

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF HOUSING SCRUTINY STANDING PANEL
HELD ON THURSDAY, 24 MARCH 2011
IN COMBINED COMMITTEE ROOMS 1 & 2 - CIVIC OFFICES
AT 5.30 - 8.30 PM**

- Members Present:** Mrs R Gadsby (Vice-Chairman), R Barrett, D Dodeja, Ms J Hart, Ms J Hedges, Mrs S Jones and L Leonard
- Other members present:** K Angold-Stephens, W Breare-Hall, Ms R Brookes, K Chana, Mrs D Collins, J Philip, D Stallan, C Whitbread and D Wixley
- Apologies for Absence:** Mrs A Grigg, Mrs J Lea, A Lion and Mrs J H Whitehouse
- Officers Present** A Hall (Director of Housing), P Pledger (Assistant Director (Property and Resources)) and M Jenkins (Democratic Services Assistant)

52. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that Councillors K Chana and J Philip were substituting for Councillors A Lion and Mrs J Lea respectively.

53. DECLARATION OF INTERESTS

There were no declarations of interest made pursuant to the Member's Code of Conduct.

54. NOTES OF THE LAST TWO MEETINGS

RESOLVED:

That the notes of the last two meetings of the Panel held on 11 and 27 January 2011 be agreed.

55. TERMS OF REFERENCE/WORK PROGRAMME

The Panel's Terms of Reference and Work Programme were noted.

56. PRESENTATION ON THE KEY TERMS OF APPOINTMENT FOR THE PRIVATE REPAIRS MANAGEMENT CONTRACTOR

The Panel received a presentation from Mr P Pledger, Assistant Director of Housing (Property) regarding the Housing Repairs Service.

The presentation covered:

Repairs Refresh Programme

- Downsizing the Building Maintenance Works Unit and combining with the Housing Repairs Section to provide the new Housing Repairs Service.
- Intention to retain high Tenant Satisfaction and for the average number of days to complete repairs to reach top quartile.

Repairs Advisory Group

- Provided advice and feedback to officers and Housing Portfolio Holder on the specification for the Repairs Management Contract.

Restructure of the Repairs Service

- Savings of around £61,000 pa (10.6% of the budget).
- No redundancies were required.

Repairs Management Contractor

- In-Sourcing – Combined an innovative approach, low risk and well developed IT systems
- Appointment of procurement consultant
- Stage 1 – Developing the Procurement Strategy
- Stage 2 – Pre-Qualification Stage
- Stage 3 – Tender Activity
- Stage 4 – Appointment of Repairs Management Contractor
- Repairs Management Contractor was appointed and the contract would commence in May 2011.

RESOLVED:

That the Presentation regarding the Key Terms of Appointment for the Private Repairs Management Contractor be noted.

57. HOUSING REVENUE ACCOUNT BUSINESS PLAN KEY ACTION PLAN (2010/11) - TWELVE MONTH PROGRESS REPORT

The Panel received a report from Mr A Hall, Director of Housing, regarding the Housing Revenue Account (HRA) Business Plan and Key Action Plan (2010/11) – 12 Month Progress Report.

In March 2010, the Council's Housing Revenue Account (HRA) Business Plan for 2010/11 was produced, incorporating the Repairs and Maintenance Business Plan. The document set out the Council's objectives, strategies and plans as landlord, in relation to the management and maintenance of its own housing stock.

An important section of the HRA Business Plan was the Key Action Plan. This set out the proposed actions the Council would be taking, primarily, over the following year. Having included the Key Action Plan within the Business Plan, it was good practice that the progress made with the stated actions was monitored.

A Six Month Progress Report in the actions contained within the Key Action Plan 2010/11 was reported to the Panel in October 2010. The report was updated. The Panel was being asked to consider the Progress Report and feed back to the Housing Portfolio Holder and Director of Housing.

RESOLVED:

That the Housing Revenue Account Business Plan Key Action Plan (2010/11) 12 Month Progress Report be noted.

58. HRA BUSINESS PLAN

The Panel received a report from Mr A Hall, Director of Housing, regarding the Housing Revenue Account (HRA) Business Plan 2011-12.

The Government's Department of Communities and Local Government (DCLG) required all local authorities to produce annual Business Plans for their Housing Revenue Accounts (HRAs). The CLG's intention was to ensure that local authority housing was used and maintained to maximum effect. HRA Business Plans dealt with council's plans and performance for the delivery and quality of its housing services to tenants.

HRA Business Plan 2011/12

The Council's Audit and Governance Committee required that all of the Council's Business Plans were completed and published by 31 March each year. Therefore the most up to date information related to 2008/09. The plan included:

- Updated summary of key activities and achievements in 2010/11;
- Information on the effects of Essex County Council's significant reductions in Supporting People funding for local authorities in Essex;
- Information on the Housing Directorate's Customer Service Excellence Award;
- Information on the Government's introduction of HRA Self-Financing; and
- An updated Repairs and Maintenance Business Plan.

Financial Plan 2011/12

The Government had announced that it would completely change the way that Council housing was funded, replacing the Housing Subsidy System. Under this system the Government had assessed each year how much each Council needed to spend on its housing service over the next year. It then calculated how much each council would receive from rents. If this resulted in a deficit, it paid a subsidy to the council. If it resulted in a surplus, the Government required a payment from the Council, called a negative subsidy. Next year, the Council would pay around £11.3 million to the Government, funded from tenants' rents.

The Government had stated that, from April 2012, it would introduce a new funding system called "self-financing." The Government assessed how much financial support each Council needed to run its housing service over the next 30 years, which was the difference between the assumed cost of running the housing service and the expected income from rents. The Government then compared this amount to how much housing debt each Council had accrued. The Government then added together the amount of financial support each Council needed to the amount of debt that each Council may have accrued. The Government would then pay this amount to those councils it thought needed financial help.

For the Council, the Government had assessed that there would be a surplus of income from tenants' rents over the next 30 years, after taking into account the assumed costs of running the Council's housing service. In addition, the Council did not currently have any housing debt. Therefore the Council must make a payment of around £180 million to the Government in April 2012.

Because of these changes, the Financial Plan Chapter had been completely re-written, with the assistance of the Council's Business Plan consultants CIHConsult. However, the Financial Plan was provided for illustration purposes only at this stage, since the detailed consideration of the Council's treasury management of the HRA over the next 12 months was likely to have a major effect on the actual cash flow, over the life of the Financial Plan.

Repairs and Maintenance Business Plan 2011/12

An important part of the HRA Business Plan related to the Council's objectives, strategies and plans relating to the repair and maintenance of the Council's housing stock over the next 30 years. This included the Council's plans ensuring that the Council continued to meet the Government's decent homes standard, and the proposals for the appointment of a private repairs management contractor.

RESOLVED:

That the Housing Revenue Account (HRA) Business Plan 2011/12 be noted.

59. HOUSING STRATEGY 2009 - 2012 SIX-MONTHLY PROGRESS REPORT ON KEY ACTION PLAN 2010/11

The Panel received a report from Mr A Hall, Director of Housing, regarding the Housing Strategy 2009-2012, 6-Monthly Progress Report on Key Action Plan 2010/11.

At its meeting in September 2009, the Council's Cabinet adopted the Housing Strategy 2009-2012. The Housing Strategy assessed the District's current and future housing needs – having particular regard to the Strategic Housing Market Assessment produced by six local authorities in the eastern part of the LCB Sub-Region and set out the Council's approach to meeting those needs.

The Strategy also included a Key Action Plan, setting out the proposed actions that would be taken by the Council to contribute towards the achievement of the housing objectives over the 3 years of the Housing Strategy. The Cabinet had agreed that progress with the Key Action Plan should be monitored on a 6 monthly basis by the Panel.

RESOLVED:

That the Housing Strategy 2009-2012 Key Action Plan 2010/11 6-Monthly Progress report be noted.

60. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE

It was noted that there would be a verbal update given at the forthcoming meeting of the Overview and Scrutiny Committee by the Panel Chairman or Vice Chairman.

61. FUTURE MEETINGS

This was the last meeting of the Panel for the this Council year. The Housing Portfolio Holder, Councillor David Stallan, thanked the Panel members and the officers for their work over the last year.

The Panel meetings for next year were as follows:

19 July 2011;
25 October;
31 January 2012; and
13 March