

HOUSING MANAGEMENT BOARD

8 January 2013

5.30 - 7.30 pm

Present:

Scrutiny Committee Members: Councillors Blackhurst (Chair), Bird, Blencowe, Brierley, Johnson, Pippas, Price and Rosenstiel

Executive Councillor for Housing: Councillor Smart

Tenant/Leaseholder Representatives: Diane Best (Vice Chair), Allen Champion, John Marais, Diana Minns and Terry Sweeney

Officers:

Director of Customer & Community Services: Liz Bisset

Head of Revenues and Benefits: Alison Cole

Head of City Homes: Robert Hollingsworth

Area Housing Manager: Andrew Latchem

Business Manager & Principal Accountant: Julia Hovells

Resident Involvement Facilitator: James Bull

Committee Manager: James Goddard

FOR THE INFORMATION OF THE COUNCIL

13/1/HMB Apologies

Apologies were received from Councillor Pogonowski and Mrs Harris.

Councillor Blencowe attended as an alternate for Councillor Pogonowski.

13/2/HMB Declarations of Interest

Name	Item	Interest
Councillor Blackhurst	13/5/HMB	Personal: Occupies a former council house.
Councillor Rosenstiel	13/5/HMB	Personal: Council garage tenant. Did not vote on recommendation (iii).

13/3/HMB Minutes

The minutes of the meeting held on 18 September 2012 were approved and signed as a correct record.

13/4/HMB Public Questions

There were no public questions.

13/5/HMB Housing Revenue Account Budget Setting Report (HRA BSR)**Matter for Decision**

At this stage in the 2013/14 budget process the range of assumptions on which the HRA Business Plan Mid-Year Update was based need to be reviewed, in light of the latest information available, to determine whether any aspects of the strategy need to be revised. This will then provide the basis for the finalisation of the 2012/13 revised and 2013/14 budgets.

The HRA Budget-Setting Report provided an overview of the review of the key assumptions. It set out the key parameters for the detailed recommendations and final budget proposals.

Housing Management Board scrutinised the detailed rent, and service charge proposals and revenue bids and savings proposed, The Executive Councillor noted the support of the recommendations by Housing Management Board, gave provisional approval to the recommendations and will formally record a decision in respect of recommendations (i) to xiii) at a meeting of Strategy & Resources on 15th February 2013

Decision of Executive Councillor for Housing

Following scrutiny and debate at Housing Management Board the Executive Councillor provisionally, with the decision to be formally recorded at the meeting of Strategy & Resources on 15th February 2013.

Review of Rents and Charges

- (i) Approved the proposed charges for Housing Revenue Account services and facilities, as shown in Appendix B of the HRA Budget Setting Report.

- (ii) Approved that council dwellings rents be increased in line with rent restructuring guidelines to seek to achieve convergence with formula rent by 2015/16, with a maximum in individual increases of inflation (RPI at September 2012 of 2.6%) plus half percent (0.5%) plus £2.00 per week with effect from 1 April 2013, in accordance with the latest government guidelines.
- (iii) Approved inflationary increases of 2.4% in garage rents for 2013/14, in line with the base rate of inflation for the year assumed in the HRA Budget Setting Report, pending future recommendations in respect of garage pricing structures following the findings of the Garage Working Group.
- (iv) Approved that service charges for gas maintenance, door entry systems, lifts and electrical and mechanical maintenance are increased by a maximum of inflation at 2.6% plus 0.5%, if required, to continue to recover full estimated costs as detailed in Appendix B of the HRA Budget Setting Report.
- (v) Approved that caretaking, communal cleaning, estate services, grounds maintenance, window cleaning, temporary housing premises and utilities, sheltered scheme premises, utilities, digital television aerial and catering charges continue to be recovered at full cost, as detailed in Appendix B of the HRA Budget Setting Report.
- (vi) Approved revised leasehold administration charges for 2013/14 as detailed in Appendix B of the HRA Budget Setting Report.
- (vii) Approved the revised Rent Write Off Policy, as detailed in Appendix A(1) of the HRA Budget Setting Report.
- (viii) Approved the revised Rent Policy, as detailed in Appendix A(2) of the HRA Budget Setting Report.

Revenue – HRA Revised Budget 2012/13:

- (ix) Approved with any amendments, the Revised Budget items shown in Appendix D of the HRA Budget Setting Report.

Budget 2013/14:

- (x) Approved with any amendments, of the Non-Cash Limit items shown in Appendix E of the HRA Budget Setting Report.
- (xi) Approved with any amendments, of the Unavoidable Revenue Bids and Savings shown in Appendix F of the HRA Budget Setting Report.
- (xii) Approved with any amendments, of the Priority Policy Fund (PPF) Bids shown in Appendix G of the HRA Budget Setting Report.

Treasury Management

- (xiii) Approved the continued approach to determining the most appropriate borrowing route in respect of any additional HRA borrowing requirement, as outlined in Section 6 of the HRA Budget Setting Report, delegating responsibility to the Director of Resources for the final decision, in consultation with the Executive Councillor, Chair, Vice Chair and Opposition Spokesperson for HMB.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Business Manager & Principal Accountant regarding the Housing Revenue Account Budget Setting Report (HRA BSR).

The Business Manager & Principal Accountant requested a change to the recommendations. She formally proposed that instead of making a decision at HMB, the Executive Councillor for Housing would take final decisions in respect of recommendations (i) to (xiii) at a meeting of Strategy & Resources in February 2013.

The Business Manager & Principal Accountant formally proposed to withdraw the following recommendations from the her report:

The Executive Councillor recommended to Council:

Revenue – HRA Revised Budget 2012/13:

- (ix) Approval with any amendments, of the Revised Budget items shown in Appendix D of the attached HRA Budget Setting Report.*

Budget 2013/14:

- (x) Approval with any amendments, of the Non-Cash Limit items shown in Appendix E of the attached HRA Budget Setting Report.*

- (xi) *Approval with any amendments, of the Unavoidable Revenue Bids and Savings shown in Appendix F of the attached HRA Budget Setting Report.*
- (xii) *Approval with any amendments, of the Priority Policy Fund (PPF) Bids shown in Appendix G of the attached HRA Budget Setting Report.*

Treasury Management

- (xiii) *To approve the continued approach to determining the most appropriate borrowing route in respect of any additional HRA borrowing requirement, as outlined in Section 6 of the HRA Budget Setting Report, delegating responsibility to the Director of Resources for the final decision, in consultation with the Executive Councillor, Chair, Vice Chair and Opposition Spokesperson for HMB.*

The following recommendations were formally proposed:

Revenue – HRA

Revised Budget 2012/13:

- (ix) *Approve with any amendments, the Revised Budget items shown in Appendix D of the attached HRA Budget Setting Report.*

Budget 2013/14:

- (x) *Approve with any amendments, the Non-Cash Limit items shown in Appendix E of the attached HRA Budget Setting Report.*
- (xi) *Approve with any amendments, the Unavoidable Revenue Bids and Savings shown in Appendix F of the attached HRA Budget Setting Report.*
- (xii) *Approve with any amendments, the Priority Policy Fund (PPF) Bids shown in Appendix G of the attached HRA Budget Setting Report.*

Treasury Management

- (xiii) *Approve the continued approach to determining the most appropriate borrowing route in respect of any additional HRA borrowing requirement, as outlined in Section 6 of the HRA Budget Setting Report, delegating responsibility to the Director of Resources for the*

final decision, in consultation with the Executive Councillor, Chair, Vice Chair and Opposition Spokesperson for HMB.

The Committee unanimously approved amending the recommendations.

The Committee made the following comments in response to the report:

- (i) Labour Councillors and Tenant Representatives expressed concern at the above inflation rent rises.
- (ii) Labour Councillors and Tenant Representatives expressed concern regarding the right to buy policy. They felt Central Government policy would lead to a reduction in City Council housing stock as tenants could purchase their properties at a faster rate than replacements could be built.
- (iii) Tenant Representatives referred to comments from a member of the public at the 19 June 2012 HMB regarding Tenant Representatives voting stance on rent rises. Tenant Representatives were placed in a difficult position as their role on HMB was to represent tenant and leaseholder views. Tenant Representatives abstained from voting on increasing rents as they had reservations about the rise, but recognised that not increasing the rents would lead to consequences in terms of the ability to deliver services, due to Central Government assumptions on rent increases in the HRA Self-Financing Settlement.

In response to Members' questions the Head of City Homes plus Business Manager & Principal Accountant confirmed the following:

- (i) A charge of £10 was imposed for retrospective consent for improvements. This was intended only to be a disincentive, thus encouraging leaseholders to obtain permission in advance, and was not set to recover the costs associated with giving the required permissions. If the direct costs for all approvals were to be recovered, other methods were available to reclaim these.
- (ii) The Council had 19 cases between 2009 – 2012 where retrospective permission was sought.

The Head of City Homes undertook to liaise with the Executive Councillor for Housing and Mrs Best regarding a future report to HMB on possible amendments to the £10 charge. Also ways to avoid penalising tenants/leaseholders who sought approval when others may undertake work without seeking approval in order to avoid being charged.

- (iii) A blanket policy was not in place for void property rent increases. Rent would increase for properties where work had been undertaken to improve energy efficiency as the reduced energy bills should help to offset rent increases. Rent would not move directly to target for all properties.
- (iv) The Housing Needs Register was revised in line with national property guidelines and would be reported to 17 January Community Services Committee.
- (v) The Council preferred to house people on a short term basis in its temporary housing stock rather than bed and breakfast accommodation where possible. Maintenance costs were higher than other council housing stock due to the high turn over of residents. The Council had 63 temporary housing units that it owned or managed. More had been taken on as a way to house people in the City instead of sending them elsewhere or placing in bed and breakfast accommodation as had sometimes occurred in the past. The Housing Team reviewed individual circumstances to place families and workers in Cambridge where possible.
- (vi) The Business Manager & Principal Accountant undertook to clarify Disabled Facilities Grant plus Private Sector Housing Grants and Loans figures with Councillor Bird post HMB. A reduction was proposed in response to less demand in 2012/13.

In response to Members' questions the Executive Councillor for Housing and Director of Customer & Community Services confirmed the following:

- (i) The impact on tenants from the proposed redevelopment of Water Lane and Aylesborough Close was implicit in the 11 October 2012 Community Services Committee report, but was made more explicit in the report being taken to 17 January 2013 committee meeting.
- (ii) Noted Labour Councillors and Tenant Representatives concerns regarding the right to buy policy. The Council had a right to replace housing stock as of April 2012.

The Business Manager & Principal Accountant said that under the new right to buy policy, for any right to buy sales over and above those assumed in the Self-Financing settlement, the authority is able to retain a proportion that relates to the debt associated with the dwelling. The authority has also signed an agreement with Communities & Local government to be able to retain any balance remaining, as long as it is invested in the delivery of new social

housing. The right to buy receipt can only form 30% of the funding required to build or acquire a new social housing dwelling, with the balance to be met from Council resources or through additional borrowing.

The Council could buy back existing dwellings in the city, but Central Government encouraged the development of new housing, wherever Councils are in a position to do so.

The Chair decided that the recommendations highlighted in the Officer's report should be voted on and recorded separately:

The Committee considered and endorsed recommendations (i), (iv), (v), (vi), (vii), (ix), (x), (xi), (xii) and (xiii) by 8 votes to 1.

The Committee considered and endorsed recommendation (ii) by 4 votes to 0.

The Committee considered and endorsed recommendation (iii) by 3 votes to 0.

The Committee considered and endorsed recommendation (viii) by 4 votes to 0.

The Executive Councillor noted the recommendations, and deferred considering for approval until the special Strategy & Resources Committee meeting 15 February 2013.

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

Not applicable.

13/6/HMB Rent Arrears Policy and the Housing Related Debt Policy

Matter for Decision

The Rent Arrears Policy was last approved in 2010.

The Housing Debt Related Policy has been amended since approval in 2010 and extends the term of repayment to six months and a reduction of the original debt by 50%.

The Officer's report sets out information regarding the performance of current and former tenant arrears, plus the City Council's approach to supporting tenants' affected by the Welfare Reforms.

The expected benefit cap has been deferred to September 2013. A wealth of changes was expected from Central Government, the Council would support tenants through the process.

Decision of Executive Councillor for Housing

- (i) Approved the revised Rent Arrears Policy.
- (ii) Approved the revised Housing Debt Related Policy.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Area Housing Manager regarding the Rent Arrears Policy and the Housing Related Debt Policy.

The Committee made the following comments in response to the report:

- (i) Suggested that Tenant Representatives could be further involved in officer communication with tenants to ensure messages were expressed in plain English.
- (ii) Labour Councillors felt rent arrears levels were high and the Council were unlikely to get all monies back.
- (iii) The Executive Councillor for Housing was trying to strengthen and signpost credit unions as part of the portfolio of rent arrears preventative measures.

In response to Members' questions the Director of Customer & Community Services, Head of City Homes, Head of Revenues and Benefits plus Area Housing Manager confirmed the following:

- (i) It was currently understood that payments of universal credit would not be backdated. Therefore a proactive process was required to prevent tenants slipping into arrears.
- (ii) The Council was currently monitoring the impact of benefit reforms for trends as changes are introduced, so the Council could provide

guidance and support. Officers were visiting tenants to get a clearer idea of their housing needs as benefits are changed, instead of waiting passively to be contacted.

- (iii) Some tenants were downsizing in response to benefit changes, the associated reduction in rent cost could reduce possible rent arrears.
- (iv) Rent arrears were the same in January 2013 as they were 26 years before (1987). The Council was in the best position it could be prior to the implementation of benefit changes. The Council would work with tenants to better structure debt repayments.
- (v) Rent arrears could arise from delays in tenants receiving benefits prior to paying rent. Pathfinder authorities were reviewing the impact of benefit delays on rent arrears as part of the benefit change process, but it was expected they would form a small proportion of the overall figure. Officers were concerned that issues may arise as universal credit would be paid one month in arrears from the date of claim, hence the Council was proactively working with tenants to anticipate and overcome issues where possible in advance.
- (vi) Rent collection rates were good as officers picked up on debt at an early stage. Officers proactively engaged with tenants when arrears started to arise.
- (vii) Tenants could sub-let their properties, but this would impact on their benefits.
- (viii) The Council did not have a policy to turn down potential tenants, which is why it some times took on people with rent arrears. The expectation was that debts should be cleared prior to the Council taking former tenants back as new tenants. The Rent Arrears Policy proposed that if the debt could not be paid as a lump sum, payment by instalments was expected instead. An instalment repayment plan based on individual circumstances was the preferred option to making people homeless; the Council only evicted people as a last resort. The Council preferred to give people time to resolve money issues, which was why arrears arose. Decisions regarding actions to take on rent arrears were made on an individual (tenant) basis, there was no blanket approach.
- (ix) There were no rent discounts for properties adapted for disabled need. The property tax band would be changed instead.

The Head of Revenues and Benefits undertook to provide further information to Councillor Bird who asked if a person would/would not be affected by the benefit cap if they, their partner or a dependant child who is living with them received benefits.

- (x) Tenant arrears include debt accrued over six years, none of which has been written off.
- (xi) The new Rent Arrears Policy would cover any new tenants the Council took on, the old policy would cover existing tenants.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

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

Not applicable.

13/7/HMB Update on Resident Involvement Facilitator Post

Matter for Decision

A report was brought to HMB in September 2011 outlining recommendations for providing an Independent Tenants' Voice. This report was written by an external consultant and included a thorough review of past and existing Resident Involvement arrangements, plus a number of recommendations.

One key recommendation from the report, approved by the Executive Councillor for Housing at the September 2011 HMB, was the creation of a 'Resident Involvement Facilitator' post. A candidate was recruited to this role in August 2012. The Officer's report provided an update on the post and specific work being carried out.

Decision of Executive Councillor for Housing

Approved the 2013 Resident Involvement Facilitator work plan (developed in consultation with the HMB tenants and leaseholder reps), set out in Appendix 2 of the Officer's report.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Resident Involvement Facilitator regarding the Update on Resident Involvement Facilitator Post.

In response to Members' questions the Resident Involvement Facilitator confirmed the following:

- (i) The Resident Involvement Facilitator engaged with tenants through various means including Streets & Open Spaces Officers, resident associations and Street Champions.
- (ii) Residents associations were an effective way of engaging tenants, but the most active groups were formed when people had specific reasons for coming together. Resident associations had varied longevity ie some stayed in place longer than others. This depended on support/interest. Officers would engage with resident associations as required.
- (iii) Part of the Resident Involvement Facilitator's role was to facilitate the formation of resident associations in future and to engage a spectrum of people of all ages. Also to train and support tenants as resident involvement representatives.
- (iv) A residents forum would be a useful means in future for HMB representatives to liaise with tenants.

The Committee resolved unanimously to endorse the recommendation.

The Executive Councillor approved the recommendation.

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

Not applicable.

The meeting ended at 7.30 pm

CHAIR