

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Housing Review Board held at Knowle, Sidmouth on 15 June 2017**

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

The meeting started at 2.30pm and ended at 4.10pm.

#### **\*1 Public speaking**

There were no questions raised by members of the public.

#### **\*2 Appointment of vice-chairman**

The Chairman welcomed all those present to the meeting and invited everyone to introduce themselves. The Chairman congratulated Amy Gilbert, Property and Asset Manager on the birth of her baby boy.

Nominations for Vice Chairman were received for co-opted tenant member Pat Rous.

**RESOLVED:** that tenant representative Pat Rous be appointed Vice Chairman of the Board for the ensuing year.

#### **\*3 Minutes**

The minutes of the Housing Review Board meeting held on 9 March 2017 were confirmed and signed as a true record.

#### **\*4 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.

Pat Rous: Personal interest - housing tenant.

#### **\*5 Urgent item – fire precautions**

Following the terrible Grenfell tower block fire in London, the Strategic Lead - Housing, Health and Environment reported that all responsible landlords would be double checking their fire safety procedures and practices. Compliance with all safety requirements was a priority for EDDC as a landlord, including fire safety, and there were Fire Risk Assessments (FRA) and procedures in place to keep tenants safe. There was the need to be constantly vigilant when it came to fire risk and never become complacent. He reassured the Board that premises and fire evacuation procedures were constantly checked.

There was a programme of undertaking FRAs, identifying any works needed and undertaking those, as well as ensuring tenants knew what to do in the event of a fire. Although there were no tower blocks in the housing portfolio, the Council did have flats, community centres and communal stairs that required proper protection, signage, emergency lighting and fire alarms. There was a zero tolerance approach to possessions and obstructions in communal areas, which was sometimes controversial with tenants, but recent events showed that this element of fire precaution work needed to be rigorously enforced. This advice had been reinforced the previous day in a Devon and Somerset press release following the London fire.

The Housing Review Board last received a fire safety update in September 2015. Following current assurance checks, these would be reported back at the next Board meeting.

The Portfolio Holder – Sustainable Homes and Communities suggested that a letter be sent to residents of the Grenfell tower block, on behalf of the Housing Review Board, expressing their sympathy and hopes that they got all the help they needed as soon as possible.

**\*6 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.

**7 Procurement of the housing responsive repairs and works to void properties contract**

In January 2017 the Board approved the appointment of consultants to scope, appraise and advise on a procurement approach which could lead to alternative service delivery options for the repairs and maintenance of tenants' homes. The Strategic Lead – Housing, Health and Environment's report updated the Board on the progress with work on preparations to renew the housing responsive repairs contract. A project team, consisting of officers, two councillors and a tenant had been working with the appointed consultants echelon to scope the market and assess the current approach to procuring a repairs service for tenants, and work to bring void properties up to a lettable standard. The echelon report was valuable and comprehensive. It usefully identified the strengths in the existing contractual arrangements and service delivery, and areas where service to tenants could be improved.

The echelon report listed several delivery options for consideration, but recommended two specific options for attention, and outlined the advantages and disadvantages of each:

- Option A – outsourcing to a single provider (outsourced).
- Option B – a wholly owned subsidiary model (WOS).

Both solutions would have the capacity to deliver the desired service. The key difference was that the WOS model would drive a different culture in the delivery of the service through the development of an entity with no traditional client/contractor function. The report proposed that going forward there was an 'EDDC core repairs' offer.

The three key drivers for taking the service forward were:

- Greater control over the service
- Cost savings and efficiencies
- Incentives for service improvement

Echelon also proposed the 'price per property' (PPP) and 'price per void' (PPV) model, which built on a fixed price per property for repairs/voids (with a list of what was and wasn't included within this). There would also be a budget for excluded works and a 'risk pot'. In addition, there was the prospect of a 'complete property service' (CPS) by which the service provider undertook an annual physical check of all 'working component parts' and the structure of the property for defects and carried out any required repairs to prevent the need for repairs to be reported by the tenant over the next 12 months.

The Strategic Lead – Health, Housing and Environment's report recommended that the outsourcing option be pursued, primarily because the WOS model did not offer the benefits to justify the additional work required to establish a new company. The financial benefits projected did not justify the risks and energy needed to establish a WOS. Some had used this model to take advantage of VAT savings, but this was not relevant to a local authority

organisation. Employing the workforce would bring additional risks and demands on the service to ensure that it was running efficiently. A WOS was likely to be more beneficial where there were large stock numbers and the prospect of expanding business such as programmed works.

The Board discussed the pros and cons of appointing one or two contractors and the Strategic Lead – Housing, Health and Environment outlined the next steps in terms of developing a service specification, designing a new contract and the EU procurement process. He also advised the Board that he would regularly report back to them on the various stages of the procurement journey.

**RECOMMENDED:**

1. that Cabinet note the final options report from echelon and consider the models proposed for the renewal of the responsive repairs and work to void properties contract
2. that Cabinet adopt the outsourcing option as the preferred approach to procuring a new contract and securing service improvements.

**\*8 Stock condition survey**

The report of the interim Property and Asset Manager informed the Board of the purpose and benefits of stock condition surveys. It also requested authorisation to carry out a new stock condition survey on East Devon's housing stock as the last comprehensive survey was carried out in 2011, on 25% of the stock. This work would inform the financing requirements of future repair and maintenance programmes to be reflected in the Housing Revenue Account Business Plan for the next 30 years. 100% of the stock would be surveyed and the up to date information would be used to base maintenance and improvement programmes on.

Stock condition surveys collated intelligence about the structure and components of the assets of a business. They also provided robust data on the lifecycle and condition of the components in the housing stock, which would deteriorate at different rates. The data would support a planned works approach, obtaining efficiency savings and procuring works over a 3-5 year programme or longer. Information from a stock condition survey could be used in almost every area of work.

**RESOLVED:**

1. that the stock condition survey is started at the earliest opportunity, to be completed within the 22017/18 financial year,
2. that the additional budget required to undertake the survey in one financial year is financed from the Housing Revenue Account surplus,
3. that an in-house survey approach is undertaken, for the reasons set out in the report.

**9 Housing strategy update**

The draft housing strategy was presented to the Board for adoption. It was a shorter and more concise document, under which other key housing policies and plans could sit. The three key themes were:

- providing homes
- improving homes
- improving communities

The strategy was broken into the following sections:

- a) context

- b) the key challenges ahead
- c) meeting priorities to 2020 (providing homes, improving homes and improving communities)
- d) ways forward

**RECOMMENDED:** that Cabinet approve the Housing Strategy 2017-2020.

#### **10 Decommissioning of sheltered housing update**

The Board considered the report of the Landlord Services Manager, which sought approval to cease decommissioning sheltered properties and to re-commission suitable properties already decommissioned as they become void.

The process of decommissioning sheltered properties was started in 2009 when the sheltered housing task and finish forum drew up criteria for decommissioning that was designed to ensure that sheltered housing was 'fit for purpose' at that time. Following changes to the way in which sheltered housing is funded there was no longer a requirement that tenants must be over a certain age to access sheltered housing. The criteria was now based on the needs of the tenant for support. Because of this there was now an increased demand for supported housing from younger, vulnerable tenants. It had also been felt that some of the sheltered properties were unsuitable for older tenants due to, for example lack of lifts and access problems. However, with a younger clientele with fewer mobility issues these properties could now be used again as supported housing.

A further, more detailed report on the decommissioning/recommissioning process would be brought back to the Board.

**RECOMMENDED:**

1. that Cabinet approve the decision to cease the process of decommissioning certain sheltered properties,
2. that those properties already decommissioned are re-commissioned when they become void (unless there are exceptional circumstances).

#### **11 Communal cleaning**

The Landlord Services Manager's report updated the Housing Review Board on the current position and future plans for the cleaning of communal areas in housing buildings, community centres and district offices. It also requested approval for the appointment of two additional members of cleaning staff.

The tenancy agreement states that the primary responsibility for the cleaning of communal areas in blocks of flats lay with the tenants in those blocks. However, it was recognised that this would not always be fulfilled and therefore a 'top up' cleaning services in communal areas is provided. Tenants paid for this 'top up' service in their rent and leaseholders paid in the annual service charge.

The cleaning service was provided by StreetScene, with two members of staff employed solely for the service, with Housing paying the costs incurred. There was no contract or service level agreement between Housing and StreetScene. The current specification needed to be reviewed, with a proper specification/service level agreement drawn up.

Tenants had been recently consulted and as a result the following issues needed to be addressed:

- monitoring and management

- standards
- window cleaning
- community centres
- guest bedrooms
- travelling time
- tenant awareness
- decoration

Various options had been considered and officers acknowledged that in order to improve the service in the short term the number of cleaning staff needed to be increased from two to four employees; two for the west side and two for the east side of the district. Two cleaners would travel together and work on different blocks on the same sites, at the same time, so there would be no additional travelling or vehicle costs. The Board agreed the need for an enhanced service specification and service provision and the issue and potential problem of the availability of hot water for the cleaners was discussed.

**RECOMMENDED:**

1. that Cabinet note the current position and future plans for the cleaning of communal housing areas,
2. that Cabinet approve the appointment of two further members of cleaning staff.

**12 Spending Right to Buy receipts -**

The Board was presented with a report which provided an update on property acquired using Right to Buy (RTB) and Commuted Sums. It also set out a proposal for future spending.

In January 2017 the Housing Review Board agreed to match fund the £1.5m RTB receipts with £3.5m of Housing Revenue Account (HRA) funding per year over the next three years, which would provide approximately 25 properties per year. This now formed part of the HRA Business Plan. This would ensure RTB receipts were spent and also stabilise cash flow and provide an income to replace lost income through RTB sales. It was noted that 18 properties were under offer.

In addition, in terms of RTB sales, officers had been working on counter fraud initiatives and a plan to introduce a new form as part of the application process. This supplementary form had been adapted specifically to prevent fraud, in particular money laundering and vulnerability issues such as families or companies placing pressure on vulnerable people to buy their homes.

**RECOMMENDED:**

1. that Cabinet note the update report on the use of Right to Buy receipts and Housing Revenue Account funding to secure suitable property to add to the Council's housing stock.
2. that Cabinet give delegated authority 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 2017/18 and 2018/19 Right to Buy spending deadlines using the Housing Revenue Account funding, or other such funding, as match funding.
3. that Cabinet approve a new form for Right to Buy applications designed to counter fraudulent claims.

### **13 Housing Revenue Account outturn report 2016/17**

The Strategic Lead – Finance presented the final Housing Revenue Account (HRA) position for the year end and compared this outturn position against the budgets set for 2016/17. During 2016/17 monthly budget monitoring reports had informed members of the anticipated year end position.

The outturn position showed an underspend of £1.722m against the budget. The main variants were set out in the report and included good rent collection performance, storm damage insurance claim and underspend on the capital programme.

The HRA had a significant balance of £7.070m. The adopted minimum level for the HRA balance was £2.1m, based on £490 per property and this was considered to be the minimum fund balance that should be held for unexpected/emergency situations. It was sensible to introduce a maximum sum to hold thereby creating an adopted range the Council was comfortable holding the HRA Balance between before members need to make a decision; whether above or below the range. The report proposed to add headroom of £1m to the minimum level to give an adopted range for the HRA balance of between £2.1m and £3.1m. This was in line with the principles agreed with the General Fund Balance.

The HRA balance was therefore significantly above the proposed adopted range by £3.970m and it was proposed that this was transferred into a new fund – ‘Future Housing Development Fund’. This would be used to provide additional dwellings within the HRA and to match fund the one to one replacement capital receipts (Right to Buy) required to be spent within set deadlines or required to be returned to Government with an interest payment.

The HRA also has a HRA Business Plan Volatility Reserve which was created in 2012/13 to provide a cushion for repaying the self-financing loans should adverse fluctuations in spending and/or rent income occur. The balance in the reserve was currently £4.4m. This Reserve has not been required and the HRA continued to meet loan repayments and make annual surpluses. It was therefore questionable whether this Reserve was still required at this level, or at all. This would best be evidenced with a refresh of the HRA Business Plan along with an updated of the stock condition survey. Therefore it was proposed to transfer £2.8m from the HRA Business Plan Volatility Fund into Future Housing Development Fund, funding the next two years of proposed development, thereby still leaving £1.6m to help meet loan repayments should it be required.

#### **RECOMMENDED:**

1. that Cabinet agree the Housing Revenue Account outturn position for 2016/17.
2. that an adopted range between £2.1m and £3.1m is determined for the HRA balance, and £3.977m held above this level is transferred to a new reserve called ‘future housing development fund’, as detailed in the report.
3. That £2.8m is transferred from the HRA business plan volatility fund into the future housing development fund, as detailed in the report.

### **\*14 Housing Revenue Account Business Plan review 2016-17 – SWAP report**

The Board was presented with the South West Audit Partnership (SWAP) audit report on the Business Plan review 2016-17. The audit report made a few recommendations, in particular, that the risks detailed in the Business Plan should be aligned with the corporate risk register. Also missing from the current Business Plan was information from the forthcoming stock condition survey and identification of a future pattern of spending.

It was noted that an update of the Business Plan would be brought to the next meeting of the Housing Review Board.

**RESOLVED:** that the SWAP report be noted by the Board.

**\*15 Dates of the forthcoming Housing Review Board meetings**

The Board noted the dates of the HRB meetings for the forthcoming civic year:  
Thursday 7 September 2017 – 2:30pm, Council Chamber, Knowle, Sidmouth  
Thursday 2 November 2017 – 2:30pm, Council Chamber, Knowle, Sidmouth  
Thursday 11 January 2018 – 2:30pm, Council Chamber, Knowle, Sidmouth  
Thursday 8 March 2018 – 2:30pm, Council Chamber, Knowle, Sidmouth

**Attendance list**

**Present:**

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

**Co-opted tenant members:**

Pat Rous (Vice Chairman)  
Mike Berridge  
Joyce Ebborn

**Officers:**

Graham Baker, Senior Technical Officer  
Sue Bewes, Landlord Services Manager  
Natalie Brown, Information and Analysis Officer  
Emma Charlton, Housing Projects Officer  
Tina Cureton, Senior Housing Support Officer  
Mark Dale, Senior Technical Officer  
Simon Davey, Strategic Lead - Finance  
Danielle Furzey, Housing Options Manager  
Amy Gilbert, Property and Asset Manager  
John Golding, Strategic Lead - Housing, Health and Environment  
Sue Howl, Democratic Services Manager  
Andi Loosemoore, Rental Manager  
Andrew Mitchell, Housing Needs and Strategy Manager  
Mike Purcell, Interim Property and Asset Manager  
Jane Reading, Tenant & Communities Section Leader  
Alethea Thompson, Democratic Services Officer  
Melissa Wall, Housing Projects Officer

**Also present:**

Cllr Jill Elson, Portfolio Holder – Sustainable Homes and Communities  
Cllr David Barrett  
Cllr Simon Grundy  
Harry Roberts, tenant

**Apologies:**

Cllr Jenny Brown

Cllr Ian Hall  
Angela Bea, tenant  
Victor Kemp, tenant  
Julie Bingham, independent community representative  
Christine Drew, independent community representative  
Giles Salter, Solicitor

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