capital receipts totalling an estimated £1,509,000 in respect of the value of land transfer for the market housing at Latimer Close, Barnwell Road and Stanesfied Road are now anticipated during 2014/15, at the point at which the expenditure incurred by the developer in respect of the affordable housing element of the site exceeds the value of the land and cash payments start to be made.
10	Slippage in the decent homes and other investment in the housing stock in 2013/14 resulted in a lower than anticipated call on the use of funding from the major repairs reserve for the year. The balance of use of the reserve (£1,828,000) will need to be re-phased in line with the expenditure to ensure that sufficient resource is available to finance the expenditure at year end.
11	Income was due from leaseholders in 2013/14 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£122,000) and was also received from private residents in relation to contributions towards, or repayments of, private sector housing repair grants (£58,000).
12	Due to slippage in the housing capital plan in 2013/14, the use of revenue funding for capital purposes was significantly less than anticipated. A request to increase the use of revenue funding of capital expenditure in 2014/15 and beyond by the £2,909,000 not utilised in 2013/14, will ensure that there is sufficient funding to meet the rephased expenditure requested above.
13	Homes and Communities Agency Grant of £425,000 was received in 2013/14 for 3 schemes which started on site and 1 scheme which reached completion. An additional £889,000 is due for schemes which were expected to start on site during the year, but which have been delayed until early 2014/15, the point at which this resource is now anticipated to be received.

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To: Executive Councillor for Housing: Councillor Kevin Price
Report by: Sabrina Walston, Housing Development Manager
Relevant scrutiny committee: Housing Committee 01/07/2014
Wards affected: All Wards

Affordable Housing Programme Key Decision

NOT FOR PUBLICATION: Appendix 2 relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph (No 6) of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive summary

In June 2012, the Executive Councillor for Housing approved a three year rolling programme of housing sites in the Council's ownership for consideration for development, redevelopment or disposal.

This report provides a review of the programme and specifically seeks approval of a revised three year rolling programme that includes sites to be investigated in 2014/15 to 2016/17.

The report sets this request for approval to the revised three year programme in the context of;

- § the delivery of Affordable Housing through the planning system
- § the new Council housing programme

2. Recommendations

The Executive Councillor is recommended:

- § To approve revisions to the 3 Year Rolling Programme 2014/15 to 2016/17 in the context of the wider Affordable Housing Programme

3. Background

Over the last twenty years most new Affordable Housing has been delivered by Registered Providers (RPs) working with house-builders and developers through the planning system. Following a relaxation on some financial constraints through 'self-financing' the Council has taken the opportunity to provide some balance to this through the implementation of its own new Council House building programme.

As the main provider of housing in Cambridge, the reasons why the Council has its own programme are as follows;

- § Provide additional Affordable Housing to meet the shortfall in Cambridge and to replace the loss of Affordable Housing through the Right to Buy.
- § Replace some of the Council's existing housing that no longer meets current day standards and is becoming less popular with residents.
- § Build new house types that will better meet the overall mix of Affordable Housing needed in the future.
- § Improve the energy efficiency of the Council's housing.

Affordable Housing Programme

The Homes and Communities Agency (HCA) introduced a significantly different way of allocating grant to RPs in 2011. RPs were invited to bid for grant in a single bid round to allocate all available grant to the end of March 2015. In the new context of 'self financing', local authorities were able to bid for grant too. The Council secured grant funding to part fund a programme of building 146 Affordable Housing dwellings on Council owned land, this programme has been termed the 146 Programme. Fortunately, the Council's preferred RP partner for the growth sites Cambridgeshire Partnerships Limited (CPL) was also successful in securing grant and therefore the planning for the delivery of the first Affordable Housing on the growth sites has been able to continue.

Table 1 below clearly illustrates the adverse impact of the recession on the delivery of new Affordable Housing and how dependent the national system for the delivery of new Affordable Housing is on the private house building market and industry. However, with CPL securing grant and house-building continuing on the Trumpington Meadows, Glebe Farm and Clay Farm sites on the Southern Fringe the table also shows that the rate of completions of Affordable Housing is picking up. The development of other sites in the city, such as the Fire Station and the The Marque site on Hills Road, have increased completions.

Table 1 - Numbers of New Affordable Housing Completions

Actual	
2006.07	225
2007.08	239
2008.09	282
2009.10	281+ 290 Key Worker - Addenbrookes
2010.11	46
2011.12	3
2012.13	58
2013.14	410
Estimate	
2014.15	420
2015.16	447

Three Year Rolling Programme

A new approach to the review of the use of Council land accounted for in the Housing Revenue Account was introduced in July 2008 following Committee scrutiny. It was agreed by the Executive Councillor that a three year rolling programme of sites be brought forward each year for consideration for development, redevelopment or disposal. The annual review keeps members apprised of progress with sites and offers the opportunity to introduce new sites for investigation.

Appendix 1 provides an update of the schemes within the three year rolling programme that are already under investigation.

Appendix 2 is the revised three year rolling programme that is requested to be approved. This Appendix is confidential at this stage in keeping with the process agreed at the July 2008 Community Services Scrutiny Committee. However, following Executive Councillor approval of the inclusion of new sites in the three year programme, any tenants or leaseholders directly affected will be advised immediately, together with the Ward Members and tenant representatives as the three year programme will immediately be in the public domain following the Committee meeting.

When reading Appendix 1, Committee Members may wish to note in particular that for 69-159a (Lichfield Road (odd nos.) and Campkin Rd Ph2 (including 1-20 and 81-91 Hawkins Road garages) the existing residential blocks have been removed from the programme but that there is some merit in continuing to review the potential of the redevelopment of any non-residential areas and open spaces at these sites.

Once sites have been investigated and if they are considered feasible and viable proposed schemes are brought to Committee to gain scheme specific approval to commence the development. The schemes that have gained scheme specific approval and are now on site as part of the 146 Programme have been removed. These are;

- § Latimer Close
- § Barnwell Road
- § Stanesfield Road
- § Colville Road
- § Atkins Close

New Council House Programme

Twenty eight new Council homes have now been completed since 2010 in Harris Road, Cockerell Road, Teversham Drift, Church End and Seymour Street. Within the twenty eight dwellings a mix of houses and flats has been provided, these dwellings have ranged from a five bedroom wheelchair accessible house to a one bedroom flat built to higher than usual accessibility standards for over 50s.

Based on the three year rolling programme grant has been secured from the HCA through the bid round mentioned above to provide a further 126 (146 including the redeveloped Seymour Court, now Janes Court) new Council homes by the end March 2015.

4. Implications

(a) Financial Implications

Financial implications will be assessed and reported when individual schemes considered suitable for development, redevelopment or disposal are brought forward to this Committee for scrutiny and for approval by the Executive Councillor for Housing.

The cost and funding of the Council's new build programme will be continually reviewed as part of the Council's Medium Term Strategy and budget setting and review cycles.

(b) Staffing Implications

Staff in the Housing Development Team project manages the delivery of the Affordable Housing Programme. Projects are monitored by the Affordable Housing Development Programme Board, a group of officers that meets

quarterly. The Board includes representatives from the Housing Development Team, City Homes, Housing Advice and Housing Strategy, with Procurement, Finance, Internal Audit, and Legal staff as corresponding members.

(c) Equality and Poverty Implications

A series of EQIAs have been undertaken for the Council House Programme, the Housing Development Service and for individual schemes. The EQIAs mainly highlight the benefits of the Council retaining direct control of new housing development itself to ensure a focus on the delivery of housing that meets a diverse range of housing needs. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in which new Affordable Housing will directly save money for tenants, such as energy saving measures.

Each individual scheme will continue be subject to an EQIA at the feasibility stage and prior to scheme approval.

(d) Environmental Implications

All new Affordable Housing on the growth sites and in the Council's programme are built to at least Level 4 of the Code for Sustainable Homes.

(e) Procurement

To facilitate the development of Council housing sites the Council has an agreement, the Affordable Housing Development partnership (AHDp), with a house-builder/developer and four Registered Providers. This contract is coming to an end, therefor another procurement is proposed by the Housing Development Team to enable a similar working relationship with a developer partner to deliver Council new build homes.

(f) Consultation and Communication Implications

Staff in the Housing Development team have structured meetings with staff from CPL in respect of the delivery of Affordable Housing on the growth sites and attend regular forums with other RP providers.

The Council's approach to the involvement of residents affected by the three year programme process and the Council's new house-building programme has been reviewed recently and was the subject of a report to the January 2013 Community Services Scrutiny Committee. One important change in the way that residents will be engaged was agreed. In future the first collective meeting with residents of an affected scheme will be held at least

4 – 6 weeks prior to a report coming to the scrutiny committee for consideration.

Consultation is also carried out with residents and neighbours once schemes have been proposed by the architects in order to receive any comments on the plans.

Internal communication is led by the Affordable Housing Programme Board meetings and any other ad hoc meetings required to plan

If any sites that are occupied by residents are recommended for redevelopment the Home Loss Policy covers the financial compensation available to residents and how they will be supported to move should the site gain approval.

(g) Community Safety

All new Affordable Housing is assessed against Secure by Design criteria.

5. Background papers

These background papers were used in the preparation of this report:

None.

6. Appendices

Appendix 1- Three Year Affordable Housing Programme 2013.14 to 2014.15 Review

Appendix 2 - Three Year Affordable Housing Programme 2014.15 to 2016.17 (Exempt Information)

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name:	Alan Carter
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Author's Email:	alan.carter@cambridge.gov.uk

2013/14	Ward	City Homes	Existing AH Units	Indicative New AH Units	Progress
Wadloes Road	Abbey	South	0	6	Site of former nursery school – now demolished. Planning application submitted. Part of 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
98-144a Campkin Road (evens only but including a's)	Arbury	North	40	20	Planning permission approved. Phased development will be required to complete the scheme due to delays in decanting two leaseholders . 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
Edin Road garages (rear of 11/13)	Abbey	South	0	6	Existing garages carrying 50% void currently. All garages require fabric investment if they are to be maintained. Pre-application advice sought. Application to be submitted in June 2014. Part of 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
9 to 28 Anstey Way	Trump'ton	South	23	31	This amended site consists of the flats and bungalows. Investigation is underway including looking at options specifically for the bungalows and also at phasing any new scheme.

Appendix 1 – Three Year Affordable Housing Programme 2013.14 to 2015.16. Review at 1 July 2014.

Anstey Way disused drying area	Trump'ton	South	0	1	This site gained planning permission in April 2014 for one Affordable Housing dwelling and one market housing dwelling. Start on site is imminent. Part of 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
6 to 14a Water Lane and 238 to 246 Green End Road.	East Chest'ton	North	23	14	Approval granted to progress a scheme in Jan 13. Detailed discussions with tenants are underway and rehousing has begun. Awaiting revised programme. To be removed from programme as progressing to development. Part of 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
18 to 8a and 39 to 50 Adesborough Close	Arbury	North	20	16	Approval granted to progress a scheme Jan 13. Majority of residents re-housed. Planning permission received. Part of 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
Kendal Way	East Chest'ton	North	0	1	Initial feasibility work partially completed. Further work required to determine whether a small redevelopment is feasible.
Cadwin Fields Garages	Kings Hedges	North	0	2	Initial feasibility work by Keepmoat indicates a number of constraints to redevelopment. Further work required to determine whether a small redevelopment is feasible.
Cameron Road / Nuns Way Garages	Kings Hedges	North	0	4 to 8	Initial feasibility work by Keepmoat indicates a number of constraints to redevelopment. Further

Appendix 1 – Three Year Affordable Housing Programme 2013.14 to 2015.16. Review at 1 July 2014.

						work required to determine whether a small redevelopment is feasible.
Gunhild Way Garages	Queen Ediths	South	0	2		Initial feasibility work by Keepmoat indicates a number of constraints to redevelopment. Further work required to determine whether a small redevelopment is feasible.
Markham Close Garages	Kings Hedges	North	0	3		Initial feasibility work by Keepmoat indicates a number of constraints to redevelopment. Further work required to determine whether a small redevelopment is feasible.
Uphall Road Garages (between 11 & 13 Uphall Rd)	Romsey	North	0	2		Initial feasibility work partially completed. Further work required to determine whether a small redevelopment is feasible.
Faldbourn Rd Garages, Headington Close	Cherry Hinton	South	0	6		Pre-application advice sought. Due to submit an application in June 2014. Part of 146 Programme. To be removed from the programme when the Development Agreement is unconditional.
51-53 Argyle Street	Romsey	South	0	2		Currently a garage / workshop. Not in the Council's ownership. To be removed from the programme.
301-326 Hawkins Road Garages	Kings Hedges	North	0	8		Scheme drawn up for 9 dwellings, 100% Affordable Housing. Community consultation carried out that raised parking issues for the adjacent school. Dialogue with the school is progressing to resolve this. Pre-application advice has been sought and an application will be made in June 2014. Part of 146 Programme. To be removed from the programme when the Development Agreement is

Appendix 1 – Three Year Affordable Housing Programme 2013.14 to 2015.16. Review at 1 July 2014.

	Kings Hedges	North				unconditional.	
Wiles Close Garages				0	3 to 6	Initial feasibility work by Keepmoat indicates a number of constraints to redevelopment. Further work required to determine whether a small redevelopment is feasible.	
2014/15	Ward	City Homes	AH Units Loss	AH Units Gross	Comment		
9 to 10a Ventress Close and adjacent Garages	Queen Ediths	South	1	6	Potential redevelopment. Includes land either side of 9/10a. Feasibility work not yet started		
Colville Rd Ph 2 (flats 66-80b)	Cherry Hinton	South	20	18	Site includes a public car park with recycling facilities. In addition to the 20 Affordable Housing units there are 4 leasehold flats. Detailed investigation not yet begun.		
69-159a (Lichfield Road (odd nos.))	Coleridge	South	42	46	Includes redevelopment and re-provision of community hall and laundry. Initial feasibility work including consultation with residents and the local community has led to the conclusion that the existing residential blocks will be removed from the programme but that there is some merit in continuing to review the potential of the redevelopment of any non-residential areas and open spaces.		
Land to rear 55	Queen	South	0	1	This site came forward again as neighbour has		

Appendix 1 – Three Year Affordable Housing Programme 2013.14 to 2015.16. Review at 1 July 2014.

Wulfstan Way	Editsh					secured planning permission to build a bungalow on own and Council land. Investigation underway.
Campkin Rd Ph2 (including 1-20 and 81-91 Hawkins Road garages)	Arbury	North	25	30		The existing flats include 7 leaseholders in addition to the 25 Affordable units. The garage site has previously been approved to be included in the 3 Year Rolling Programme and early feasibility work suggests that sites should be considered together. However, further work has led to the conclusion that the existing residential blocks will be removed from the programme but that there is some merit in continuing to review the potential of the redevelopment of any non-residential areas and open spaces.
Aylesborough Close Ph 2 (65-75 Vengulum Way and 15-34 Aylesborough Close and 2-24 Fordwith Close)	Arbury	North	40	Not known		The existing flats include 4 leaseholders in addition to the 40 Affordable Housing. The design and layout and condition of the properties is poor and they make poor use of the land. Detailed investigation not underway yet.
Northfield Avenue Garages	Kings Hedges	North	0	2		Currently a garage site. Feasibility work not yet started.

2015/16	Ward	City Homes	AH Units Loss	AH Units Gross	Comment
None identified last year					

By virtue of paragraph(s) 6 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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To: Executive Councillor for Housing: Councillor Kevin Price
Report by: Housing Development Manager – Sabrina Walston
Relevant scrutiny committee: Housing 1/7/2014
Scrutiny Committee
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge
East Chesterton King's Hedges Market Newnham
Petersfield Queen Edith's Romsey Trumpington
West Chesterton

PROCUREMENT OF AN AFFORDABLE HOUSING DEVELOPMENT PARTNER

Key Decision

1. Executive summary

This report proposes the procurement of a house builder partner to develop, or re-develop, Affordable Housing to be owned and managed by Cambridge City Council across a number of sites in the city. This could include market housing, Affordable Housing as well as mixed use, commercial and housing developments.

2. Recommendations

The Executive Councillor is recommended:

To approve the procurement of a development partner.

To give delegated authority to the Director of Community Services, following consultation with the Housing Revenue Account Principal Accountant and the Head of Legal Services, to complete the procurement process and legal documentation to select a development partner.

To note that any proposed Development Agreements for individual sites will be brought back to Committee for scheme specific approval.

3. Background

In the Affordable Housing Development partnership – 500 programme report of March 2010, delegated authority was given to procure a development partner to work in conjunction with the City Council to deliver Affordable Housing, to be owned and managed by the Council. Keepmoat was selected and are contracted in a Framework Agreement with the City Council until February 2016 to deliver the new build Council houses 146 programme funded through the HCA's grant regime. Four Registered Providers (RPs) were also included in the Framework Agreement because at the time of the procurement the Council did not have the financial freedoms to build its own Affordable Housing. However, thus far the Council has not requested that the RPs complete any work through the Framework Agreement because the financial freedoms were gained by the Council to build its own Affordable Housing.

Therefore to help deliver the objectives of improving Council House standards and adding to the Affordable Housing stock in Cambridge, a new procurement is proposed that offers the opportunity to refresh and broaden the scope of organisations building the City Council's Affordable Housing stock.

The 3 year programme for Affordable Housing, which Keepmoat have been delivering, identifies small and medium sized sites to be assessed for feasibility for development. The new procurement will seek to provide a partner that can continue to deliver small and medium sites and to help deliver more complex schemes, for example mixed use schemes with residential and commercial uses, and potentially to provide initial information on more strategic sites.

It is proposed to find a partner that will share the Council's principles via a transparent and robust process. An example of this is the Homes & Communities Agency's DPP2 Framework Agreement. Legal and Procurement advice is currently being sought to establish the best procurement route to provide the scope of services.

In April 2013 the Homes & Communities Agency established a Delivery Partner Panel (version 2) which gives public sector users a ready checked framework of development partners. The framework was procured through a fully compliant European Union (EU) procurement process, and as such, it can be used to procure development speedily via a mini competition, as opposed to the Council advertising a tender in the Official Journal of the EU. This is one of the procurement routes that is currently being considered.

If a fully compliant EU procurement is required it can take approximately 18 months to complete, depending on the complexity of the procurement. This,

together with widening the scope of the partner, is the reason for requesting approval now when the Council has a partner until February 2016.

4. Implications

(a) Financial Implications

This procurement will help demonstrate if the Council are currently, and likely in future to, receive value for money when developing land.

(b) Staffing Implications

Staff within the Housing Development team will be responsible for overseeing and managing the process in line with the Council's project management guidelines and Contract Procedure Rules. A project team will be arranged to meet regularly and include, but not limited to, representatives from City Homes, Legal Services, Housing Development, Technical services, Business Management (housing finance) and Procurement.

(c) Equality and Poverty Implications

An Equalities Impact Assessment was undertaken for the Council's new build programme as a whole in January 2013. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in which new Affordable Housing will directly save money for tenants such as energy saving measures.

(d) Environmental Implications

The procurement of a development partner will not have any environmental implications; however, the Council's current housing specification is for new housing to be a minimum of level 4 of the code for sustainable homes.

(e) Procurement

All City Council procurement policies and procedures will be adhered to with internal procurement colleagues as part of the project board in helping to select a development partner.

(f) Consultation and Communication Implications

Internal consultation has taken place with affected sections within the Council. External communication will take place following a successful procurement. Resident representatives will be involved in the scoring panel for the final tender award.

5. Background papers

Affordable Housing Development Partnership – 500 programme – 25/3/2010.

<http://democracy.cambridge.gov.uk/Data/Community%20Services%20Scrutiny%20Committee/20100325/Agenda/Item%207%20-%20Affordable%20Housing%20Development%20Partnership%20500%20Partnership.pdf>

HCA Delivery Partner Panel 2 – A guide for Public Sector Users.

<http://www.homesandcommunities.co.uk/dpp>

6. Appendices

Affordable Housing Development Programme (AHDP) EQIA

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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To: Executive Councillor for Housing: Cllr Kevin Price
Report by: Jas Lally – Head of Refuse and Environment
Relevant scrutiny committee: Housing Scrutiny Committee: 1st July 2014
Wards affected: All

POWER TO CHARGE FOR CERTAIN ENFORCEMENT ACTION UNDER THE HOUSING ACT 2004 (the “ACT”)

Not a key decision

1. Executive summary

The Act enables local authorities to make a reasonable charge as a means of recovering certain expenses incurred in serving an improvement notice, making a prohibition order, serving a hazard awareness notice, taking emergency remedial action, making an emergency prohibition order, or making a demolition order. The expenses are in connection with the inspection of the premises, the subsequent consideration of any action to be taken and the service of notices.

Authorities are able to charge for each course of action including, where emergency remedial action is taken, for any subsequent notices.

In March 2012 the Community Services Scrutiny Committee (decision 12/25/CS) gave permission to seek to recover the costs against the recipient of the Notice or Order. This paper is a review of the charges set in this decision in light of recent case law.

2. Recommendations

The Executive Councillor for Housing is recommended to approve the attached policy document as detailed in Appendix A which supercedes the previous Policy Document Charging for certain enforcement action.

3. Background

The preparation and service of enforcement notices is a time consuming and costly process.

Section 49 of the Housing Act 2004 (“the Act”) gives the Council the power to make a reasonable charge as a means of recovering certain expenses

incurred by them in serving an improvement notice, making a prohibition order, serving a hazard awareness notice, taking emergency remedial action, making an emergency prohibition order, or making a demolition order. This provision does not relate to the cost of any remedial action taken by the authority either with or without agreement. These are separate charges covered by section 31 and Schedule 3 to the Act.

The Act provides for the appropriate national authority to set a maximum charge to be made by authorities (no such maximum has been set). Authorities however are reminded that they should charge only the reasonable costs of enforcement.

In 2008 a survey¹ by the Chartered Institute of Environmental Health found that approximately half of Authorities used the power to recover costs outlined above and two thirds that they expected the need for enforcement activity to increase.

- The expenses recoverable are, in the case of the service of an improvement notice or a hazard awareness notice, the expenses incurred in—
 - (a) determining whether to serve the notice,
 - (b) identifying any action to be specified in the notice, and
 - (c) serving the notice.
- Given the informal nature of hazard awareness notices and the fact that there are no appeal provisions against a hazard awareness notice it is not intended to charge for the service of them.
- In the case of emergency remedial action under section 40, the expenses incurred in—
 - (a) determining whether to take such action, and
 - (b) serving the notice required by subsection (7) of that section.
- In the case of a prohibition order under section 20 or 21 of this Act, an emergency prohibition order under section 43 or a demolition order under section 265 of the Housing Act 1985, the expenses incurred in—
 - (a) determining whether to make the order, and

1

http://www.cieh.org/uploadedFiles/Core/Policy/Publications_and_information_services/Policy_publications/Publications/Housing%20survey.pdf

(b) serving copies of the order on persons as owners of premises.

- A reasonable charge may also be made as a means of recovering expenses incurred by them in—

(a) carrying out any review under section 17 or 26, or

(b) serving copies of the authority's decision on such a review.

A breakdown of the time and cost involved of undertaking these actions is included in Appendix A. Authorities are able to charge for each course of action including, where emergency remedial action is taken, for any subsequent notices.

Section 50 of the Act sets out the powers available to a local authority for recovering any charge they make under section 49 powers. These are, following service of the Order or Notice a demand for payment of the charge must be served on the person from whom the authority seek to recover it and once the demand becomes operative the Council may register the charge as a Local Land Charge on the property until the debt is recovered.

There are no Appeal provisions against this charge only against the underlying notice. However where a tribunal allows an appeal against the underlying notice or order, it may reduce, quash, or require repayment of any charge made in respect of the notice or order.

In deciding whether to exercise their powers to make a charge and the level of any charge, authorities may take account of the personal circumstances of the person or persons against whom the enforcement action is being taken. The degree to which authorities consider personal circumstances is at their discretion, having regard to the resources available to them.

It should be noted that in line with the Councils adopted Enforcement Policy (March 2010) and the Councils Housing Health & Safety Rating System (HHSRS) enforcement procedure (March 2013) an informal approach would normally be taken first and the Landlord given an opportunity to resolve the matter informally without the need for the service of Notice or Order.

During this informal stage the landlord will be informed of the consequences of non-compliance including the levying of a charge for the service of the Notice of Order should that become necessary.

Informal action may not be appropriate where the risk to the occupiers of the premises is imminent or where the landlord has a history of non-compliance with informal requests.

The Housing Standards team undertook 300 inspections in 2013-14 and served 14 enforcement notices that would have resulted in a charge.

The level of charges is detailed in Appendix A and subject to a yearly review.

4. Implications

(a) Financial Implications

The principle is to recover those costs which we are able. The budget report for this year includes a small amount of income of £1040 that was anticipated under the previous policy.

(b) Staffing Implications

No additional resources are required to implement this policy given that the enforcement activity is a statutory duty and already undertaken within existing resources.

Equality & Poverty Implications

The service of enforcement notices will impact on a small number of private sector landlords or property managers who fail to comply with the Act. Private landlords come from across all strands and do not make up a specific group. This policy will not disadvantage any specific group. An Equality Impact Assessment is attached.

(d) Environmental Implications

Nil.

(e) Procurement

None.

(f) Consultation and communication

A small section of local landlords and managing agents were consulted as part of a landlord accreditation event in 2011.

(g) Community Safety

No impact on community safety.

5. Background papers

- Housing Act 2004

- Housing health and safety rating system (HHSRS) enforcement guidance: housing conditions
- The CIEH Survey of Local Authority Regulatory Activity under the Housing Act 2004

6. Appendices

Appendix A- Housing Act 2004- Charging for certain enforcement Action

Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Appendix A- Housing Act 2004- Charging for certain enforcement action

The level of charge levied for service of the notice or order must be reasonable and capable of being substantiated. The breakdown of costs below is based on an hourly rate of £40 p/h for a case officer and £22 p/h for administrative support.

A reasonable charge may also be made as a means of recovering expenses incurred in carrying out any review under section 17 or 26 or serving copies of the authority's decision on such a review (of Suspended Improvement Notices and Prohibition Orders respectively).

Additional reasonable costs incurred in the service of the notice may be included in the costs to be recovered, an example of such costs would be where it was necessary to undertake an Electrical Installation Condition Report in order to identify all electrical hazards in a property.

The charge may be waived in exceptional circumstances at the approval of the Environmental Health Manager.

Improvement Notice

Item	Actions by Case Officer	Time allotted	By whom
1	Initial investigation (gathering information and initial inspection)	2 hours	Case officer
2	HHSRS scoring (record on M3 recording to include full notes, justification, and scores).	2 hours	Case officer
3	Referencing (land registry, Council Tax search etc)	30 mins	Admin Officer
4	Preparation of Notice Pack (cover sheet, notices(s), schedule 1 & 2, consultation letter and statement of reasons).	2 hours	Case Officer
5	Consultation (with TM over notice pack, plus any amendments and response to representations).	30 mins	Case Officer
6	Peer Check	30 mins	Case Officer

Total 7 hours of case officer and ½ hour of admin officer

Cost £280 + £11

Recommended Fee £291

Prohibition Order (including Emergency Orders)

Item	Actions by Case Officer	Time allotted	By whom
1	Initial investigation (gathering information and initial inspection)	2 hours	Case officer
2	HHSRS scoring (record on M3 recording to include full notes, justification, and scores)	2 hours	Case officer
3	Referencing (land registry, Council Tax search etc)	30 mins	Admin Officer
4	Preparation of Notice Pack (cover sheet, notices(s), schedule 1, consultation letter and statement of reasons).	1 hour 30 mins	Case Officer
5	Consultation (with TM over notice pack, plus any amendments and response to representations).	30 mins	Case Officer
6	Peer Check	30 mins	Case Officer

Total 6 ½ hours of case officer and ½ hour of admin officer

Cost £260 + £11

Recommended Fee £271

Emergency Remedial Action Notices

Item	Actions by Case Officer	Time allotted	By whom
1	Initial investigation (gathering information and initial inspection)	2 hours	Case officer
2	HHSRS scoring (record on M3 recording to include full notes, justification, and scores).	1 hours	Case officer
3	Referencing (land registry, Council Tax search etc)	30 mins	Admin Officer
4	Preparation of Notice Pack (cover sheet, notices(s), schedule 1 and statement of reasons).	1 hour	Case Officer
5	Consultation (with TM over notice pack, plus any amendments and	30 mins	Case Officer

	response to representations).		
6	Peer Check	30 mins	Case Officer

Total 6 hours of case officer and ½ hour of admin officer

Cost £240 + £11

Recommended Fee £251

Review of Suspended Notices and Orders

Item	Actions by Case Officer	Time allotted	By whom
1	The review of OR service of copies of decision following such a review.	2 hours	Case officer
2	Referencing (land registry, Council Tax search etc)	30 mins	Admin Officer

Total 2 hours of case officer and ½ hour of admin officer

Cost £80 + £11

Recommended Fee £91

Cambridge City Council Equality Impact Assessment



Completing an Equality Impact Assessment will help you to think about what impact your strategy, policy, plan, project, contract or major change to your service may have on people that live in, work in or visit Cambridge, as well as on City Council staff.

The template is easy to use. You do not need to have specialist equalities knowledge to complete it. It asks you to make judgements based on evidence and experience. There are guidance notes on the intranet to help you. You can also get advice from Suzanne Goff, Strategy Officer on 01223 457174 or email suzanne.goff@cambridge.gov.uk or from any member of the Joint Equalities Group.

1. Title of strategy, policy, plan, project, contract or major change to your service:

POWER TO CHARGE FOR CERTAIN ENFORCEMENT ACTION UNDER THE HOUSING ACT 2004 (the "ACT")

2. What is the objective or purpose of your strategy, policy, plan, project, contract or major change to your service?

To ensure compliance with the Housing Act 2004 and thereby drive up the standards of the Private Rented Sector. By laying a charge for enforcement action we will also ensure that the person responsible for the underlying disrepair/poor management repays the cost for the Council undertaken that action.

3. Who will be affected by this strategy, policy, plan, project, contract or major change to your service? (Please tick those that apply)

- ☐ Residents
- ☐ Visitors
- ☐ Staff

A specific client group or groups (please state):
Landlords of poorly managed/maintained properties.

4. What type of strategy, policy, plan, project, contract or major change to your service is this? (Please tick)

- ☐ New
- ☒ Revised
- ☐ Existing

5. Responsible directorate and service

Directorate: Refuse and Environment

Service: Environmental Health

6. Are other departments or partners involved in delivering this strategy, policy, plan, project, contract or major change to your service?

☒ No

☐ Yes (please give details):

7. Potential impact

Please list and explain how this strategy, policy, plan, project, contract or major change to your service could **positively** or **negatively** affect individuals from the following equalities groups.

When answering this question, please think about:

- The results of relevant consultation that you or others have completed (for example with residents, people that work in or visit Cambridge, service users, staff or partner organisations).
- Complaints information.
- Performance information.
- Information about people using your service (for example whether people from certain equalities groups use the service more or less than others).
- Inspection results.
- Comparisons with other organisations.
- The implementation of your piece of work (don't just assess what you think the impact will be after you have completed your work, but also think about what steps you might have to take to make sure that the implementation of your work does not negatively impact on people from a particular equality group).
- The relevant premises involved.
- Your communications.
- National research (local information is not always available, particularly for some equalities groups, so use national research to provide evidence for your conclusions).

(a) Age (any group of people of a particular age, including younger and older people – in particular, please consider any safeguarding issues for children and vulnerable adults)

None.

(b) Disability (including people with a physical impairment, sensory impairment, learning disability, mental health problem or other condition which has an impact on their daily life)

None.

(c) Gender

None

(d) Pregnancy and maternity

None

(e) Transgender (including gender re-assignment)

None

(f) Marriage and Civil Partnership

None

(g) Race or Ethnicity

None.

(h) Religion or Belief

None

(i) Sexual Orientation

None

(j) Other factors that may lead to inequality – in particular – please consider the impact of any changes on low income groups or those experiencing the impacts of poverty (please state):

None.

8. If you have any additional comments please add them here

Deprivation and poor housing conditions are linked. In Cambridge approximately 37% of properties in the Private Rented Sector are considered to be below the Decent Homes Standard. However for vulnerable households (those in receipt of a means tested benefits or benefits linked to disability) are more likely to live in a home that is non-decent (45%) and will also be less able to afford alternate accommodation. It is therefore likely that implementation of this policy will have minor positive effect on those experiencing the impacts of poverty.

9. Conclusions and Next Steps

- If you have not identified any negative impacts, please sign off this form.
- If you have identified potential negative actions, you must complete the action plan at the end of this document to set out how you propose to mitigate the impact. If you do not feel that the potential negative impact can be mitigated, you must complete question 8 to explain why that is the case.
- If there is insufficient evidence to say whether or not there is likely to be a negative impact, please complete the action plan setting out what additional information you need to gather to complete the assessment.

All completed Equality Impact Assessments must be emailed to Suzanne Goff, Strategy Officer, who will arrange for it to be published on the City Council's website.
Email suzanne.goff@cambridge.gov.uk

10. Sign off

Name and job title of assessment lead officer: Robin Ray

Names and job titles of other assessment team members and people consulted:

Date of completion: 19/06/2014

Date of next review of the assessment:

Action Plan

Equality Impact Assessment title:

Date of completion:

Equality Group	Age
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Disability
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Gender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Pregnancy and Maternity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Transgender
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Marriage and Civil Partnership
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Race or Ethnicity
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Religion or Belief
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Equality Group	Sexual Orientation
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

Other factors that may lead to inequality	
Details of possible disadvantage or negative impact	
Action to be taken to address the disadvantage or negative impact	
Officer responsible for progressing the action	
Date action to be completed by	

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To: Executive Councillor for Housing
Report by: Alan Carter
Relevant scrutiny committee: Community Services Scrutiny Committee 10/7/2014
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

CAMBRIDGESHIRE HOME IMPROVEMENT AGENCY (Cambs HIA) - EXTENSION OF CONTRACT Not a Key Decision

1. Executive summary

The City Council has a shared service agreement with South Cambridgeshire District Council and Huntingdonshire District Council to provide a joint home improvement agency service. The agreement expires at the end of March 2015. The shared service known as Cambs HIA has been a successful venture in sustaining services previously delivered independently by the respective district councils at a reduced cost. The Government has introduced the Better Care Fund which presents opportunities to develop Cambs HIA further. The report recommends that the current shared service agreement be extended until March 2016 to allow these opportunities to be considered and accommodated.

2. Recommendations

The Executive Councillor is recommended:

Agree to extend the Cambridgeshire Home Improvement Agency Shared Service Agreement to the end of March 2016.

3. Background

Home Improvement Agencies (HIA) assist people who are elderly or vulnerable, who have disability needs, or who are on a low income to remain in their own homes in greater comfort and safety. They do this by

providing practical or financial advice and support to repair, maintain or adapt homes.

A thorough review of HIA services in Cambridgeshire was carried out over a two year period from 2007. After much deliberation, the outcome of the review was a decision to work towards a shared service for Cambridge City Council, South Cambridgeshire District Council and Huntingdonshire District Council and Cambs HIA was set up from April 2012. A countywide service was considered but due to existing contract obligations in the Fenland and East Cambridgeshire districts, it was decided not to pursue this option at that time.

The following is a link to the Cambs HIA web-site that includes more information on its role and objectives.

www.Cambshia.org

On the web-site and enclosed with this Committee report is a copy of Cambs HIA Annual Review which provides summary service and performance data.

The services provided by Cambs HIA facilitate positive health and wellbeing outcomes for residents that are central to the 'preventative' agendas of social care and health sector agendas.

The Government has recently introduced a programme called the 'Better Care Fund'. This aims to drive systemic change and efficiency in the way that social care and health services interact to prevent poor health and earlier than necessary hospital admissions or longer than necessary hospital stays. For Cambridgeshire, in effect, £38m of existing funding is to be uncoupled from health services and offered for 'transformational' preventative services. The new services are due to start from April 2015. The nature of Cambs HIA services, particularly (but not exclusively), its services for older people, make it a central for consideration under the Better Care Fund. Although the Cambs HIA service can evolve

The request to extend the existing shared service agreement that governs Cambs HIA to the end of March 2016 will allow any opportunities brought about by the Better Care Fund to be considered and accommodated.

4. Implications

(a) Financial Implications

In revenue terms Cambs HIA made a surplus of £8,308 in 2013.14. For the City Council this translates as movement from a position where the

Council's previous independent service was being subsidised by the General Fund by about £40,000 a year (direct financial comparison is difficult).

The service is budgeted to break even again in 2014.15 and the financial risk in extending the contract to the end of March 2016 is low.

(b) Staffing Implications (if not covered in Consultations Section)

There are no staffing implications in extending the contract to the end of March 2016.

(c) Equality & Poverty Implication

An EQIA was carried out when Cambs HIA was set up. There have been no significant changes to the service since. The service will review its Business Plan in the context of the Better Care Fund and the EQIA will be up-dated accordingly.

(d) Environmental Implications

There are no particular environmental implications in extending the contract to the end of March 2016.

(e) Procurement

There are no procurement implications in extending the contract to the end of March 2016

(f) Consultation and communication

The Cambs HIA Manager and other senior officers of the City Council are directly involved in the Better Care Fund.

A part of its communications strategy a presentation was given by the Cambs HIA Manager to the Local Health Partnership Board.

(g) Community Safety

There are no particular community safety implications in extending the contract to the end of March 2016.

5. Background papers

These background papers were used in the preparation of this report:

None.

6. Appendices

None.

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name:	Alan Carter
Author's Phone Number:	01223 - 457948
Author's Email:	alan.carter@cambridge.gov.uk

Agenda Item 16a

CAMBRIDGE CITY COUNCIL
Record of Executive Decision

Opportunity to Bid to Increase the Housing Revenue Account (HRA)

Decision of:	Councillor Smart , Executive Councillor for Housing		
Reference:	14/URGENCY/COM/2		
Date of decision:	25.04.14	Recorded on:	25.04.14
Decision Type:	Key Decision		
Matter for Decision:	Delegated authority to the Director of Customer and Community Services to agree a bid under the Local Growth Fund : Housing Revenue Account Borrowing Programme (2015.16 and 2016.17)		
Why the decision had to be made (and any alternative options):	The deadline for bids to the £300m Fund is 16 June 2014. In view of the timescales around this opportunity the Urgent Decision is requested.		
The Executive Councillor's decision(s):	Approved that delegated authority be given to the Director of Customer and Community Services to agree a bid under the Local Growth Fund : Housing Revenue Account Borrowing Programme (2015.16 and 2016.17), subject to consultation with the Executive Councillor for Housing; the Chair of the Customer and Community Services Scrutiny Committee and Opposition Spokespersons.		
Reasons for the decision:	The deadline for bids to the £300m Fund is 16 June 2014.		
Scrutiny consideration:	The Chair and Spokesperson of Community Services Scrutiny Committee were consulted prior to the action being authorised.		
Report:	A report detailing the background and financial considerations is attached.		
Conflicts of interest:	None		
Comments:	The Chair and Spokes were consulted prior to the decision being made and made no comment.		

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Department for
Communities and
Local Government

Local Growth Fund

Housing Revenue Account Borrowing Programme (2015-16 and
2016-17)

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Bressenden Place
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Telephone: 030 3444 0000

For all our latest news and updates follow us on Twitter: <https://twitter.com/CommunitiesUK>

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Ministerial foreword

Increasing the supply of affordable housing is a priority for the Government and it is a critical element in wider economic growth. We are currently working with Local Enterprise Partnerships to agree local Growth Deals – and our aim is a Growth Deal for every area by July this year. In many areas, a key part of the local strategies developed by Local Enterprise Partnerships will be investment for housing growth.

Local government has always played a central role in housing and, since the introduction of self-financing for local government in 2012, many councils who manage and maintain their own stock are starting to look again at the opportunities it offers to commission and build new homes for their local communities.

But many councils have said that they can do more if they can undertake additional borrowing. We have listened to this and that is why, in the Autumn Statement last year, we announced we would raise local authority Housing Revenue Account borrowing limits, by £150 million in 2015-16 and £150 million in 2016-17, allocated on a competitive basis to drive value for money. We are looking to local authorities, who need additional borrowing, to bid for that increase and for schemes that would help to deliver 10,000 new affordable homes.

The Government wants to see active asset management and the disposals of high value vacant stock forming part of any bid as well as public sector land being brought forward – councils should be using their land proactively and not just mowing it. Local authorities should also consider partnership working with housing associations or through joint ventures to deliver their schemes. In a nutshell we want this additional borrowing to be used to drive innovation in how local authorities deliver housing for their local communities.

We also explained in the Autumn Statement that this funding will form part of the Local Growth Fund, available to local authorities who have a proposal agreed by their Local Enterprise Partnership. This will strengthen the role of the Local Growth Fund in transforming local economies by providing much-needed housing to support growth.

This bidding document sets out the detail of how local authorities can bid for additional borrowing and I would encourage them to come forward with their proposals and take advantage of this opportunity.

Kris Hopkins MP, Minister for Housing

Chapter One: why should local authorities bid to this programme?

Introduction

1. Local authorities play a central role in the management and delivery of new homes and the Government wants to support innovative local authorities who want to do more. In April 2012 the Government reformed the council house finance system, introducing self-financing for local authorities who still own and manage their own housing. This system of self-financing gave local authorities greater freedoms and flexibilities to manage their housing and develop new homes. For many councils the opportunities provided by self-financing are only just starting to be realised.
2. The limits on the amount of local authority Housing Revenue Account borrowing were introduced to control public sector borrowing in the context of the government's fiscal consolidation plan. However, we recognise that some councils would value increased flexibility in realising their housing supply ambitions. The Government has therefore made £300 million of additional Housing Revenue Account borrowing available as part of the Local Growth Fund to help those authorities that need additional borrowing and want to deliver new affordable homes quickly.
3. Our aim is that local authorities will work with Local Enterprise Partnerships, in support of local growth strategies, to increase the supply of housing locally. We want local authorities to do this in a way that will drive innovation through the use of locally owned land, the sale of high value vacant properties and partnership working to ensure that the impact on public sector borrowing is as low as possible and the supply of new homes is as high as possible. We intend to help a new way of thinking about value for money take root within the sector.
4. It is hoped that many local authorities will take this opportunity of a new approach to their role in the supply of local affordable homes for their communities using the innovation and creativity that marks the local government sector at its best.
5. The profile for this additional borrowing is £150 million against capital expenditure in 2015/16 and £150 million against capital expenditure in 2016/17. This bidding document covers England, including London. There is no proposal to have a separately administered scheme for the London boroughs. The Greater London Authority will, however, assist with the assessment of bids submitted by any London borough.

Main programme aims

6. The Government has some core objectives that it wants to achieve through this new Housing Revenue Account borrowing programme.
 - To increase the supply of new affordable rent and affordable home ownership homes delivered by local authorities or through partnership arrangements, leveraging in private finance where necessary;
 - To support innovation by local authorities in delivering and supporting new housing development;
 - To drive down costs and support bids where affordable housing is developed with lower public sector costs;
 - To require local authorities to maximise value for money of schemes including contributing their own resources such as bringing forward their own land and, in particular disposing of high value vacant stock;
 - To support local authorities that will be delivering new affordable homes that meet local needs and which are in line with the objectives of the local Strategic Economic Plan; and
 - To see new homes provided that address the demographic challenges facing social housing, including the need for homes of sizes that match household needs.

Meeting local needs and economic priorities

7. One of the main aims of the programme is to help to meet local need for affordable homes. Housing plays an important role in local economic growth, it is therefore vital that any additional borrowing for housing is considered alongside wider investment in an areas infrastructure and economic growth plan. This is why this borrowing will form part of the Local Growth Fund. Local authorities will need to ensure that their bids are endorsed by their Local Enterprise Partnerships, and we will be looking for confirmation that any potential bids are in line with the objectives of the Strategic Economic Plans which were submitted to Government by 31 March 2014. We will also seek to engage with authorities where a Strategic Economic Plan indicated that a local authority would be likely to bring forward a bid for additional Housing Revenue Account borrowing.
8. To ensure that bids meet local housing need, local authorities should consider whether the proposed scheme, or schemes, offer an appropriate size and mix of affordable housing. In areas where there is a particular shortage of smaller homes for under-occupying tenants to move to, we would expect local assessments of needs and bids to reflect this, by including a high proportion of one and two bedroom properties, for example, by the conversion of existing stock to new affordable units or the provision of sheltered housing.

9. Local needs may also include on-going requirements for family homes. It is possible that need might be met, in part, through re-allocation of properties which are currently under-occupied, by providing opportunities for households who are under-occupying to move to a smaller home.
10. The Government has recently published its response to the consultation on Housing Standards Review and set out the next steps¹. Local authorities bidding for additional Housing Revenue Account borrowing should take note that the Review has not completed and that there will be further announcements during the year. In preparing bids local authorities should make reasonable assumptions about other factors likely to impact on their proposed developments².
11. The intention of this programme is to provide new affordable rent homes (and, where appropriate, affordable home ownership homes). **Social rent provision will only be supported in very limited circumstances.** In general, government policy does not support the argument that only rents at or close to social rent levels are capable of meeting local needs.

Invitation to bid

12. This bidding document invites local authorities that maintain a Housing Revenue Account to submit bids to increase the supply of affordable housing locally through bids developed around an increase in Housing Revenue Account borrowing.
13. The bidding routes for doing so are set out in Chapter 3.
14. As the £300 million programme is available as part of the Local Growth Fund local authorities need to ensure that their bid has been endorsed by their Local Enterprise Partnership before submitting it to the Secretary of State. The Local Enterprise Partnership should confirm that the bid is in line with their Strategic Economic Plan.
15. **This invitation to bid is open for firm schemes until 5pm 16 June 2014.**
16. **For schemes that are due to start only in 2016/17 and where detailed plans are not yet available, we will also accept Expressions of Interest by 5pm 16 June 2014.**
17. **Depending on the number and quality of bids received the Government may decide to allocate all the £300 million to the firm bids it receives in June.** There is therefore a risk for authorities who submit an Expression of Interest that we will be unable to allocate

¹ www.gov.uk/government/news/stephen-williams-announces-plans-to-raise-housing-standards

² The addendum to the Affordable Homes Programme provides clarification on the technical requirements that bidders for the 2015-18 Programme will be expected to meet or consider in submitting their bids. The Government expects local authorities to follow a similar approach for this programme: http://www.homesandcommunities.co.uk/sites/default/files/our-work/140326_ahp_prospectus_2015_addendum.pdf

additional borrowing to them for 2016/17. We will endeavour to inform those authorities as soon as possible.

18. **Details for any subsequent bidding round** for those authorities who have submitted an expression of interest will be published in due course, following the assessment of firm bids received by 16 June 2014. We will seek to align any second bidding round for 2016/17 with the bidding process for the 2016/17 Local Growth Fund.

Chapter Two: The Funding Model

Summary of main elements

19. Local authorities should seek to reduce the amount of public sector borrowing needed to finance new supply wherever possible. Therefore, where additional Housing Revenue Account borrowing is requested and in order to meet the Government's aim of 10,000 new affordable homes, we will be looking to support local authority schemes that **maximise the following sources of funding:**
 - **Bringing forward their own land** for scheme development as a mechanism to reduce costs of the proposed housing;
 - **Receipts generated through the disposal of existing stock, and, in particular, high value vacant stock;**
 - Other sources of cross subsidy, including **surpluses from existing stock and activities and income;** and
 - **Other sources of funding** or means of reducing the costs such as free or discounted public land (in addition to local authority land) and other contributions such as from the New Homes Bonus or Section 106 commuted sums.
20. **Councils may also wish to consider sources of private finance and the contribution that private sector finance can make to the scheme either through partnership arrangements or a special purpose vehicle.** Where a local authority may be considering proposals for a special purpose vehicle, such as a joint venture, as part of the scheme they should **indicate how they propose the special purpose vehicle or its members will borrow commercially and avoid any impact on public sector borrowing** – i.e. that it would not be classified as a public sector vehicle. **We will not be looking to support schemes where such a special purpose vehicle, and its borrowing and expenditure, is classified as public sector, and therefore has an impact on public sector borrowing.**
21. Local authorities who are able to deliver the most additional affordable housing units, either directly or in partnership with others, and as a result are able to offer good value for money for the additional public borrowing, are likely to be advantaged in this element of the assessment.
22. **A scheme may also facilitate the additional provision of market tenure housing, including for cross-subsidy purposes.**

Asset management

23. As part of a local authority's wider approach to asset management, local authorities are required to consider the contribution that disposal of some vacant properties (both within and outside the social housing sector) can make to support the delivery of new homes. **This could include homes that are uneconomic as social housing properties** and homes with particularly high market values where greater value to the business could be achieved if they were sold and the receipts reinvested in new housing.
24. Already some councils are taking a positive approach to asset management. Others are not. We believe asset management is a necessary part of social housing for all providers. All bids must show how they have considered the contribution of land and receipts from the disposal of stock, including, in particular, high value vacant stock. If contributions from land and asset disposal are not part of the bids local authorities must explain how they have arrived at this conclusion.
25. Disposals at market value of land or vacant stock held within the Housing Revenue Account can be disposed of under the General Housing Consents 2013 (section 32 of the Housing Act 1985) and do not require the consent of the Secretary of State. The Government is **also publishing alongside this bidding document a revised set of General Consents under Section 25 of the Local Government Act 1988 which allow councils to dispose of vacant housing land to private registered providers and non-registered providers at less than market value. Nevertheless, the Government seeks to encourage authorities to seek full market value for properties where possible.**
26. If, however, an authority proposes to dispose of land and/or property held within the Housing Revenue Account and this requires a consent from the Secretary of State bidders should complete the application form published alongside this bidding document.
27. Authorities should be clear when bidding for additional Housing Revenue Account borrowing who will provide the landlord services for the homes developed and that this represents an efficient and effective approach.

Conversions to Affordable Rent

28. The Government has considered whether, as part of the funding model, local authorities and their partners should be encouraged to convert existing rental stock to affordable rent. We recognise that this can be an important mechanism to generate additional financial capacity. However, the Government, in making available an additional £300 million borrowing headroom, has done so in recognition of the fact that some authorities have limited borrowing headroom now. Authorities who are at, or are close to their cap, will not be able to utilise additional borrowing capacity from the rental stream uplift provided by converting properties to an affordable rent without hitting their borrowing cap.

29. The Government does not therefore expect to receive bids from local authorities who are proposing to fund their scheme on the back of additional borrowing capacity provided by conversions to affordable rent.
30. Where a local authority is working with a Private Registered Partner to deliver their proposed scheme, the Private Registered Provider is encouraged to consider conversions to affordable rent to generate additional financial capacity.
31. Private Registered Providers' partners should note that capacity generated from conversions outside London cannot be used to support (additional) new supply as part of this scheme inside London. Similarly, capacity generated from conversions inside London cannot be used to support new supply outside London.

Limit rent

32. The Government has implemented a process to allow properties let on affordable rent terms by local authorities to be treated outside of the Rent Rebate Subsidy Limitation scheme.
33. To claim Housing Benefit subsidy above the limit rent for affordable rent properties provided under this programme, an authority must show the auditor of their subsidy claim form a letter signed by their Section 151 Officer, addressed to the Department, which:
 - Lists the addresses of all affordable rent properties – broken down between existing homes that have been converted to affordable rent, and newly built homes let at affordable rent;
 - Confirms that the rents will not rise except in line with Government policy;
 - Confirms any properties re-let have had their rents re-set, if needed, to ensure they remain at no more than 80 per cent of market rent;
 - Confirms that all income derived from the higher rent has been spent or will be spent – and only spent – on new affordable housing; and
 - Confirms the amount of capacity generated by conversions of existing properties to affordable rent is no greater than that specified in their delivery agreement with the Homes and Communities Agency.
34. In addition to satisfying the requirements set out above, the arrangements for local authorities who wish to develop new affordable rent properties without recourse to grant funding will continue to apply. In order for those properties to be exempt from the limit rent framework local authorities must follow the process outlined in a letter sent from the Department to local authority chief executives on 28 July 2011 attached at Annex C.

How the additional borrowing will be issued

35. Local authorities who make successful bids for the additional borrowing will receive a new indebtedness determination to provide for additional Housing Revenue Account borrowing (up to the agreed amount) which the authority undertook to finance capital expenditure on approved schemes during 2015/16 and/or 2016/17.
36. An example of a draft determination for 2015/16 is attached at Annex B.
37. Successful local authorities who receive additional borrowing for the years 2015/16 and or 2016/17 must ensure that schemes undertake the necessary capital expenditure in those years. We will agree quarterly monitoring arrangements with local authorities including progress on starts and completions. If there is significant slippage in a scheme we may look to reallocate the additional borrowing elsewhere.

Chapter Three: How can my local authority bid for borrowing?

The bidding options

38. We would expect all bids to be consistent with the Local Enterprise Partnership's Strategic Economic Plan. The Housing Revenue Account Borrowing Programme is offering two bidding options for local authorities:

- (i) making a firm, per scheme, bid for borrowing to support capital expenditure in either of the two financial years or across them; or,
- (ii) submitting an Expression of Interest with an outline of the estimated borrowing required, per scheme, in 2016/17 with a firm bid to be submitted at a later date depending on the outcomes of the initial bidding round.

39. We will seek, wherever possible to make a single allocation across the two years 2015/16 and 2016/17 where successful local authorities have requested such additional borrowing. However we recognise that some authorities and particularly those who may be looking for additional borrowing in 2016/17 only, may not be able to submit a firm scheme bid by June 2014. In those cases we are therefore asking authorities to set out Expressions of Interest by 16 June 2014. Details of the information to be submitted with an Expression of Interest are attached at Annex A.

40. Please note that we will only accept Expressions of Interest for additional borrowing for 2016/17. Proposals that require additional borrowing starting in either 2015/16 or in 2015/16 and 2016/17 (i.e. their scheme needs borrowing increases across both years) must submit a firm bid now. There is a risk for councils and particularly if this programme is in receipt of a large number of high quality bids, that we may not be able to take forward Expressions of Interest requests for funding for 2016/17. We therefore encourage authorities to submit firm scheme bids where possible.

41. Schemes which are in receipt of grant from the Affordable Homes Programme or which have bid for grant under the 2015-18 Programme will not be able to bid for additional borrowing under this Programme. However, schemes which have different phases, each funded from different programmes, may be supported.

Bidding requirements for firm schemes

42. Bidding authorities must set out their current amount of borrowing headroom (as at March 2014) and indicate to what extent that headroom is earmarked for other schemes or projects in their 30 year Business Plan. In addition: bids for firm schemes will be expected to include the following information for each scheme:

- The name of the organisation that will develop the affordable homes (e.g. council; special purpose vehicle; private registered provider);
- The name and location of the scheme; the number of homes broken down by the anticipated unit mix and size, tenure (including affordable rent and shared ownership) and any specific provision being offered (for example supported housing, rural housing or housing for older people).
- The estimated scheme costs, and the amount and sources of funding (including the additional borrowing requested and other borrowing) to meet those costs. The estimated additional Housing Revenue Account borrowing requirement (per scheme) should be set out separately for each of the following years:
 - Additional Housing Revenue Account borrowing required to finance capital expenditure per scheme in 2015/16
 - Additional Housing Revenue Account borrowing required to finance capital expenditure per scheme in 2016/17
- Whether partnerships are in place or how they will be in place in time to ensure scheme delivery;
- The ownership of completed affordable homes (including the number assigned to each landlord, if more than one);
- Confirmation that, to the extent that additional borrowing capacity is used to fund capital works on existing tenanted properties, charges to leaseholders in respect those works will be capped at £15,000 in London and £10,000 in the rest of England over a five year period; and
- All bids and proposals should outline the anticipated, realistic, timing of delivery (expected month of start on site and completion).

43. We expect all bidding local authorities to maximise the use of their own assets as part of the bid proposals. Local authorities must therefore provide information on:

- The local authority land to be included as part of the scheme (or schemes);
- How asset disposals (high value vacant stock) will help to provide cross-subsidy to the scheme (or schemes); and

- Where use of local authority land and asset disposal is not part of the bid local authorities must explain how they have arrived at this conclusion.
44. The Government is also interested in the potential for wider scheme benefits and local authorities should therefore:
- Set out how the scheme (or schemes) **will help to meet evidenced local needs** and priorities in their proposed locations, including building homes that address the demographic challenges facing social housing and any mismatch between existing stock and household needs; and
 - Demonstrate **growth impact in** relation to the scheme (or schemes) being part of wider plans for housing delivery and growth in the local area, including where there is a direct link to the Strategic Economic Plan.
45. Local authorities will be expected to **certify that there is no other Government grant support or funding on their scheme (e.g. funding through the 2015-18 Affordable Homes Programme)**. If other funding – such as Local Growth Fund investment – is being used to support associated infrastructure, this should be clearly stated to allow consideration of wider value for money issues.
46. The bids for funding will need to be **signed off and certified by the Section 151** accounting officer for each local authority.
47. It is a requirement on schemes where an affordable rent is to be charged, that a Framework Delivery Agreement is entered into with the Homes and Communities Agency or the Greater London Authority. Some bidders may already have such a Framework Delivery Agreement in place. **We will expect providers to record all affordable homes to be delivered within their Framework Delivery Agreement to allow for consistency of data and monitoring of delivery of such homes.**

Schemes requiring demolition

48. This bidding document invites bids for additional borrowing for new affordable homes. George Clarke, the Government's Independent Empty Homes Advisor, set out in his recommendations for housing regeneration areas that refurbishing and upgrading existing homes should always be the first and preferred option, and that demolition should always be the last option³. Ministers have affirmed their own preference for refurbishment rather than demolition⁴.
49. Local authorities are therefore reminded that, where demolitions of derelict existing structures are required, those are expected to be principally for redundant structures such as garages and other non-housing. **Where demolitions of existing housing stock are needed, these are expected to be on a small scale – for example where required to open up access to developable land, or where the housing being demolished is**

³ George Clarke's 10 recommendations for housing regeneration areas can be found at: <https://www.gov.uk/government/news/91-million-cash-to-tackle-over-6000-empty-and-derelict-homes>

⁴ See Mark Prisk's Written Ministerial Statement of 10 May 2013 at c13WS in Hansard.

demonstrably no longer suitable nor viable for further use. Where demolitions are required we will be seeking an indication of the net additional housing units to be delivered as part of the scheme or for wider benefits to be clearly demonstrated.

50. It is not intended that additional borrowing will be available for schemes which require multi-landlord, area-wide demolition. Schemes on previously cleared land (regardless of the previous use), are acceptable.

Section 106 schemes

51. We would not generally expect affordable homes developed through this programme to be built as part of a Section 106 agreement, but, where appropriate, would encourage the use of commuted sums related to section 106 agreements that have arisen from schemes on other sites.

Where to send bids to:

52. Expressions of interest for 2016/17 bids, in the form of a letter, should be emailed to hrborrowing@communities.gsi.gov.uk
53. We will be publishing a bidding proforma shortly which will set out where to send bids to. Any general enquiries about the Housing Revenue Account bidding document can be sent to hrborrowing@communities.gsi.gov.uk or to:

Cynthia Brathwaite
Tel: 0303 4442402

Affordable Housing Management and Standards
Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

Chapter Four: Bid Assessment

Overview

54. The overall objective of bid assessment is to allocate additional borrowing to local authorities to supply new homes that will include affordable housing. Assessments will be based on:

- **Meeting local needs and growth priorities** in their proposed locations including building homes that address the demographic challenges facing social housing and any mismatch between existing stock and household needs;
- **Offer good value for money** (taking account of both additional Housing Revenue Account borrowing requested and anticipated costs, as well as the extent to which bidders have applied their own resources). Good value for money proposals are likely to be enhanced where councils bring forward land, include disposal of high value assets and providers are efficient across their operating base, and where they seek to achieve procurement efficiencies in the delivery of new supply;
- **Have a good and demonstrable prospect of early delivery within the programme timeframe.**

55. Assessment will be at scheme level. Therefore, if a local authority submits a bid for additional borrowing for more than one scheme, it is possible that some or all scheme bids may not be successful.

Stages of assessment

56. The detailed assessment will be carried out by the Greater London Authority (for London bids) and by the Homes and Communities Agency (for non-London bids).

57. Following scheme assessment moderation of bids will take place involving the scheme assessors and the Department for Communities and Local Government.

58. The final scheme identification will identify the successful bidders. Subject to the number of bids received against the programme (i.e. if we are over-subscribed with high quality bids) we may seek to establish a list of reserve schemes that could be taken forward quickly in the event of another scheme suffering significant slippage.

Policy elements/growth impact

59. We will prioritise bids that can clearly demonstrate that their scheme meets the policy objectives the Government is seeking to achieve. Factors we will take into account in assessment include:
- Growth impact and strong support from the Local Enterprise Partnership will also be seen as a **good indicator of growth strength;**
 - Disposal of vacant stock, **particularly high-value vacant stock,** to cross subsidise scheme costs and reduce their Housing Revenue Account borrowing request;
 - **Innovative partnership** working between the local authority, housing associations and other organisations such as through joint ventures to reduce the ask for Housing Revenue Account borrowing and cross subsidise the scheme in creative ways;
 - Demographic change including in particular the need for smaller units or rural housing; and
 - The **contribution that local authority land** is making to the overall scheme.
60. All bids must show how they have met the second of the above points. If land and asset disposal is not part of a bid the bidding local authority must explain how they have arrived at this conclusion.

Value for money

61. We are seeking to drive value for money through the competitive bidding process and expect local authorities to submit bids which make best use of the other sources of funding available to them, including from partner organisations. We will assess bids to establish whether they offer value for money comparative to other bids and bidders.
62. A **primary metric for assessment of value for money will be the level of additional Housing Revenue Account borrowing requested to deliver the scheme as a whole and per new affordable housing unit** (and note that this will be calculated against all affordable housing on a scheme, whoever the landlord).
63. However, in considering comparative value for money, we recognise that in some cases, there will be reasons why scheme costs or the resources available to bidders may vary and we will seek to take this into account where local authorities make this information clearly available. **In doing this we recognise that the level of borrowing per retained local authority unit may be at a higher level if considered in isolation from the totality of the number of units in the scheme where the local authority is working with private partners. Local authorities will however be expected to drive down scheme costs as far as possible.**

64. Indicators that will form a part of our assessment scoring for a scheme are:

- Additional Housing Revenue Account borrowing per affordable unit (total scheme numbers) compared to the programme average (used to identify outliers);
- Additional Housing Revenue Account borrowing per affordable unit (retained by the local authority) compared to programme average;
- Additional Housing Revenue Account borrowing as a % of Total Scheme Cost (used to identify outliers, and in assessment of value for money);
- Works cost per m² and archetype compared to the programme average (used to identify outliers and reflecting the importance of minimising construction costs, in line with the Government Construction Strategy⁵); and
- m² per person compared to the programme average (used to identify schemes which appear to be abnormally small, or abnormally large).

Delivery

65. We will prioritise those local authority bids that can clearly demonstrate early scheme delivery. Factors which we will take into account in assessing deliverability includes:

- The stage of planning achieved, where having already achieved full planning permission will be advantaged in our view of deliverability;
- The status of land ownership will also feed into the assessment, with schemes being proposed on land which is in local authority ownership or where there is a substantial contribution by the local authority scoring more highly;
- Land condition and availability for development;
- Tender stage reached (scheme tendered/contractor selected/contract signed);
- Whether partnership arrangements are in place/will be in place and where a joint venture is being proposed, the structure of the special purpose vehicle; and how they will be established in time to take forward the scheme;
- A demonstrable track record of delivering new affordable homes; and
- Any other information in support of the scheme including, for example, local community support or otherwise.

⁵ <https://www.gov.uk/government/collections/government-construction#government-construction-strategy>

Technical ability, financial information, robustness and good standing

66. As part of our bid assessment we will look at the track record of the local authority to ensure their technical capacity and the viability of the schemes brought forward.
67. Local authorities will also need to indicate in their bids how they have taken account of established Housing Revenue Account accounting practices.
68. Within their bidding application local authorities must – unless they are existing investment partners with the Homes and Communities Agency or the Greater London Authority - detail what experience they have in developing new build affordable homes by providing examples of previous development projects.
69. We would expect local authorities to carry out due diligence on any partners that they propose to work with to ensure viability and delivery of the scheme. Bidders are also reminded of the need to ensure compliance with their equalities duties⁶.
70. Local authorities should complete the Bidding Proforma which will be published shortly.

⁶ The Government has produced guidance on the Public Sector Equality Duty at: <https://www.gov.uk/equality-act-2010-guidance#public-sector-equality-duty>

Expressions of Interest

Local authorities who wish to submit an Expression of Interest for additional borrowing for 2016/17 should provide the following information:-

- An outline of the estimated borrowing requirement (per scheme) in 2016/17 including information on the authority's borrowing headroom (as at 31 March 2014);
- An outline of the scheme (or schemes) including the location(s) and estimated number of proposed new units per scheme;
- An outline of the funding arrangements including whether the council will be bringing forward its own land for development or undertaking asset disposal to help subsidise the scheme (or schemes);
- An outline of proposed partnership arrangements and whether those are existing arrangements or whether new arrangements are proposed; and
- Whether the proposed scheme is supported by the Local Enterprise Partnership.

Expressions of interest addressing the above points must be submitted to the Secretary of State by 16 June 2014 and can be sent in the form of a letter to hrborrowing@communities.gsi.gov.uk.

Annex B

Example housing revenue account borrowing determination for increased cap in 2015-16

THE [Name] COUNCIL (LIMITS ON INDEBTEDNESS) DETERMINATION [Year]

The Secretary of State, in exercise of the powers conferred by sections 171 and 173 of the Localism Act 2011, after consulting [Name] Council, makes the following determination –

Citation, commencement and interpretation

- 1.1 This determination may be cited as the [Name] Council (Limits on Indebtedness) Determination 2014 and is made in respect of [Name] Council.
- 1.2 This determination shall have effect in respect of [Name] Council in relation to financial years beginning on or after 1 April 2015.
- 1.3 In this determination-
“the 2012 Determination” means the Limits on Indebtedness Determination 2012.

Amendment of the Limits on Indebtedness Determination 2012

- 2.1 For paragraph 2 of the 2012 Determination substitute the following-

“2 The limit on the amount of housing debt that [Name] Council can hold

- 2.1 In relation to the financial year beginning on 1st April 2015 and subsequent financial years, the maximum amount of housing debt, calculated in accordance with the definition at paragraph 1.1 above, that [Name] Council may hold shall be calculated as follows:

A + B

Where-

A is £ [insert sum]⁷; and

B is the amount of any capital expenditure incurred by [Name] Council on the scheme described in Annex B to this determination which-

⁷ This is the maximum amount of housing debt that was determined for the [Name] Council in accordance with paragraph 2 of the 2012 Determination and listed in Annex B to the 2012 Determination as it appeared before the amendments made by this Determination.

- (i) was incurred on any interest in housing land,
- (ii) was financed by borrowing or credit arrangements,
- (iii) was incurred between 01 April 2015 and 31 March 2016; and
- (iv) does not in aggregate exceed £xx [insert maximum amount of additional borrowing agreed for the authority as part of the HRA Borrowing Programme for 2015-16]

2.2 In this paragraph-

“housing land” means any land, house or other building in relation to which the local authority is, or has been immediately before disposal of it, subject to the duty under s74 of the Local Government and Housing Act 1989 (duty to keep Housing Revenue Account).

2.3 [Name] Council will be in breach of the limit if its housing debt (as calculated in accordance with paragraph 1.1 above) exceeds the amount calculated in accordance with paragraph 2.1 above on the final day of the 2015-16 financial year. In subsequent financial years [Name] Council will be in breach of the limit if its housing debt exceeds the amount calculated in accordance with paragraph 2.1 on the final day of the financial year concerned.”

2.2 For Annex B of the 2012 Determination substitute Annex B as set out in the Annex to this Determination.

“Limits on Indebtedness Determination 2012 – Annex B

[Description of scheme]”

[Name]
Department for Communities and Local Government
[Date]

Annex C

The text of the letter of the 28 July 2011 to local authority chief executives is reproduced below:

28 July 2011

To the Chief Executive of English local housing authorities

BUILDING NEW COUNCIL HOUSING USING AFFORDABLE RENTS

1. This letter will be of interest to any English local housing authority considering building new council homes for Affordable Rent, but without other financial support from central Government. (We are writing separately to authorities awarded financial support under the 2011-15 Affordable Homes Programme.)
2. This letter will be of less relevance to non-stock holding authorities, authorities whose council house rents are already 80% or more of market rents, and authorities who will have little or no capacity to increase borrowing in the short term under the forthcoming self-financing settlement.

Background

3. The Government's policy on Affordable Rents is to enable the building of more new affordable housing and thereby help tackle un-met housing need.
4. To effect this a local authority would charge up to 80% of market rents on new homes it has built and use this additional income to cover the costs of construction.
5. The maximum rent level for Affordable Rent should be assessed according to the individual characteristics of the property. Local authorities should assess the gross market rent that the individual property would achieve and set the initial rent (inclusive of service charges) at up to 80% of that level. The Tenant Services Authority has issued an explanatory note for private registered providers on RICS approved valuation methods, which may also be useful to local authorities and is available at:

http://www.tenantservicesauthority.org/upload/doc/RICS_rental_valuation_note_20110118140714.doc

6. It is for local authorities to decide whether to let Affordable Rent properties on flexible or conventional lifetime tenancies. (Provisions in the Localism Bill currently before Parliament will (subject to Royal Assent) enable post-March 2012 local authorities to offer fixed-term flexible tenancies.) In either case at the point the property becomes available for re-letting the local authority should review the rent to ensure that it remains at 80% (or lower) of prevailing market rents.
7. Government policy is that where an Affordable Rent has been set it should rise each year by no more than the Retail Price Index plus 0.5%. This will apply for the duration of the tenancy and at the end of the initial tenancy rents will need to be re-based to up to 80% of market rents.
8. Local authorities should offer Affordable Rent properties in line with their lettings and allocation policies.
9. Please note that we will permit only newly built properties to be treated outside the Rent Rebate Subsidy Limitation scheme. We will not permit existing homes to be excluded unless the local authority has entered into a Framework Delivery Agreement with the Homes and Communities Agency (HCA). This is because the Government does not intend providing additional public subsidy (via Housing Benefit) over and above that announced in the 2011-15 Affordable Homes Programme.

The Limit Rent

10. We have worked closely with colleagues in the Department for Work and Pensions (DWP) to devise a process of allowing Housing Benefit claimant rents higher than the Limit Rent without loss of subsidy to local authorities whilst at the same time ensuring value for money and guaranteeing new supply.
11. Because this process requires changes to the DWP's subsidy claim forms, charging a Housing Benefit claimant an Affordable Rent will not be possible until 2012/13.

The Process

12. The following sets out the process we have agreed with the DWP, the HCA and (for the London Boroughs) the Greater London Authority (GLA). Provisions in the Localism Bill will transfer the powers of the HCA in London to the GLA.
13. Any local authority intending to charge an Affordable Rent to fund new supply without any other financial support from central Government should set out their proposals in the form of a letter to its HCA operating area lead.
14. The letter should set out:
 - the scheme name and its location
 - the number and tenure of the new homes proposed
 - mix bed sizes
 - whether any of the new supply is supported housing or in rural locations
 - Total Scheme Costs - including acquisition costs, works and on-costs (including making clear whether the land is already in the ownership of the local authority)
 - proposed new supply rents by tenure

- an estimate of income from any low cost home ownership first tranche sales
 - the borrowing capacity generated by the additional income (and where this is less than Total Scheme Costs how the local authority is making up the difference)
 - the intended dates of both start-on-site and completion.
15. The HCA / GLA will then comment on the proposals in a return letter. In particular they will confirm (or otherwise) that the ratio of additional income to anticipated new supply represents value for money given the types of homes local authorities intend building and their location in the country.
16. To claim rent above the Limit Rent the DWP will amend their subsidy claim forms to include a category on Affordable Rents – this will enable specified properties to be treated outside the Rent Rebate Subsidy Limitation scheme. When the subsidy claim form comes to be audited the local authority will have to show the auditor a letter signed by the authority's Section 151 Officer addressed to Stephen Biddulph at this Department.
17. The letter from the Section 151 Officer must
- a. list the addresses of all properties on which an Affordable Rent has been charged;
 - b. confirm that the local authority's scheme's finances have been approved by the HCA / GLA
 - c. confirm that all income derived from the additional rent has been or will be spent - and only spent - on the new council housing;
 - d. confirm that the higher rent set will not rise except in line with Government policy on rises in council house rent (RPI + 0.5% per annum)
 - e. confirm that where any property has come up for re-let the rent has been re-assessed to ensure it is no more than 80% of prevailing market rents (we appreciate that this will not be relevant in the early years, but confirmation is nonetheless necessary for consistency).
18. Where the local authority is unable to provide a signed letter from its Section 151 Officer confirming the above or where the auditor selects for inspection a property on which an Affordable Rent is being charged but which is not listed in the Section 151 Officer's letter, then that part of the subsidy claim will have to be qualified resulting in a potential loss of subsidy.
19. This process will need to be repeated each year that an entry against Affordable Rents has been made on the audit form.
20. If you have any queries on this letter please contact Stephen Biddulph (stephen.biddulph@communities.gsi.gov.uk). Any queries on Housing Benefit or the Rent Rebate Subsidy Limitation scheme should be sent to Emmanuel Ibiayo (Emmanuel.Ibiayo@dwp.gsi.gov.uk)

Peter Ruback
Deputy Director
HRA Reform and Decent Homes Division

Project Appraisal and Scrutiny Committee Recommendation

Project Name: Disposal of 18a and freehold to 18b Magrath Avenue, Cambridge.

To: Executive Councillor for Housing & Executive
Councillor for Finance & Resources

Report by: Director of Customer and Community

Scrutiny committee: HOUSING COMMITTEE &
STRATEGY & RESOURCES COMMITTEE

Wards affected: East Chesterton

Recommendation/s

Financial recommendations –

- The Executive Councillor for Housing is asked to approve this project in principle, with the Executive Councillor for Finance & Resources asked to ultimately approve the project to dispose of an HRA asset, subject to resources being available to fund any associated capital and revenue implications.
- The total capital cost of the project is estimated to be £5,000
- The capital receipt that the Council would expect to realise is in the region of £237,500, depending upon market forces at the point of sale.
- The revenue impact of the initial disposal will be negligible, with the loss of rental income for the dwelling being offset by a reduction in management and maintenance expenditure, and the ability to earn interest on the capital receipt.
- The net ongoing revenue return for this project would be £4,300 per annum in the longer term, assuming the capital receipt was in future used to fund two replacement dwellings.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of an agent to act on behalf of the Council and the owner of 18b Magrath Avenue, in agreement with said owner. The cost of this work is

expected to be in the region of £7,200, so one quote will be required, with the Councils' share of this cost to be met from the anticipated capital receipt for the sale.

- Subject to:
 - The permission of the Section 151 Officer being sought prior to proceeding if the quotation or tender sum exceeds the estimated contract.
 - The permission from the Executive Councillor being sought before proceeding if the value exceeds the estimated contract by more than 15%.

1 Summary

1.1 The project

To dispose of an HRA dwelling asset at 18a Magrath Avenue, Cambridge as a joint venture with the long leaseholder of 18b Magrath Avenue. The project to re-supply the two replacement dwellings will be presented as part of a wider future development project, with the capital receipt from this sale used as one of the funding streams for the new assets.

Target Dates:

Start of procurement	July 2014
Award of Contract	July 2014
Start of project delivery	July 2014
Completion of project to dispose of the asset	October 2014
Date that project output is expected to become operational (if not same as above)	

1.2 Anticipated Capital Cost

Total Project Cost	£5,000
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Cost Funded from:

Funding:	Amount:	Details:
Reserves	£0	
Repairs & Renewals	£0	
Developer Contributions	£0	
Climate Change Fund	£0	
Other	£5,000	<i>Anticipated Capital Receipt of £237,500</i>

1.3 Procurement process

This appraisal proposes the sale of an HRA dwelling asset, and therefore the procurement implications are minimal, with the expectation that the authority will need to jointly appoint an estate agent to market and handle the sale of the property / properties, and that Legal Services will act for the HRA regarding the sale. A small provision has been made for external legal activity if required.

2 Project Appraisal & Procurement Report

2.1 Project Background

The Council owned flat at 18a Magrath Avenue is currently empty and requires a substantial level of repair and replacement works to bring it up to the decent homes standard, before it can be re-let. It has a significant damp problem, which is anticipated to result in the need to replace the flooring and also requires a new kitchen and potentially bathroom. The current valuation for the ground floor flat is estimated to be £20,000 lower than the comparable first floor flat, due to its poor condition.

The tenant who has previously occupied the premises at 18a Magrath Avenue has been temporarily re-housed with a view to agreeing permanent alternative housing. The sale of the asset can

only proceed if the tenant accepts permanent alternative accommodation.

The flat on the first floor, 18b Magrath Avenue has been sold on a long lease, with the Council maintaining the freehold for the entire building.

The council has been approached by the leaseholder of the first floor flat, with a view to their purchasing our property along with the freehold of the building in order to convert the two flats into a single dwelling house.

Advice obtained by the Council from Pocock and Shaw indicates that it would be financially advantageous to undertake the necessary work to convert the two flats into a single dwelling, with financial benefit to be derived from the 'marriage value' of the two dwellings, ie; the value of the property as a single dwelling would exceed the combined values of the two flats as separate dwellings.

The proposal to dispose of the ground floor flat was considered in the light of the potential for the Council to use the receipt to build replacement affordable dwellings elsewhere in the city for inclusion within the council owned stock. The initial offer of £150,000 indicated by the leaseholder would only be sufficient to replace the dwelling sold with a single dwelling, and although pay back would be achieved within 5 years due to the higher potential rent chargeable for the new dwelling, the outcome would replace one social housing unit with one Affordable Housing unit and provide no net housing gain.

The Council has subsequently discussed with the leaseholder the potential for buying back his flat, in order to progress the idea, but the sale price of £290,000 suggested by the leaseholder significantly exceeds the current valuation the Council has obtained, with Pocock and Shaw estimating the flat to have a market value of slightly in excess of £200,000. The valuation recognises that the current market is volatile and that the actual price achievable could vary substantially.

Purchasing the upstairs flat at the value proposed by the leaseholder would not make the overall project viable, as paying over the market value would remove a significant proportion of the marriage value of the two assets. Measured in terms of how the authority could put the net receipt to use by re-investing in new affordable housing, it would not be sufficient to finance the delivery of any increase in the supply of new-build housing, ie; the loss of a

social housing dwelling at 18a Magrath Avenue would again only fund the delivery of one new unit, with no net gain.

However a third option of jointly selling both properties along with the freehold as a whole with vacant possession has been suggested, with the Council and the Leaseholder sharing the proceeds on a pre-determined percentage split. This allows both parties to benefit from any potential marriage value, and would allow for recognition that the Council is the freeholder, but that the Council dwelling is the one which requires the greatest investment currently. It is this option that forms the basis of this project appraisal, and which has the potential to increase the overall supply of Affordable Housing.

It is estimated that the combined dwelling would be worth £550,000 once combined, but would fetch in the region of £70,000 to £80,000 lower than this without the conversion works. For the purposes of this appraisal it has been assumed that the property is sold without the works being undertaken and that the shared value realised would be £475,000.

2.2 Aims & objectives

The proposal supports the following priority within the vision for Housing Services:

- Improving housing standards: Maintaining and refurbishing council housing, and supporting the development of new affordable housing, in the public and private sector, that achieves high environmental standards of energy efficiency, minimal carbon emission, and maximum waste recycling.

The project would ultimately enable, should the purchaser so choose, the conversion of two 1 bedroom flats into a good sized 3 bedroom family house within the private sector, whilst generating a capital receipt to the Council sufficient to support the construction of two new build dwellings, with minimal borrowing required, on existing or future development site for retention within the Council owned stock.

2.3 Major issues for stakeholders & other departments

The scheme will reduce the council owned stock by one, one-bedroom flat, and reduce the rent roll until two new-build properties are completed and let.

If the Council retains ownership of its current property, a substantial resource is required to bring it up to decent homes standard.

2.4 Summarise key risks associated with the project

1. If the Leaseholder sells his flat before a decision is made on the project, the opportunity to progress will be lost.
2. It may not be possible to come to a mutually acceptable agreement on the level at which the proceeds of the two sales is to be divided.
3. The actual price achieved for the two flats on the open market may not be as high as estimated.

2.5 Financial implications

- a. Appraisal prepared on the following price base: 2014/15

Assuming the two flats at Magrath Avenue sold at £475,000, and the proceeds were shared 50:50, the project would require borrowing of £67,500 to fully fund 2 new-build properties. For indicative purposes this investment would have a pay-back period of 14 years, and would deliver a net increase in the supply of Affordable Housing.

On-going revenue costs associated with the new-build properties will be funded from rental income.

2.6 Net revenue implications (costs or savings)

Revenue	£	Comments
Ongoing net impact of loss of 18a Magrath Avenue	5,200	Rent loss less reduction in management, maintenance and major repairs expenditure
Ongoing net impact if 2 replacement dwellings are created	(9,500)	Rent income less cost of management, maintenance and major repairs expenditure
Net Revenue effect	(4,300)	Cost / (Saving)

2.7 VAT implications

There are no adverse VAT implications.

2.8 Energy and Fuel Savings

Is this project listed in the Carbon Management Plan?	No
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2.9 Climate Change Impact

Positive Impact	No effect	Negative Impact
	Nil	

2.10 Other implications

An Equality Impact Assessment (EqIA) has not been prepared for this project.

2.11 Staff required to deliver the project

Service	Skills	Total Hours
Legal Services	Conveyancing	10
Property Services	Property Negotiations	10

2.12 Dependency on other work or projects

None

2.13 Background Papers

Valuation Report by Pocock and Shaw was used in the preparation of this report.

2.14 Inspection of papers

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Date prepared:	23 rd June 2014