

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Housing Review Board held at Knowle, Sidmouth on 12 January 2017**

#### **Attendance list at end of document**

The meeting started at 2.30pm and ended at 4.50pm.

#### **\*37 Public Speaking**

There were no questions raised by members of the public.

The Chairman informed those present that the meeting of the Housing Revenue Account Business Plan Task and Finish Forum due to be held on 20 January 2017 had been postponed.

#### **\*38 Minutes**

The minutes of the Housing Review Board meeting held on 8 September 2016 were confirmed and signed as a true record.

#### **\*39 Declarations of Interest**

Mike Berridge: Personal interest - family member lives in a Council owned property and a housing tenant.

Joyce Ebborn: Personal interest - housing tenant

Victor Kemp: Personal interest – housing tenant and in dispute with the Council over an adaptation request to his property.

Cllr Jim Knight: Personal interest - family member lives in a Council owned property and another family member lies in a housing association property.

Pat Rous: Personal interest - housing tenant.

#### **\*40 Forward plan**

The Strategic Lead, Housing, Health and Environment presented the forward plan and advised Members that the forward plan acted as a reminder of agenda items to come forward to future meetings. Members were reminded that they could add further issues to the next forward plan by informing either himself or the Democratic Services Officer.

**RESOLVED:** that the forward plan be noted.

#### **41 Draft Housing Revenue Account 2017/18**

The Strategic Lead – Housing, Health and Environment’s report provided the Board with details of the draft Housing Revenue Account (HRA) for 2017/18. The account showed the main areas of anticipated income and expenditure on landlord activities for the year ahead. Producing a HRA was a statutory requirement for Council’s who managed and owned their stock, and was a key document for the Board to influence.

2012/13 saw the major reform to social housing finance and a move to self-financing, which involved the Council taking on debt rather than paying a subsidy to government from tenants’ rents. As a result of this and careful budget management over many years a healthy HRA balance was showing going into the new financial year. The budget had been produced in accordance with HRA Business Plan assumptions.

The Council had a timetable for the production of its budgets for 2017/18, which involved the development of draft estimates and scrutiny by various member and officer groups. The report presented an opportunity for the Housing Review Board to input into this process.

The Strategic Lead – Housing, Health and Environment explained the format of the report and it was noted that the 2016/17 and 2017/18 budgets were very consistent. The biggest issue was the second year of the 1% rent reduction, and this had been factored into next year's budget. A generous allowance had been made for the loss of income due to voids and rent arrears. The Board acknowledged that rent collection performance was critical for the income of the HRA. A healthy HRA surplus was predicted and the purpose of the volatility fund was explained to the Board. Other features of the budget were included on the agenda and would be discussed later during the meeting.

The Strategic Lead – Housing, Health and Environment introduced the new housing accountant and thanked him for his help in compiling the budget.

**RECOMMENDED:** that the draft housing revenue account 2017/18 report be approved.

**42 Draft housing service plan 2017/18**

The Strategic Lead – Housing, Health and Environment's report presented the draft service plan for the Housing Service, covering the period 2017/18 for the Board's consideration. The Service Plan was a document that was produced annually and which set out the key achievements over the past year and the forthcoming issues to be faced by the service. A range of service improvements were identified, performance data reported, consultation proposals outlined and budget information provided.

The Strategic Lead – Housing, Health and Environment explained that this year's plan was a similar style and format, with no dramatic changes from the previous year. It was noted that there had been considerable staff changes, with existing staff being successfully promoted. The plan would be considered by the joint Overview and Scrutiny Committees, before being presented to Cabinet for consideration and then to Council for adoption.

**RECOMMENDED:** that the draft Housing Service Plan for 2017/18 be approved.

**43 Support and alarm service charges to sheltered homes 2017/18**

The Landlord Services Manager's report updated the Board on the current position regarding the support and Home Safeguard charges and services to customers, and suggested that the final year of the three year phased in support charges anticipated for 2017/18 was not applied. The benefit of this would be to tenants as their support charges would remain at the current level, instead of rising to the expected levels in April 2017. This would be an added burden on the Housing Revenue Account, although it had been included in the budget estimates for 2017/18. The burden would reduce as tenants, that the Council currently subsidised, decreased because the subsidy only applied to those that were tenants of sheltered housing and resident at 6 April 2015. New tenants moving in would pay the full amount.

**RECOMMENDED:** that the previously agreed final year of the three year phased introduction of support charges in sheltered housing is not applied.

**\*44 Insurance claim settlement**

The report of the Senior Technical Officer updated the Board on the final settlement of the storm damage insurance claim, with regard to inclement weather and damp/water penetration to tenants' homes as a direct result of the 2013/14 storms. It was noted that approval had been given by the Strategic Lead – Housing, Health and Environment for the outstanding insurance claim to be settled for the total of £1.5 million. Work had been

undertaken to properties before the insurance claim settled, including some improvement works.

The Strategic Lead – Housing, Health and Environment thanked the Senior Technical Officer for the massive amount of work involved with repairing the properties and settling the claim.

**RESOLVED:** that it be noted that the outstanding insurance claim be settled for the total of £1.5 million.

#### **45 New models of housing delivery**

The Board was presented with a report which explored the emerging options for development and stock holding being established by some councils in response to the complex operating environment. The report looked at the merits of a joint venture company and a local housing company for the delivery of affordable housing funded by the Council. It also considered the key drivers and considerations when establishing a new housing delivery vehicle and the benefits that might be derived by operating a development programme and providing housing management arrangements outside of the constraints of the housing revenue account.

The Strategic Lead – Housing, Health and Environment also gave a presentation on the new models of housing delivery. This included:

- The context of the housing revenue account and its constraints.
- Motivations for establishing a new housing delivery model.
- The drivers and ambition to be more effective in meeting the wider housing needs of the area.
- Permissive, enabling powers.
- Flexible range of tenancy options and rent setting.
- What and where next.

In summary the Board supported this exciting opportunity. There was a need to be clear about benefits, implications and risks surrounding a new business model and culture change required.

The Board welcomed the idea and were supportive of this approach. They felt that the local housing company option should be progressed, rather than a joint venture company.

#### **RECOMMENDED:**

1. that the Housing Review Board support the outline proposal to establish a Local Housing Company in preference to joining a Joint Venture arrangement,
2. that the Housing Review Board invites the Strategic Lead – Housing, Health and Environment to work up the Local Housing Company proposal, including an initial risk assessment and due diligence considerations;
3. that a further report is brought back to the Housing Review Board and to Cabinet on the findings and suggested way forward.

#### **46 Tenancy strategy and policy review**

The Board's approval was sought for the revised tenancy strategy and tenancy policy, which had been updated to reflect current good practice and procedures.

The tenancy strategy set out what the Council would do as a landlord and what it expected Registered Providers working in East Devon to do. It explained expectations with regard to

affordability, length and type of tenancies, reviews and assistance at the end of a tenancy, disposal and conversion of stock, mobility, transfers, downsizing and under occupation, choice based lettings, vulnerable groups, and properties with adaptations.

The tenancy policy focused more on what the Council would do as a landlord. It set out how it would ensure the right type of tenancy was allocated to each tenant, how it would address issues of under occupation of properties and how it would provide family or adapted properties where these were required. It also set out the circumstances in which affordable rents would be charged. The policy included sections on:

- tenancy agreements
- tenancy types and conditions
- sustaining tenancies
- tackling tenancy fraud
- ending the tenancy
- succeeding to a tenancy
- tackling under occupation
- adapted properties
- transfers
- mutual exchanges.

**RECOMMENDED:** that the revised tenancy policy and tenancy strategy be approved.

#### **47 Alternative models to deliver housing repairs and maintenance**

Consideration was given to the report of the Strategic Lead – Housing, Health and Environment which started to explore alternative models for future delivery of the housing repairs service to achieve higher levels of performance and improved value for money. New service delivery models could be widened to include improvement programmes, servicing and other works to tenants' homes. The drivers for exploring alternative models for providing this service included the need for budget efficiencies and building on the high levels of performance currently achieved. There was also an opportunity to have greater control over the repairs and maintenance of tenants' homes whilst drawing on contractors' expertise and sharing the risks with them.

The Strategic Lead – Housing, Health and Environment explained wholly owned subsidiaries and joint venture companies and the principles and advantages of these. The drivers for a more sophisticated procurement of repairs and maintenance to Council homes were:

- greater control over the service
- cost savings and efficiencies
- incentives for service improvement

The report suggested that external consultants be commissioned to undertake a focused piece of work looking at the current trends in the sector, the options for alternative service delivery models and the opportunities for providing tenants a more cost efficient, high performing service.

**RECOMMENDED:** that the Strategic Lead – Housing, Health and Environment be authorised to appoint consultants to scope, appraise and advise on alternative service delivery options for the repairs and maintenance of tenants' homes.

**48 Extension of responsive repairs and voids contract**

The Property and Asset Manager's report recommended that a one year extension be awarded to allow a full options appraisal with regard to future contract options to take place, followed by a tender process to secure future contracting arrangements for responsive repairs and void work to properties. It was noted that current contractor performance was good and continuing to improve and that officers had a good working relationship with the contractors.

**RECOMMENDED:** that the current responsive day to day repairs and void work to Council housing stock contract is extend for one year, from July 2017 to July 2018.

**49 Asbestos management policy update**

The Property and Asset Manager's report informed the Board that the asbestos policy and associated procedures agreed in January 2016 was now due for further review in order to reflect changes in current legislation and to incorporate good practice across the sector.

**RECOMMENDED:**

1. that the revised asbestos management plan and procedures for the Council's housing stock be approved (subject to approval from a specialist asbestos consultant).
2. that an additional £100,000 be approved for the management of asbestos in the housing stock.

**50 Legionella management plan and procedures**

The Property and Asset Manager's report advised members of the Council's responsibilities in relation to legionella management within its housing stock and to ensure that appropriate testing and management of risks was undertaken. It was noted that a 'legionella awareness leaflet' was being created specifically for tenants to raise awareness of the topic and to ensure that good practice was promoted in terms of how tenants managed their homes.

**RECOMMENDED:** that the legionella management plan be approved.

**51 Review of landlord disabled adaptation policy**

In 2014 the Housing Review Board agreed a revised landlord adaptation policy. The Property and Asset Manager's report set out a further review to the policy and recommended that the policy be reviewed every two years or sooner if there was a significant legislative need to review.

**RECOMMENDED:**

1. that the revised landlord disabled adaptation policy for Council homes be approved.
2. that the 2017/18 revenue budget for adaptations be increased to £100,000.

**52 Installation of air source heat pumps at Rodney Close, Exmouth**

The Property and Asset Manager's report set out a proposal to install an alternative form of heating at Council owned properties in Rodney Close, Exmouth. In line with the objectives to improve the energy efficiency of the Council's housing stock, this was an ideal opportunity to explore the benefits that renewable energy could bring. Rodney Close was a 25 unit sheltered housing scheme which was 'off gas' and currently had night storage heaters. This form of heating system was not particularly efficient and was expensive to run.

Air source heat pumps were an alternative form of heating. They worked by absorbing heat from outside and directing this within the building as hot air. Evidence suggested that a high efficiency heat pump could provide up to 4 times as much heat as a standard electric heater. The units would be installed on the outside of individual properties and were designed to withstand the toughest of winter climates. The units were deemed extremely reliable with impressive low running costs. The units came with an easy to use controller that was installed on the inside of the property with two functions, one for heating and one for hot water temperature

**RECOMMENDED:** that the heating upgrade scheme proposed at Rodney Close, Exmouth be approved and rolled out during 2017.

**\*53 Shared house update**

The Property and Asset Manager's report brought members up to date with the outcome of the retrofit work for the shared house at 102 St Andrews Road, Exmouth. The report included learning from the project, final costs and letting arrangements. The finished property provided six furnished bedrooms with en-suite shower rooms, an office with en-suite facilities, shared dining, kitchen and utility areas.

Rooms were being allocated through Devon Home Choice and would be let to single people between 21 and 55 years of age. Day to day management of the shared house would be the responsibility of the Landlord Services team.

There had been tenant involvement in the project from the very beginning. The initial idea for a shared house came from the Virtual Housing Team, which includes a tenant member. Tenants were involved in selecting kitchen fittings, paint colours, colour and types of flooring and carpets. There was also tenant produced artwork in the communal areas.

It was noted that the project lapsed in time, which had cost implications, and the budget overran. The major additional costs were outlined in the report. The building was retrofitted to enerPhit standards, which would produce energy efficiency and running cost savings.

The project had received positive local and national publicity and had been shortlisted for a Housing Innovation Retrofit Scheme award.

**RESOLVED:** that it be noted that the work to the shared house in St Andrews Road, Exmouth is now complete and the property is let.

**54 Right to Buy update**

The Housing Enabling and Allocation Manager's report provided the Board with an update on property acquired using Right to Buy (RTB) receipts and commuted sums. It also set out proposals for future spending. Properties that had exchanged and completed since September 2016 were detailed in the report. It was noted that the allocated amount of commuted sums for affordable housing from the Fortfield Hotel had now been spent. There were limited commuted sums from elsewhere in the district that were available to use. The deadline to spend Right to Buy receipts by the end of December 2016 had been met. The next deadline was to spend approximately £130,000 of RTB receipts by the end of April 2017 – representing two or three additional property purchases.

The report proposed to purchase two or three properties in Exmouth. There were limited commuted sum monies for Exmouth so the remaining 70% would need to be funded either

from the Housing Revenue Account or by borrowing from the Public Works Loan Board (PWLB).

The report also put forward options for working with Registered Providers to spend the RTB receipts and to borrow money from the PWLB to match fund receipts.

**RECOMMENDED:**

1. that the update report on the use of Right to Buy receipts and commuted sums to secure suitable property to add to the Council's housing stock be noted.
2. that delegated authority be given to the Strategic Lead – Housing, Health and Environment, Portfolio Holder for Sustainable Homes and Communities and Chair of the Housing Review Board to approve further purchases to meet Right to Buy spending deadlines using either Housing Revenue Account funding or a loan from the Public Works Loan Board as match funding.
3. that the options put forward be noted and supported, including working with Registered Providers to spend the Right to Buy receipts.
4. that delegated authority be given to the Strategic Lead – Housing, Health and Environment, Portfolio Holder for Sustainable Homes and Communities and Chair of the Housing Review Board to approve bids from Registered Providers for grant.
5. that delegated authority be extended to the Strategic Lead – Governance and Licensing so that the implementation of a Registered Provider agreement and Registered Provider bidding criteria can be approved.

**\*55 Annual report to tenants 2015/16**

The annual report to tenants 2015/16 was included on the agenda for the Board's information.

**RESOLVED:** that the annual report to tenants 2015/16 be noted.

**\*56 HouseMark annual benchmarking report**

The Information and Analysis Officer's report presented the results of HouseMark's cost and performance benchmarking exercise using 2015/16's financial and performance data, it also used some costs and performance from 2014/15 as a comparison. The report compared EDDC with its peers in a number of key areas across the housing service. It was noted that the services scored were doing well, although some costs were high compared to peers.

**RESOLVED:** that the HouseMark 2015/16 benchmarking report be noted.

**57 Housing Review Board recruitment**

Consideration was given to the Democratic Services Officer's report which reviewed the recruitment and selection procedures for tenant and leaseholder members of the Housing Review Board and for independent community representative Board members. The revised process ensured that the recruitment and selection process for all co-opted members of the HRB was consistent. Arrangements would also be put in place to avoid the necessity for holding an election, which would be a costly exercise.

The report proposed that in order to involve existing members of the Board in the selection of new co-opted members, three Board members put their names forward to work with officers on the selection process when a vacancy on the Board occurred. Alternatively all existing Board members could be involved in the process, in which case a 'meet the Board' event could be organised for applicants and an opportunity for the Board to choose the new

member(s). The Board agreed that three members (one tenant, one councillor and one independent representative) should be selected and members were asked to put their names forward.

**RECOMMENDED:**

1. that the revised recruitment and selection process of co-opted members of the Housing Review Board be adopted.
2. that three current Board members be selected to assist in the selection of co-opted members; these were Councillor Jim Knight, tenant Mike Berridge and independent community representative Christine Drew.
3. that the terms of reference of the Housing Review Board be updated accordingly.

**\*58 Date of the next Housing Review Board meetings**

The Board noted the date of the next HRB meeting.

Thursday 9 March 2017 – 2:30pm, Council Chamber, Knowle, Sidmouth

**Attendance list**

**Present:**

Cllr Pauline Stott (Chairman)  
Cllr Megan Armstrong  
Cllr Jim Knight  
Cllr Brenda Taylor

Co-opted tenant members:

Pat Rous (Vice Chairman)  
Mike Berridge  
Joyce Ebborn  
Victor Kemp

Independent community representatives:

Christine Drew

Officers:

Isaac Aisu, HRA Accountant  
Sue Bewes, Landlord Services Manager  
Natalie Brown, Information and Analysis Officer  
Emma Charlton, Housing Projects Officer  
Mark Dale, Senior Technical Officer  
Simon Davey, Strategic Lead - Finance  
Michelle Davidson, Housing Adviser  
Amy Gilbert-Jeans, Property and Asset Manager  
John Golding, Strategic Lead - Housing, Health and Environment  
Marian Hitchcock, PA to Strategic Lead Housing, Health & Environment and Housing  
Paul Lowe, Housing Enabling & Allocations Manager  
Andrew Mitchell, Housing Needs & Strategy Manager  
Jane Reading, Tenant & Communities Section Leader  
Giles Salter, Solicitor  
Alethea Thompson, Democratic Services Officer  
Melissa Wall, Housing Projects Officer  
Mark Williams, Chief Executive



**Also present:**

Cllr Jill Elson, Portfolio Holder – Sustainable Homes and Communities  
Cllr Ian Thomas, Portfolio Holder - Finance  
Cllr David Barrett  
Cllr Peter Faithful  
Cllr Tom Wright  
Jose Ireland, Tenant Scrutiny Panel  
Jim Kelleher, Tenant Scrutiny Panel  
Sylvia Martin, Tenant Scrutiny Panel

**Apologies:**

Cllr Ian Hall  
Angela Bea, tenant  
Julie Bingham, independent community representative  
Cllr Steve Gazzard

Chairman ..... Date.....