

# Housing and Community Services Committee

**Tuesday 16 June 2009 7.30pm**

**Council Chamber  
Runnymede Civic Centre, Addlestone**

## Members of the Committee

Councillors P J Waddell (Chairman), Mrs R M Denby and J M Edwards (Vice Chairmen);  
J R Ashmore, C J Chapman, R J Edis, P A Francis, R N Jones, L C Pouyanne and one to be  
announced

## AGENDA

### Notes:

- i) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- ii) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr M L White, Department of Administration and Leisure Department, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425623). (Email: [malcolm.white@runnymede.gov.uk](mailto:malcolm.white@runnymede.gov.uk)).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr B A Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on [www.runnymede.gov.uk](http://www.runnymede.gov.uk).
- iv) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

## **LIST OF MATTERS FOR CONSIDERATION**

### **PART I**

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### **PART II**

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- a) Exempt Information
18. REVIEW OF RUNNYMEDE BOROUGH COUNCIL'S COMMUNITY TRANSPORT SERVICES 34
- b) Confidential Information
- (No reports to be considered under this heading)

## GLOSSARY OF TERMS AND ABBREVIATIONS

TERM	EXPLANATION
ACC	Surrey Adults and Community Care Services formerly known as Social Services.
ALMO	Arms Length Management Organisation. This is an organisation established specifically to manage Council stock. The properties remain Council owned and tenants retain their secure tenancies. This can provide opportunities for extra funds to meet the Decent Homes Standard if all government requirements are satisfied.
BFI	Benefit Fraud Inspectorate. The BFI is part of the DWP. Its duty is to inspect local authorities responsible for administering benefit on Housing and Council Tax. The responsibility for this function will pass to the Audit Commission from April 2008.
BHM	Balancing Housing Markets. This assessment looks at the whole housing market, considering the extent to which supply and demand are "balanced" across tenure and property size.
BME	Black and Minority Ethnic Groups. This is a collective name used by various bodies.
BNAM	'Basic Needs Assessment Model'. This is the main method for calculating affordable housing requirements suggested in Government guidance – <i>"Local Housing Needs Assessment: A guide to Good Practice"</i> .
CLG	Communities and Local Government. Government department responsible for local government and housing functions. See the CLG website at <a href="http://www.communities.gov.uk">www.communities.gov.uk</a> .
COMPACT	This is a requirement of Central Government. It entails developing an agreement between the Council and tenants or voluntary organisations about the way in which they will be consulted on the services they receive or deliver.
CPA	Comprehensive Performance Assessment. An external process to assess the quality of individual Council's Performance (set out in the Local Government White Paper 2001). It brings together evidence from a range of internal and external sources, in addition to an on site inspection, in order to arrive at an overall category.
DFG	Disabled Facilities Grant. This is a grant made available to disabled persons to provide adaptations to their property. Dependent on the type of work, it is a mandatory grant. The amount of grant awarded is subject to a test of resources of the disabled person.
DHCS	Director of Housing and Community Services.
DWP	Department of Work and Pensions (Government Department)
ESP	Existing Satisfactory Property. This scheme involved working with a Housing Association to purchase low cost housing in the private sector. Originally the scheme involved the repurchase of ex-Right to Buy Council properties. However, the scheme was broadened to include any low cost housing in the Borough.
GOSE	The Government Office for the South East. This is the local office of the Office of the Deputy Prime Minister (formerly the Department of Transport, Local Government and the Regions) for the South East region of England. Its role includes development of the Regional Housing Strategy.
HMO	House in Multiple Occupation. In general terms this is a property that is let to three or more tenants. However, for an exact definition reference must be made to the Housing Act 2004.

HOMES AND COMMUNITIES AGENCY (HCA)	This is the National Housing Agency for England. It is a Government Agency and has replaced the Housing Corporation.
HRA	Housing Revenue Account. This is a statutory account that sets out the expenditure and income arising from the provision of social housing by the Local Authority as a landlord. Expenditure in the HRA includes repairs and improvements, and management expenses. Income is mainly from rents. HRA subsidy is a significant item in the HRA.
LDF	Local Development Framework. Government replacement for the Local Plan.
LSP	Local Strategic Partnership – Leads on the Community Strategy.
NROSH	The National Register of Social Housing (NROSH) is a system for collecting social housing data on individual properties directly from local authorities and housing associations.
PFI	Private Finance Initiative. A long-term contractual private/public partnership under which the private sector takes on the risks associated with the delivery of public services in exchange for payments tied to agreed standards of performance. This can provide an opportunity to raise extra funds for investment in housing stock. Several Councils are currently acting as pathfinders.
PPG3	Planning Policy Guidance. This is Guidance issued by the Secretary of State detailing National Planning Policy within existing legislation. There are many examples of Guidance and PPG3 is the one that is the most relevant to housing. This sets out the requirements relating to the provision of affordable housing.
RARP	Runnymede Accommodation Referral Panel. This group has been established to assess the accommodation requirements of people with mental health, learning disability and physical disabilities. The group considers each individual case and makes a recommendation as to the level of support required.  Representatives on the group include the following:  Officer from the Borough Council's Housing Department. Officer from the Community Support Team (Social Services). Officer from the Community Mental Health Team (Social Services/Health). Occupational Therapist.
RCRA	Runnymede Council Residents Association, formerly the Tenants' and Leaseholders Services Group. This group was formed in February 1999. The members of the group are Council Tenants and Leaseholders. They meet prior to each Housing and Community Services meeting to consider policy and management issues that impact on Tenants and Leaseholders.
RHB	Regional Housing Board. The RHB has been established by the Government to prepare and oversee the Regional Housing Strategy. The Strategy for the region will set out the approach to housing investment and give a clear framework for spending decisions. One RHB exists for the whole of the South East of England.
RSL	Registered Social Landlord. This is a Housing Association which is entitled to bid for Social Housing Grant. The RSL is established for the purpose of the provision, construction, improvement or management of social housing and is a not for profit organisation.
RTB	Right to Buy. The regulations that allow Council tenants to purchase the freehold or leasehold of their home.

SAP	Standard Assessment Procedure. This is the Government's procedure for assessing the energy efficiency of a property.
SHG	Social Housing Grant. This is the main public subsidy paid to Registered Social Landlords by Central Government, through the Homes and Communities Agency to finance new homes. It can be used to pay for rented schemes as well as low cost home ownership schemes.
SMART	How targets should be set if they are to be effective – Specific, Measurable, Achievable, Realistic, Timely.
SNHSG	The Special Needs Housing Strategy Group was established to look at the level of housing needed by people with special needs. This includes those with mental health problems, learning disabilities, physical disabilities, young people leaving care, victims of domestic violence, those with drug and alcohol problems, and older people. The group has representatives from a number of different agencies. The Chairman from each of the Local Special Needs Forums is also represented on the Special Needs Housing Strategy Group.
TPAS	Tenant Participation Advisory Service. The independent tenant advisers. Their role is to help tenants understand the complexities of the stock options and to audit the Council's statements and figures.

1. FIRE PRECAUTIONS

The Chairman will read the Fire Precautions which set out the procedures to be followed in the event of fire or other emergency.

2. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

3. MINUTES

To confirm and sign, as a correct record, the Minutes of the meeting of the Committee held on 4 March 2009. These Minutes were included in the April 2009 Summons/Minutes Book.

4. APOLOGIES FOR ABSENCE

5. DECLARATIONS OF INTEREST

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Committee Administrator at the start of the meeting. A supply of the form will also be available from the Committee Administrator at meetings. Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is personal and prejudicial.

6. WAPSHOTT ROAD REGENERATION/REDEVELOPMENT SCHEME (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to advise Members of the progress that has been made in relation to the Wapshott Road Redevelopment Scheme.**

2. Background Information

2.1 For several years the Government has required local authorities and Registered Social Landlords to ensure that their housing stock is brought up to the Decent Homes Standard. The original Public Sector Agreement Target 7 also required that most of this improvement took place in deprived areas.

- 2.2 Egham Hythe was assessed by the Social Disadvantaged Research Centre in 2004 as an area of relative deprivation. An examination of the data indicated that the most deprived areas included those within Wapshott and Bowes Road.
- 2.3 The indices of deprivation are broken down into individual categories of deprivation (e.g. crime, employment, etc) and these categories are known as domains. In 2004 this estate was included in the worst quartile nationally for the living environment deprivation domain. This domain assesses whether social and private housing in the area is in poor condition and also takes into account whether properties have central heating.
- 2.4 In 2004 the properties in this area had an extremely low SAP rating with the average rating for the two bedroom flats on the estate being 22 and for one bedroom 34. At that time the Council's target SAP rating for all housing was 65.
- 2.5 The units on the Wapshott Road and Bowes Road estate were also small, system built properties with outdated fittings and, even prior to the Decent Homes Standard, the Council had acknowledged that improvements needed to be made to these units.
- 2.6 Before drawing up proposals for development the Council consulted extensively with residents. It transpired that the occupants of the houses were content to remain in their existing homes but the tenants of the flats supported demolition and redevelopment.
- 2.7 The possibility of refurbishing the flats to achieve better standards was considered but was rejected because it was felt that this would not represent good value for money, or address some other issues with the dwellings such as the small size of the units and the fact that they had no flood mitigation measures.
- 2.8 The Council therefore set about drawing up plans for upgrading the houses and the redevelopment of the flats on this estate. It did so in partnership with A2 Housing Solutions (now a2Dominion). The objectives of the development were to:
- i) Provide decent homes that have a reasonable life span and meet current day standards
  - ii) Maintain affordable housing supply within the area
  - iii) Create a sustainable, environmentally sensitive development
  - iv) Meet the needs of existing tenants and minimise the upheaval for them
  - v) Minimise the impact on other housing services e.g. homelessness
  - vi) Deliver a solution that was financially viable
- 2.9 The development of the estate was a complex issue and involved securing planning and other Government consents, obtaining finance, production of a range of flood mitigation plans/procedures, decanting 102 residents to alternative accommodation and purchasing 6 units that were previously sold under the Right to Buy.
- 2.10 The application for development involved the construction of 173 units of which 103 would be social rented units and the remaining 70 open market units. The Council had 100% nomination rights to the social housing units, the majority of which have been used for decanting existing tenants. The private units will be sold by A2 Housing Solutions and provide another important element to the financing of the scheme.
- 2.11 The application for planning consent was protracted and was finally determined by the Secretary of State in November 2006. A detailed agreement with A2 Housing Solutions Limited was finalised in March 2007 and the development commenced shortly afterwards.
- 2.12 The estate had a local identity and an existing community that had been formed over many years. It was important that this was protected and Officers therefore worked closely with the residents throughout the project. This included holding regular meetings, providing news-letters and dealing with individuals. Tenants were also provided with a

“tenants’ friend”, a consultant from the Tenant Participation Advisory Service, and a vacant unit where they could meet independently.

3. Current Position

- 3.1 The redevelopment was originally to be in three phases. However, during the time that the Council and A2 Housing Solutions were seeking consent to the development a number of tenants on the estate moved to alternative accommodation than had been anticipated. This reduced the numbers that needed to be re-housed and made it possible to condense the development into two phases.
- 3.2 The first plot in Phase I of the development was completed in October 2008 and subsequent plots were completed prior to Christmas. Having vacated the remaining substandard homes possession of these units was given to A2 Housing Solutions early in 2009. They have now commenced work on the second phase of the scheme and it is anticipated that these units will be completed by March 2010.
- 3.3 All of the units produced so far have been built to current day standards including space, safety and security. They all comply with Decent Homes Standards and Eco Homes very good rating (an energy efficiency standard). Many of the units also have solar panels for hot water heating which will provide tenants with reduced energy bills.

4. Council Policy

- 4.1 The Council’s Housing Strategy includes the aim to ensure that the Housing Stock is brought up to the Decent Homes Standard by 2010. This is also a Government and Regional target. Sub standard housing impacts on health, education, crime and safety and the completion of this project will also inevitably help to meet the policy aims of other agencies.

5. Resource Implications

- 5.1 The overall cost of the development to A2 Housing Solutions was some £20 million. A2 Housing Solutions received social housing grant of £5.3 million from the Housing Corporation (now the Homes & Communities Agency) and used their own funds and borrowing to finance the remainder of the scheme.
- 5.2 The Council approved a capital budget for the scheme of £1,550,000 to meet the cost of repurchasing properties (including “top-up” loans to enable the purchase of equivalent homes elsewhere), home loss payments to tenants and other land assembly expenses. Although there is a further 12 months to go until the remaining units are complete and occupied it is not anticipated that there will be any further expenditure. A projected under-spend of £33,215 on the capital budget will be achieved.

6. Lessons Learnt

- 6.1 There were difficulties in maintaining the security of vacant units and the process of stopping up an existing right of way took longer than envisaged. Consideration will be given to these issues at an earlier stage in any new development schemes undertaken.

7. Equality Impact Assessment

- 7.1 This report provides a statement of progress on a capital project that commenced some years ago. There are no obvious equality implications.

8. Conclusions

- 8.1 This has been a complex project requiring input from a range of organisations and individuals. In summary it has:
- i) Provided 102 tenants with Decent Homes thereby meeting a Government, Regional and local target;
  - ii) Provided 102 residents who would otherwise have remained at risk in a flood event with homes that are built with flood mitigation measures;

- iii) Removed a cause of poor ratings within the indices of deprivation;
  - iv) Maintained affordable housing supply;
  - v) Replaced homes that had appalling energy ratings with energy efficient units with renewable heat sources;
  - vi) Replaced small flats with a range of houses and apartments that have current day space standards.
  - vii) Provided units that have received secure by design accreditation.
  - viii) Delivered a complex scheme within the approved budget and at a lower cost to the Council than refurbishment.
- 8.2 Although tenants underwent some upheaval they were supported throughout the project and have remained very positive about the scheme.
- 8.3 Overall the initiative has been very successful and has met all of the original objectives.

**OFFICERS' RECOMMENDATION that -**

**Members note the progress made to date and the likely outturn for this project.**

**(TO RESOLVE)**

Background Papers

Relevant papers on DHCS files for Wapshott Road.

7. ROAKES AVENUE REGENERATION/REDEVELOPMENT SCHEME (DHCS)

1. Purpose of Report

1.1 **The purpose of the report is to advise Members of the progress that has been made in relation to the redevelopment of the Roakes Avenue scheme and to report the outturn.**

2. Background Information

2.1 For many years the Government have made it clear that they require local authorities and Registered Social Landlords to ensure that their stock is brought up to the Decent Homes Standard by 2010.

2.2 The Council had two large estates on which the achievement of Decent Homes was going to be extremely difficult. One of these was the Wapshott Road estate (reported elsewhere on this agenda) and the other was Roakes Avenue in Chertsey.

2.3 The units at Roakes Avenue were of Bison Wall Framed construction and had poor sound and heat insulation, and were very unpopular with residents. The surrounding areas of the estate were also subject to extensive graffiti and fly tipping and very difficult to manage.

2.4 Various options were considered for the estate, including refurbishment. However, the preference amongst tenants was for redevelopment. This also made better use of land and enabled new provision which included both houses and flats.

2.5 The Council decided to pursue redevelopment in partnership with a Registered Social Landlord. A competition to identify a successful landlord was held and A2Dominion (at that time Apex Housing Association) were selected. The objectives of the development were to:

- i) Provide decent homes that have a reasonable life span and meet current day standards
  - ii) Maintain affordable housing supply within the area
  - iii) Create a sustainable, environmentally sensitive development
  - iv) Meet the needs of existing tenants and minimise the upheaval for them
  - v) Minimise the impact on other housing services e.g. homelessness
  - vi) Deliver a solution that was financially viable
- 2.6 Initially it was proposed that the two schemes i.e. Wapshott and Roakes Avenue would be developed together and that tenants would move between the two estates. However problems raised by the Environment Agency with regard to the development of Wapshott Road delayed that particular scheme and it was therefore necessary to look for alternatives for decanting the residents of Roakes Avenue.
- 2.7 The Roakes Avenue estate was located in close proximity to the Painesfield allotment site, which was also owned by the Council. The possibility of moving the allotment site to an alternative site in the Council's ownership was therefore proposed. This necessitated reprovision of the allotment site in full at Barrsbrook Farm in Chertsey and part of the Painesfield site was used as an extension to Chertsey Cemetery.
- 2.8 The scheme also required consent from the Secretary of State to the closure of the existing allotments. This took some time to achieve but was finally granted and an application for planning consent for both the Painesfield allotment site and the Roakes Avenue site was approved on the 16 April 2003.
- 2.9 The Painesfield development was completed in 2005 and provided 58 units of affordable housing. All of those residents who remained at Roakes Avenue were transferred to the new estate releasing the Roakes Avenue site for redevelopment.
- 2.10 The Council had to purchase 7 units on the Roakes Avenue estate that were previously sold under the Right to Buy. This was achieved and the land at Roakes Avenue was subsequently sold for a mixed development of both private units and affordable rented units.
- 2.11 A detailed planning application to provide 126 units (42 affordable and 82 private) was given consent in March 2007 and the land was subsequently sold to Crest Nicholson who have developed the site.
- 2.12 The land sale achieved a substantial capital receipt. To avoid 50% of the sale proceeds being paid over to the Government under the housing capital receipt pooling rules, the Council resolved to use this receipt for housing and regeneration purposes.
- 2.13 The development of the Roakes Avenue site is currently under construction and Crest Nicholson has negotiated with the Homes & Communities Agency to arrange funding for 40 of the converted units to be provided under the Homebuy Direct scheme.
- 2.14 The first phase of units was handed over in April 2009 and the remainder are due to be completed between November 2009 and March 2010.

2.15 Overall the scheme will provide a net gain of 63 affordable housing units.

Provision at Painesfield	58
Provision at Roakes (rented)	48
Provision at Roakes (Homebuy)	40
<b>Total</b>	<b>146</b>
Less existing provision at Roakes	83
<b>Net gain</b>	<b>63 affordable units</b>

2.16 Not only has the redevelopment of the two sites increased the supply of affordable housing it has also replaced 83 poor quality units that failed the Decent Homes Standard with new flats and houses built to current day standards.

2.17 Throughout the development of this scheme tenants have remained involved and a Tenant Participation Advisory Service was employed to act as a “tenant’s friend”.

### 3. Council Policy

3.1 The Council’s Housing Strategy has within it the aim to ensure that the Housing Stock is brought up to the Decent Homes Standard by 2010. This is also a Government and Regional target. Sub standard housing impacts on health, education, crime and safety and the completion of this project will also inevitably meet the policy aims of other agencies.

### 4. Resource Implications

4.1 The direct capital costs of the overall project to the Council are summarised below:

	£
Repurchase of properties at Roakes Avenue (including “top-up” loans to enable purchase of an equivalent home elsewhere)	1,521,300
Home loss payments to tenants and other site preparation and holding costs	299,400
Grant to A2 towards provision of affordable units at the new Roakes Development	370,000
Reprovision of allotments at Barrsbrook Farm	676,600
Extension to Chertsey Cemetery	<u>88,200</u>
<b>Total</b>	<b><u>2,955,500</u></b>

4.2 The capital receipt for the sale of the Roakes Avenue site was £10,420,000.

4.3 These developments took a great deal of Officer and Member time to take from planning stage through to completion. The cost of this time has not been recorded. However, it would inevitably be a significant sum. The cost of capital tied up in the scheme, prior to the sale of the Roakes site, is also not reflected in the scheme costs.

4.4 The social rented units at Roakes Avenue and Painesfield are in the ownership of A2Dominion. The cost of providing these units was borne by A2Dominion and was met by grant from the HCA (formerly the Housing Corporation), a grant of £370,000 from Runnymede (paragraph 4.1), and the use of borrowing and internal resources by A2Dominion.

### 5. Lessons Learnt

5.1 The sale of the Roakes Avenue site took a great deal longer than was originally envisaged. This was predominantly due to having to extinguish a number of existing rights over the land and obtaining consents. Lessons have however been learnt and an examination of these issues will take place at an earlier stage in future developments.

6. Equality Impact Assessment

6.1 This report is an outturn for a project that commenced many years ago. There are therefore no Equality Impact Assessment implications.

7. Conclusions

7.1 This project has successfully achieved all of the original objectives and a range of outcomes including the increase in the number of affordable homes, the replacement of sub standard housing with decent homes, and an increase in general housing supply. Other community benefits include a new allotments site and an extension to Chertsey Cemetery.

7.2 The capital receipt from the sale of Roakes Avenue comfortably exceeded the costs of the overall scheme. This provides resources to enable the Council to finance general housing and other priorities as set out in the Sustainable Community Strategy.

7.3 Overall the scheme has been a success and one for which the Council can feel proud.

**(FOR INFORMATION)**

Background Papers

Relevant papers on DHCS file on Roakes Avenue

8. GOVERNMENT CHANGES TO COUNCIL RENT INCREASES 2009/10 (DHCS/DF)

1. Purpose of Report

1.1 **The purpose of the report is to:**

- i) **Set out the implications for Runnymede of the Government's offer to local authorities to bid for subsidy in order to reduce average rents for 2009/10 in line with the Minister's statement of 6 March 2009; and**
- ii) **Propose a reduction in the average rent increase for 2009/10 to 2.75% for the Council's stock.**

2. Background Information

2.1 On the 6 March, the Minister for Housing (Margaret Beckett) announced that:

*"... in the context of the present unprecedented global downturn, it is right that the Government offer real help to council tenants. I am therefore quite exceptionally prepared to offer authorities the opportunity to bid for additional subsidy, if, and only if they are preparing to revisit the level of rents set and reduce them by that amount.*

*We are therefore halving the national average guideline increase from 6.2% to 3.1% This will require the Department to issue new 2009-10 guideline rents for all local authorities. I am prepared to change the subsidy position of those authorities who reduce their actual average increase in rents in 2009-10 in line with the new national average."*

2.2 The DCLG issued a letter on 11 March to provide councils with an indication of how the new guideline rent increase for 2009-10 will be implemented and how it will be treated in the subsidy system. The letter announced that the DCLG would publish a draft amending determination for a brief period of consultation on these arrangements in the week beginning 23 March 2009.

2.3 The DCLG issued the draft Amending Determination for consultation on 26 March. The consultation period ended on the 24 April and Officers, in consultation with the Chairman and Vice Chairman, submitted the response at Appendix 'A'. The response set out the implications for Runnymede in accepting the draft offer, and a request that the Government meet fully the administration costs of changing rent levels. The response

provisionally accepted the Government offer, subject to the final determination being satisfactory.

2.4 On 20 May 2009 the DCLG issued the substantive Amending Determination, and a letter that set out the Government response to the consultation.

2.5 Runnymede increased its rents for council tenants by 6.1% from the first rent week in 2009/10 (6 April 2009).

### 3. The Report

#### 3.1 Government Offer

3.1.1 The Government are offering Councils the **option** of reducing their rents. Councils that accept the offer and reduce their actual rent increases will be compensated on the following basis:-

*if the Council's 2009-10 average actual rent increase is less than or equal to the **lower of**:-*

- 3.1% of the authority's average guideline rent in 2008-09; **or**
- 3.1% of the authority's actual average rent in 2008-09;

*then Communities and Local Government will give each participating council the increase in subsidy that a change to the national average guideline increase of 3.1% would result in for that Council.*

#### 3.2 Impact of the offer

3.2.1 All things being equal, one would expect the reduction in rents charged to tenants to be matched by reduced HRA Subsidy payable to the Government. However, the rules for setting rent and the amount of housing benefit that the Government will reimburse is one of the most complex areas of the HRA subsidy system.

3.2.2 The initial Government offer and associated determination used very precise wording and meant that unless the precise terms of the offer were met, then the Council's HRA Subsidy will revert to the original subsidy settlement. However, the letter dated 20 May from the DCLG states that it is not their intention to penalise authorities where the average rent varies during the year as part of the normal operation of the HRA. Therefore, this brings a welcome degree of flexibility by removing the risk that the terms of the Government offer will be inadvertently breached as a result of changes to average rent levels arising from activities such as letting of empty properties and Right-to-Buy sales.

3.2.3 The Ministers statement announced that the national average guideline increase would halve from 6.2% to 3.1%. However, the impact on each local housing authority is slightly different because of the impact of composition of stock types, changes in stock, and phasing in of rent restructuring. The DCLG has emphasised that each local authority will need to consider their own position compared to the guideline rents set down in the HRA Subsidy Determination.

3.2.4 The Government offer uses the average rent charged in 2008/09 as the starting point. The maximum rent increase allowed is then calculated by reference to the guideline rent used in the HRA Subsidy system. The calculation for Runnymede is:

	£
Average weekly rent in 2008/09	82.05
Maximum increase allowable (2.97%)	<u>2.44</u>
Maximum average weekly rent in 2009/10	<u>84.49</u>

- 3.2.5 The April 2009 rent increase applied to the Council's current housing stock was 6.1%. But, the average rent in 2009/10 is now 6.26% higher compared to the overall average rent of £82.05 for 2008/09. The reason for this difference is that 60 Wapshott properties were removed in stages throughout 2008/09 and these were small, low rented units. The average rent for 2008/09 of existing dwellings (i.e. excluding these former properties) was £82.19. Therefore, for this reason alone, the Council's current actual average rent has already increased mathematically by 14p per week compared to 2008/09.
- 3.2.6 To stay within the terms of the Government offer, the Council's average actual rent in 2009/10 can be no greater than £84.49. Although this is 2.97% higher than the actual average rent in 2008/09 of £82.05, it is only 2.8% greater than the average rent of £82.19 in 2008/09 for dwellings currently in our housing stock.
- 3.2.7 However, a lower level of overall increase of 2.75% on 2008/09 rents is proposed to give some margin for error and ensure that the average rent charged does not significantly breach the maximum allowed.
- 3.2.8 The impact on the HRA of taking up the offer is as follows:

<b>Impact on the HRA of taking up the offer</b>	
	£
Reduction in HRA Subsidy payable to the Government	390,000
Reduction in rent at 2.75% overall increase	(427,000)
Administrative costs for the HRA only (estimated)	(5,000)
<b>Net cost to the HRA in 2009/10</b>	<b>(42,000)</b>

- 3.2.9 This means that the HRA will incur a net cost of £42,000 by adopting the reduction in rents.
- 3.2.10 The HRA would need to meet the additional cost of £42,000. However, for 2009/10, the HRA will benefit from higher than estimated rent income because sales under the Right-to-Buy scheme are likely to be significantly lower than the 5-sales factored into the 2008/09 revised and 2009/10 budgets. This substantially offsets the additional cost of accepting the Government offer in 2009/10 and, taken together, has a neutral impact on the long-term HRA Business Plan.
- 3.2.11 The position regarding housing benefit is also worth noting. The Government pay 100% subsidy for housing benefit granted and because lower rents mean lower benefit being awarded, the Government will make a saving in benefit subsidy. Based on an average 50% of rent being met by housing benefit, the net cost to the Government of this change is £176,500 (i.e. extra HRA subsidy of £390,000, less benefit subsidy at 50% on the reduced rent income of £427,000 (equals £213,500).
- 3.3 **Implementation**
- 3.3.1 The 2009/10 rent increase of 6.1% was implemented from 6 April 2009. Changes in rent require a letter to tenants providing the necessary 28 day notice. The letters for the April 2009 rent increase had already been sent before the Ministers statement.
- 3.3.2 Rent changes for DIYSO properties are set for one year in line with the terms of their leases. Therefore, it is proposed not to reduce DIYSO rents this year, but instead make adjustment to these rents in 2010/11 to provide the benefit of the lower rent increase. Although this means that DIYSO tenants will have to wait for their rent reduction, those on variable-rate mortgages will be enjoying much lower mortgage payments at present.
- 3.3.3 In normal circumstances tenants would be given at least 4 weeks notice of a change to their rent. However, given that the notification would be for a reduction in rent, it could be possible to implement the reduction in a shorter timescale. It is proposed to charge reduced rents from the rent week commencing 20 July 2009.

- 3.3.4 The April 2009 rent increase (6.1%) will have been paid for the first 15 weeks of 2009/10. Therefore, to adopt the proposed new **average** rent increase in 2009/10 of 2.75%, it will be necessary to reduce rents accordingly throughout the remainder of the year.
- 3.3.5 An example of the rent charged for the average council dwelling for 2009/10 is set out below.

<b>Example of rent charged during 2009/10</b>		
	<b>Weekly Rent £</b>	<b>Total Rent £</b>
Charges in weeks 1 – 15	87.20	1,308.00
Charges in weeks 16 – 52	83.33	3,083.36
Average rent in year	84.45	4,391.36

- 3.3.6 Therefore, the average rent in 2009/10 will be £84.45; this being 2.75% higher than the average rent of £82.19 for 2008/09.
- 3.3.7 Rents at the Heathervale mobile home site and for rooms at reception centres will also need to be adjusted. The following table shows the proposed new rent levels compared to the rent charged last year and the rent currently charged:

<b>Weekly rents at Heathervale Mobile Home Site and Reception Units</b>			
	<b>2008/09</b>	<b>2009/10</b>	
	<b>Rent £</b>	<b>Current (to week 15) £</b>	<b>Proposed (weeks 16 – 52) £</b>
Heathervale Mobile Home Site			
Site rent	24.50	25.75	25.75
Rent of regular mobile home	42.25	44.25	42.25
Rent of large mobile home	63.00	66.00	63.00
Reception Centres			
Per adult per night	4.40	4.60	4.50
Per child per night	2.20	2.30	2.25

- 3.3.8 The site rent at Heathervale is charged on all plots, i.e. on both private and Council plots. It is proposed to keep the site rent unchanged and to adjust the rental for the Council-owned homes only.

#### 3.4 **Administrative Costs**

- 3.4.1 In their letter of the 20 May, the DCLG repeated that they will not provide extra resources for the HRA to cover the additional costs of implementing the Government offer. They have stated that the spending allowances in the HRA subsidy system for 2009/10, were set with inflation factors incorporated in the calculations appropriate at the time. The DCLG letter of 26 March stated that “*We would expect, therefore, that local housing*

*authorities will have the resources necessary to cover any such additional cost where it falls to the HRA". The reasoning behind this decision is that the provision for inflation included in the spending allowances for 2009/10 have not been reduced in line with the fall in general in inflation. This is ungenerous given that these allowances have not kept up with inflation or demands on the HRA over past years*

- 3.4.2 The DCLG have stated that they will write to local authorities regarding the additional one-off costs that fall to the General Fund i.e. to meet the administration of housing benefit arising from the changes.

3.5 **Impact on HRA Business Plan**

- 3.5.1 The reduction in HRA Subsidy payable to the Government will not be sufficient to fully pay for the reduction in rent income. However, the shortfall can substantially be met from increased rent income in 2009/10 as a result of lower RTB sales. Therefore, the short-term impact on the HRA Business Plan is modest.
- 3.5.2 All things being equal, the HRA Subsidy system will be "re-based" to take account of the one-off rent reduction. The need to remain under the Government's "offer limit" should be necessary in 2009/10 only. The long-term impact on the HRA should therefore be neutral.
- 3.5.3 It is not known how the DCLG will re-base the system in 2010/11, or whether there will be a new "offer" for authorities. It is possible that there will be a change in the profile of HRA Subsidy payments and/or management and maintenance allowances. This could have an adverse or beneficial impact on the HRA Business Plan.

4. **Equality Impact Assessment**

- 4.1 The reduction will be applied across the board and there are no apparent equality issues.

5. **Council Policy**

- 5.1 The Council has previously increased rents in line with Government guidelines.

6. **Conclusion**

- 6.1 It is disappointing that the Minister's offer arrived so late, comes with complicated conditions, and that the changes to HRA Subsidy are not sufficient to meet the full cost of the offer.
- 6.2 However, it is likely that the net cost of the offer can be met by resources available within the HRA during 2009/10. Therefore, a supplementary estimate will not be required.
- 6.3 The reduction in rent could be a significant help to working families and other tenants on relatively low incomes. The other Surrey districts with housing stock have also taken up the Government offer. It is reported that only one local housing authority in England has not taken up the offer. Therefore, Officers recommend that the Committee resolve to reduce rents to a level that achieves an average 2.75% increase over 2008/09 rents.

**OFFICERS' RECOMMENDATION that -**

**i) rents for Council properties, except DIYSO properties, be reduced to achieve an average rent increase of 2.75% for 2009/10 from the rent week commencing 20 July 2009; and**

**ii) DIYSO rents are adjusted in 2010/11 accordingly.**

**(TO RESOLVE)**

**Background Papers**

1. Letter from DCLG, "Council Rent Increase 2009-10" dated 11 March 2009.
2. Letter and draft HRA Subsidy Determination 2009-10 Amending Determination 2009-10,

dated 26 March 2009.

3. Letter dated 17 April 2009 from Director of Finance to DCLG in response to the draft determination.
4. Letter and HRA Subsidy Determination 2009-10 Amending Determination 2009-10, dated 20 May 2009.

9. AFFORDABLE HOUSING TARGET (DHCS)

1. Purpose of Report

- 1.1 **The purpose of this report is to advise the Committee on the progress that has been made towards meeting the Affordable Housing Target.**

2. Background Information

- 2.1 In December 2006 the Council adopted a new Housing Strategy and a number of principle targets. One of which was to deliver 500 affordable housing units over the five year period from December 2006 to December 2011.
- 2.2 The Surrey Local Area Agreement also contains a target to deliver additional affordable housing units and the following targets were set for the whole of Surrey:

1.	2008 – 2009	750 units
2.	2009 – 2010	800 units
3.	2010 – 2011	825 units

3. Report

- 3.1 The total number of units delivered against the Council's Housing Strategy Target amounted to 158 as at the 31 March 2009. This total includes 26 units delivered in 2007/8 and 132 units in 2008/9. A further 30 units at Pretoria Road, Chertsey will also be handed over within the next month.
- 3.2 The type of units that have been completed and their locations are outlined in the table at Appendix 'B'. From this it can be seen that the Council has delivered a range of property types and bedroom sizes. It has also been possible to provide both rented and low cost home ownership units as well as both general needs, key worker and supported housing.
- 3.3 There are currently 175 units under construction and the majority of these will be completed within the next 12 months. Details of these are set out in Appendix 'C'. These include 63 Home Buy Direct units which are being provided by the developer rather than a RSL.
- 3.4 There are also 11 possible schemes that have the potential to provide almost 300 units. Each of these are at different stages of delivery. The details of these are set out in the Exempt Appendix 'A'.
- 3.5 Amongst those schemes being prepared is Pinefields in Addlestone. The Council closed the Pinefields scheme when it became clear that the demand for traditional sheltered housing was diminishing. On this site planning consent has been granted for the provision of a scheme to provide 100% affordable housing (39 units). The new scheme will provide general needs accommodation and both houses and flats. It is to be developed by Thames Valley Housing Association who intend to apply to the Homes and Communities Agency for grant towards the scheme and to commence the development in the Autumn.
- 3.6 Officers are also continuing to meet with the two Registered Social Landlords (RSLs) who are developing the Franklands Drive site to provide 350 units of affordable housing. Again full planning consent for this development has been obtained. Some grant has been obtained but further grant funding is required. The two RSLs will be making further applications for grant and they also anticipate starting on the development in the Autumn. In the meantime, consultation arrangements with neighbouring residents during the period of the development are being worked up.

#### 4. New Zone Agent

- 4.1 In the past all new housing that has been built for sale (either Homebuy or Shared Ownership) has been marketed by Thames Valley Housing Association who were the Zone Agents for this area. The status of Zone Agent is awarded by the Homes & Communities Agency (previously the Housing Corporation) and RSLs have to bid periodically to retain Zone Agency status.
- 4.2 There has been a bidding round for Zone Agency during the last three months and the Agency for Surrey is no longer retained by Thames Valley Housing Association but has been awarded to Catalyst Housing Group. Officers are working with the new organisation setting in place new referral processes and links. The new organisation will be asked to promote their products to local residents to ensure a good take up of units. Any units purchased will count towards the Council's affordable housing target.

#### 5. Government's Budget Announcements on Affordable Housing

- 5.1 The Government have announced in their Budget on 22 April 2009 that £1bn of new money will be available for housing including:
- £400m (2009 – 10 only) to unblock development on stalled sites;
  - £100m (in 2009 – 10 and 2010 – 11) for councils to build new energy efficient housing (£50m grant, £50m borrowing permission).
  - £125m for cavity wall insulation and Combined Heat and Power in existing Council housing;
  - An expansion of existing mortgage rescue scheme including £20m for councils to help people out with multiple debts.
- 5.2 Officers are examining whether the provisions relating to Council house building provide an opportunity for Runnymede however, it should be noted that the funds are only sufficient to provide 1 – 2,000 units nationwide and are to be used for social rented units only.

#### 6. Financial Issues

- 6.1 The Housing Capital Programme was set out in detail at the last Committee including information on the funds available for affordable housing.
- 6.2 As indicated above, social housing grant is required in respect of both Pinefields and Franklands Drive. There will also be other schemes such as Safeways, the Brunel Campus site, and Blays Lane/Elm House that will require grant. The Council's funds are insufficient to enable commitments to be made for all such schemes. The Council will therefore encourage RSLs to apply to the Homes and Communities Agency for grant and will only consider making local funds available when these sources have been exhausted, and the funding requirement is within the scope of the Council's budget.

#### 7. Equality Impact Assessment

- 7.1 This item is provided for information and therefore there are no immediate Equality Impact Assessment implications.

#### 8. Conclusions

- 8.1 The Council has enabled 132 affordable housing units to be delivered during the last financial year and 158 since setting the target in the Housing Strategy Statement. A number of schemes are also under construction and will significantly increase the level of provision during the next year.

- 8.2 The achievement of the original 500 unit target is still a challenge, particularly in the current market, however Officers will continue to examine opportunities to make additional provision wherever possible and to progress the schemes that have been identified.

**(FOR INFORMATION)**

Background Papers

Relevant papers on The DHCS affordable housing file and specific scheme files.

10. SERVICE PLAN FOR HOUSING AND COMMUNITY SERVICES 2008/10 (DHCS)

1. Purpose of Report

1.1 **The purpose of the report is to make the Committee aware of the progress made on the Housing and Community Services Service Plan and National Performance Indicators. Information is also provided on the results of benchmarking**

2. Background Information

2.1 In November 2008 the Committee approved a new Service Plan for the period 2008/10.

2.2 Service Plans are a fundamental part of performance monitoring and contain actions from the Council's key strategic documents. The targets within the Plan are assigned to specific managers and used in appraisals to assess performance.

2.3 The Plans embody action points from the Sustainable Communities Strategy, the Housing Strategy, the Homelessness Strategy, the Private Sector Renewal Strategy, the Older Persons Strategy, the Equalities Action Plan, the Risk Management Plan and the Housing Revenue Account Business Plan.

3. Report

3.1 Attached at Appendix 'D' is a report setting out the current performance against each of the targets. A traffic lights system has been used to show where targets are progressing well, are at risk of not being delivered, are failing or are complete. Where targets have not been achieved then proposals for addressing them are also provided in the comments column. Targets that are assessed each year and have been achieved for 2008/09 are shown as complete. Attached to the Service Plan (see Appendix D(ii)) is the Departmental Equality Action Plan for Housing and Community Services covering the period January 2009 – March 2010. This document may be subject to change following recommendations made by the Equalities Workshop.

3.2 There have been some very significant achievements e.g. rent arrears have been reduced further this year, the number of non-decent homes is now reduced to 24, and SAP ratings have improved.

3.3 Unfortunately, a number of targets have not been progressed as far as it had originally been envisaged and are therefore labelled as failing or at risk. Lack of progress on many of these targets is as a result of staff shortages at a senior level within the Department. However, a new Officer has recently been recruited and it should now be possible to move forward on the majority of the outstanding issues.

3.4 In addition to meeting the targets within the Service Plan, the Council also has to report on the Government Performance Indicators. There are 4 Performance Indicators that are specific to this Committee and the outturn performance for 2008/9 for each of these Indicators is:

NI REF	Brief Definition	Freq	Target	Out turn	Perf	Comments
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				2008/09	Comp to 2007/08	
NI 155*	Number of affordable homes delivered (gross)	Annual (Sept and May)	500 units over 5 years	121		Details of the units provided are the same as those given in the Affordable Housing report elsewhere on this agenda.
NI 156	Number of households living in Temporary Accommodation	Quarterly	33	18		Performance is good. The number of households in temporary accommodation is low when compared against the target.
NI 158	% non-decent council homes	Annual (financial year)	Achieve 100% compliance by 2010	0.8%		Performance is good and now only 24 units fail the standard. Reduction of properties failing the Decent Homes Standard is as a result of demolitions and improvement programmes.
NI 160*	Local authority tenants' satisfaction with landlord services	Every two years, starting from financial year 2008/2009. The first survey should be carried out between 1 June and 30 Nov 2008.	Achieve upper quartile when compared to other social landlords.	86%	86%	Figures are taken from STATUS survey undertaken in 2008. Tenant satisfaction levels have been maintained and remain upper quartile. Although the 86% satisfaction level is the same as 2006/07, because the 2008/09 survey excluded sheltered schemes, where historically satisfaction levels are high, it is probable that the overall satisfaction for non-sheltered residents has increased slightly.

3.5 The Council also undertakes regular benchmarking of its housing services through a national organisation called Housemark. Housemark have recently undertaken a benchmarking exercise using the national STATUS survey, which all social landlords send to their residents. The survey was last conducted towards the end of 2008, and attached at Appendix 'D (ii)' is a summary of the results of the benchmarking exercise which shows comparatively high levels of satisfaction from Runnymede tenants.

#### 4. Financial Implications

4.1 The resource implications for each target are outlined within the Service Plan and reports are brought to Committee if there are any specific resource implications that spring from a particular target.

#### 5. Equality Impact Assessment

5.1 An Equality Impact Assessment is undertaken if new policies and procedures are required in relation to any specific target.

6. Council Policy

6.1 It has been the Council's policy since 2003 to adopt Service Plans. These assist the Council in achieving 2 of its main Strategic objectives i.e. to achieve quality services and continuous improvement.

7. Conclusions

7.1 A comprehensive Service Plan was established in November 2008. A range of measures have been taken and there have been a number of achievements. Measures are being taken to address any targets that have not been delivered.

**OFFICERS' RECOMMENDATION that -**

**the Committee notes the performance within the Service Plan and confirm whether the measures proposed to address any shortfall in performance are satisfactory.**

**(TO RESOLVE)**

Background Papers

DHCS Performance files

11. CONCESSIONARY BUS PASSES (DHCS)

1. Purpose of Report

1.1 **The purpose of the report is to approve a response to the Government's recent consultation paper on changes to the administration of concessionary travel.**

2. Background Information

2.1 A new national free travel scheme was introduced by the Government in April 2008 and allowed people aged over 60 and those who were disabled to travel for free anywhere in England between 9.30am and 11.00pm midweek and all day at weekends and Public Holidays

2.2 The 11 District Councils in Surrey, together with the County Council, operate a joint countywide scheme of concessionary bus travel. This is a long established partnership arrangement. Regular meetings of the Countywide Concessionary Fares Working Group are held to co-ordinate this scheme. The County Council contract with the bus companies to provide the service which is overseen by TAS. The 11 Districts contribute to the management of the service and the partnership functions well.

2.3 Along with many of the other District Authorities in Surrey, Runnymede agreed to grant free bus travel from 9am; an enhanced benefit to the statutory entitlement. This concession was agreed to allow residents to benefit from local conditions that were in place prior to April 2006.

2.4 The scheme does not apply to the Community Transport Services such as Dial-A-Ride.

2.5 In April 2009, the Department for Transport published a paper entitled *Possible Changes to the Administration of Concessionary Travel*. They have invited the Council to comment, by the 21 July 2009, on the contents.

3. Report

3.1 A copy of the executive summary from the Government's report has been placed in the Members' Room.

3.2 The report identifies a number of problems with the current arrangements for administration of the scheme. These include scheme variations across Travel Concession Authority (TCA) boundaries, too many negotiations with bus operators, lack

of capacity in some TCAs, difficulty of accurately funding TCAs and the non alignment of the TCA and transport authority responsibilities.

- 3.3 Outside of London the responsibility for administering the scheme rests with 263 TCAs. In Surrey a very good partnership arrangement exists with the County but this is not so in other parts of the country where individual arrangements are operated by single Districts. It is therefore understandable that the Government might wish to streamline the current arrangements and to provide a smaller number of TCAs.
- 3.4 The Government have identified in their paper various options for change. These include the following:
- i) Leaving things as they are now (i.e. largely with District Councils);
  - ii) Moving responsibility to upper tier authorities only (in the Council's case Surrey County Council); or
  - iii) Centralising administration completely.
- 3.5 The Government's initial view is in favour of a shift of responsibility from District to County Councils. It is felt that this would have additional benefits as it would ensure that concessionary travel responsibility would come under the same authority that has responsibility for wider transport issues.
- 3.6 The advantage of retaining the service within the Districts is that it can be delivered in conjunction with other services for older people and provides them with a local single point of contact. For this reason the preference would be to continue provision through the Districts.
- 3.7 It is therefore proposed that the Council's response to the consultation states this and furthermore suggest that partnerships such as the one created in Surrey are encouraged.

#### 4. Resource Implications

- 4.1 The Council's budget for the concessionary bus fares scheme is set out on page 58 of the Budget Book.
- 4.2 The payments to bus operators are estimated to be £330,000 in 2009/10. Administration costs total £62,100. The Council will receive direct Government subsidy of £166,100, leaving a net cost of £226,000.
- 4.3 Therefore, transfer of this function to the County would also transfer this cost.
- 4.4 In common with other transfers of responsibility between tiers of local government, it is highly probable that the Government would adjust Formula Grant entitlement to take account of the change in responsibilities. The consultation paper does not set out the possible methodology for this. However, when the change from half-price to a free local scheme was introduced in 2005/06, the Government included £280,000 in Runnymede's Formula Grant calculation to recognise the additional cost of this enhancement. All things being equal, this indicates that transfer of the whole function could result in a significantly greater loss in Formula Grant.

#### 5. Equality Impact Assessment

- 5.1. There is a possibility that if the administration of the scheme was centralised then the current concession provided by Runnymede that allows users to travel at an earlier time may be lost. An Equality Impact Assessment in respect of this change is attached at Appendix 'E' and from this it can be seen that the change would impact on disabled people who are in work. This point will be made in response to the consultation, however it must be noted that as this change is to be imposed by Government there is little that the Council can do in terms of mitigation.

#### 6. Conclusions

- 6.1 Alignment of the duty of operating the concessionary fares scheme with the transport authority seems a logical step to take. However, it has the potential to impact on service users as they lose a local single point of contact and may also lose the local concession. It will also have a number of potentially significant financial implications for the Council. It is therefore proposed that the Council responds and recommends that the Districts retain the function and that those Districts that do not have a County-wide or similar partnership should be encouraged to create one.

**OFFICERS' RECOMMENDATION that –**

**the response as set out in paragraph 6.1 above be made to the Department of Transport.**

**(TO RESOLVE)**

Background Papers

DF and DHCS Concessionary Bus Fares Files

12. REVIEW OF EXTENSION MADE TO THE COMMUNITY ALARM TELECARE (CAT) DISCHARGE PROJECT (DHCS)

1. Purpose of Report

- 1.1 **The purpose of the report is to advise Members of the progress made in extending operations within the Community Alarm (Careline) Section of Community Services.**

2. Background Information

- 2.1 In November 2008, a report (see Appendix 'F') was presented to the Housing and Community Services Committee recommending both extending established Careline services to provide Telecare Services and entering into new arrangements with local partners to increase take up.
- 2.2 This report should be read in conjunction with Appendix 'F' and provides an update on how each of these services initiative is progressing.

3. Report

3.1 Continuation of Community Alarm Telecare (CAT) Project

- 3.1.1 The take up of the CAT alarms continues to be good, with 26 installed since January 2009.
- 3.1.2 The breakdown of these installations is 24 health related and 2 for victims of distraction burglaries.
- 3.1.3 Since the November Committee meeting, negotiations have also taken place with Supporting People and they have agreed to cover the cost of all CAT's referrals for the free 12 week period. This means that these cases are now cost-neutral for the Council.

3.2 Telecare with Elmbridge and Spelthorne

- 3.2.1 Negotiations with the two neighbouring Boroughs were successful and the two year pilot project for providing Telecare to Runnymede residents commenced on the 6 April.
- 3.2.2 Presentations have been given by the Head of Community Services to the local social care and health teams, explaining what services are available and how to access them. This development was greeted very enthusiastically.
- 3.2.3 To date, uptake of the service has been slow with 15 referrals having been received. Of those only 2 actually resulted in an installation.

### 3.3 Careline Funding from Social Services

- 3.3.1 To date progress with this proposal has been less successful. Due to restructuring within the County Council's Adult Services department, the originator of these proposed changes has been seconded elsewhere leaving the Runnymede Officers to deal with other managers who do not have the same commitment to the initiative
- 3.3.2 Officers are, however, still providing for this initiative to go ahead and it is hoped that there will be something more positive to report at the Committee meeting.

#### **(FOR INFORMATION)**

#### Background Papers

Relevant papers on DHCS CAT file

### 13. HEALTH AND SAFETY REVIEW OF CONTRACT MANAGEMENT (DHCS)

#### 1. Purpose of Report

- 1.1 **The purpose of the report is to seek approval to commission Croner Limited to improve the Department's Health and Safety position in respect of Housing Maintenance.**

#### 2. Background Information

- 2.1 Although the Council does not directly employ the workforce that undertakes repairs and maintenance to Council owned properties, there is still a responsibility to ensure that those operatives working in our properties are competent and adequately trained.
- 2.2 Whilst the Council can never transfer its Health and Safety responsibilities onto contractors, larger companies have in place policies and procedures in respect of Health & Safety which provide a degree of reassurance that their employees are competent.
- 2.3 However, in the case of response maintenance, the Council employs a number of smaller contractors, many of which are single operatives. Whilst a number of these contractors have worked for the Council for many years, and have provided competent work throughout, it is difficult to provide evidence that these contractors have the required level of competency. This has been a cause of concern, which prompted Officers to commission a review of our procedures. The review was undertaken by Croner Consulting Limited and a copy of their report has been placed in the Members' Room.
- 2.4 The Croner report states that "some effort is being made to ensure that the contractors who carry out work on behalf of the Housing and Community Services Department are competent to do so. There are policies and procedures in place, contractors are asked health and safety questions and how they manage health and safety in their company. All positive, but it does not go far enough". They identify a number of weaknesses. The main failings are in implementing the policies and procedures and monitoring what is taking place on site. The report recommends the following:
- i) Develop the pre qualification questionnaire for contractors with more than five employees in order to be certain of their competency following Appendix 4 of the Code of Practice for the CDM Regulations;
  - ii) Develop a separate pre qualification questionnaire for less than 5 employees;
  - iii) Devise a scoring system or matrix for justifying approval or non-approval;
  - iv) Develop the consultancy questionnaire to include health and safety;
  - v) Review current questionnaires and update;

- vi) Implement the procedure for the monitoring of contractors;
- vii) Ensure regular monitoring takes place with reports produced;
- viii) Ensure prior to any contract being awarded that the specific risk assessments and method statements are reviewed and agreed;
- ix) Produce proforma for risk assessment and method statements for contractors to assist them in carrying out their duty, ensure consistency and raise the standard of health and safety amongst your contractors;;
- x) Provide risk assessment training for contractors.

The Officers accept the findings of the report, and wish to adopt the recommendations.

### 3. Report

- 3.1 Whilst it might be possible for maintenance staff to undertake the work required to meet the requirements of the Croner recommendations, the resources required would take staff away from the day to day management of the maintenance service, and it is felt that adopting the recommendations could not be achieved without additional resources.
- 3.2 Attached at Appendix 'G' is a summary of a management plan prepared by Officers which attempts to quantify the volume of work required to undertake the recommendations from the Croner Review. As can be seen, Officers estimate that as many as 759 hours would need to be devoted to the task, together with £8,500 costs for training and associated expenditure. The overall cost of attempting to undertake this work in-house has been estimated to be in the region of £30,000.
- 3.3 Croner have offered to undertake the work in the sum of £25,200, which in addition to being less expensive than the in-house option, has the additional advantage of having Croner's expertise in Health and Safety matters. The Council can never completely hand over responsibility for Health and Safety to others, and a level of responsibility will always remain in respect of ensuring maintenance work is undertaken safely. That said, should the Council adopt the recommendations from the Croner review and commission Croner to develop departmental pre-qualification questionnaires, scoring matrixes, risk assessment pro-formas, method statements and training, it should provide Officers and Members with some comfort that the Department's Health and Safety arrangements are in order.

### 4. Financial Considerations

- 4.1 A supplementary estimate in the sum of £25,000 would be required to enable the Council to commission Croner to undertake the work required to ensure the recommendations in their report are adopted. The work would be a cost to the Housing Revenue Account.

### 5. Legal Considerations

- 5.1. In order to discharge its duties under the Health and Safety at Work etc Act 1974, the Council must ensure that proper procedures are in place to ensure, so far as is practicable, the health and safety at work of employees and non employees involved in their activities. Criminal sanctions apply in the event of a failure to comply with the Statutory Duty. Adoption of the recommendations contained in the report and the implementation of them should protect against a breach of the duty and provide a defence in the event of a prosecution.

### 6. Equalities

- 6.1 Officers believe that there are no equality issues in respect of adopting the recommendations from the Croner review of contract management.

### 7. Council Policy

- 7.1 The Council is committed to providing the highest standards of public service. Central to this aim is a commitment to ensure the health, safety and welfare of Council employees and others.
- 7.2 To this end, the Council will fully and conscientiously meet its duty of care to all of its employees and those who are likely to be affected by the way it conducts its business activities. It will ensure the maintenance of high standards, regularly review the effectiveness of its policy and will endeavour continuously to improve its health and safety performance.
8. General Instructions on the use of Consultancy Services
- 8.1 The Instructions for appointing Consultants appended to Standing Orders for Contracts require that three quotations should normally be sought but that the Committee may approve a different manner of appointment. Croner have undertaken the current assessment without additional charge and having made this initial assessment have carried out work that another consultant would have to be paid for. Officers are checking to see if there are alternative ways of undertaking this work at reduced cost and will report findings at the meeting, but if this is not the case, then the Committee is asked to waive the Instruction requirement.
9. Conclusion
- 9.1. It is important that contractors working for the Council are competent and are adequately trained to undertake the work they are asked to perform. The Council must be able to show that it has taken steps to ensure contractors have an adequate level of competency, and the commissioning of Croner to undertake a review of existing arrangements has revealed a number of weaknesses.
- 9.2 It is important that the identified weaknesses are addressed, and it is the Officers' recommendation that Croner be appointed to undertake the necessary work.

**OFFICERS' RECOMMENDATION that –**

- i) the General Instructions 4(iv) and 4(vii) be waived and Croner Consultancy Limited be appointed to undertake the work associated with the recommendations in their report; and**
- ii) the Corporate Management Committee be requested to approve a supplementary estimate in the sum of £25,000 to enable this work to be undertaken, the cost to be a charge to the Housing Revenue Account.**

**(TO RESOLVE)**

Background Papers

None

14. GOVERNMENT CONSULTATION ON THE PRIVATE RENTED SECTOR (DHCS)

1. Purpose of Report

- 1.1 **The purpose of the report is to request Members to respond to the recent Consultation Paper issued by the Department for Communities and Local Government on proposed changes to the private rented sector.**

2. Background Information

- 2.1 On 13 May 2009, The Department for Communities and Local Government (DCLG) issued its response to the independent review of the private rented sector and recommendations made within Law Commission reports. The response has been issued for consultation and is named "The Private Rented Sector: Professionalism and Quality -

The Government Response to the Rugg Review". Responses to the consultation are to be submitted by 31 July 2009.

- 2.2 A copy of the Consultation Paper has been placed in the Member's room. It is also available on the DCLG website at <http://www.communities.gov.uk/publications/housing/responseruggreview>

3. Purpose of the Consultation

- 3.1 The Housing Act 2004 introduced measures to tackle perceived abuses within the private rented sector. These measures included the introduction of the tenancy deposit protection scheme, the housing health and safety rating system, enforcement powers for local authorities, mandatory licensing for the highest risk houses in multiple occupation, and the option of discretionary supplementary licensing regimes in specific areas.

- 3.2 The proposals outlined in the current consultation paper aim to "develop the private rented sector further and encourage a professional, high-quality private rented sector which is responsible to tenants but where bad landlords no longer operate." Proposals include the setting up of a landlords register, letting agents registration, suggestions for improved engagement between local authorities and the private rented sector and the potential for extending accreditation schemes.

4. Impact of the Proposals

- 4.1 Many of the recommendations made by the report do not directly impact on the local authority, such as the setting up of a national register for landlords and national regulation of letting and management agents. The areas where the local authority will be affected will be the development of "Social Letting Agencies", the engagement with the private rented sector and local authority involvement in setting up extended accreditation schemes.

- 4.2 Runnymede Borough Council currently administers an accreditation scheme for student accommodation. This currently involves dealing with around 50 properties a year. It is anticipated that there will be significant resource implications if accreditation is introduced for all landlords.

- 4.3 The 2008 Private Sector Stock Condition Survey (Fordham Research) estimates that there are 4,274 private rented dwellings in Runnymede. The consultation report estimates that just under three-quarters of all landlords are private individuals or couples rather than companies; and over half of all landlords own fewer than five properties with only 3% of landlords owning over 250. It is possible therefore that over 3,000 landlords in the Runnymede area would come in to the scheme.

5. Response to the Consultation Paper Questions

- 5.1. The consultation paper asks 38 questions under 2 main headings. There are 10 sub-headings, some of which have questions and some not. The questions and suggested responses to questions are contained in Appendix 'H'. The headings and sub-headings are:

- The right regulatory framework
- A national register of landlords
- Assessment of existing licensing regimes
- Written tenancy agreements
- Ensuring the right coverage for the legislative framework
- Regulation of private sector letting agents and management agents

- Improved redress for tenants and landlords
- Supporting the market to deliver increased supply and professional management
- Private rented housing investment fund
- Mortgages for the private rented sector
- The fiscal framework for landlords
- Improved engagement with the sector
- Improving the evidence base
- Private rented sector and the voluntary sector
- Local authorities and the private rented sector

#### The Right Regulatory Framework

- 5.2 The Housing Act 2004 tackles the poor stock condition of the private sector and since the introduction, conditions have been improving. However in 2006, nationally 40% of the private rented stock failed to meet the basic decent homes standard. Of these, over 30% could be classed as having category 1 hazards under the new framework. The report is seeking to investigate how the regulatory and incentive structure for the private rented sector can be improved to secure energy efficiency improvements for all private tenants and especially those in receipt of housing benefits.

#### A National Register of Private Landlords

- 5.3 In an attempt to support good landlords, drive out bad landlords and secure improvement in the quality of the worst stock, a national register of private landlords is proposed. The register is intended to be “light touch”, and have a key role in disseminating information to landlords and ensuring that they have the basic skills and knowledge so that they can carry out their business. The consultation document proposes that the register will take on the following characteristic functions:

- The register would be nationally run by an independent organisation procured by Government and be web and telephone based
- Landlords or their agents would register annually and pay a small fee to cover costs and in return would receive a unique landlord registration number
- Landlords would not have to meet any pre-set criteria in order to register and only minimal data would be required such as name, address and the addresses of property holdings of the landlord at the time of registration
- Landlords would be given access to various services in return for registering including a “starter pack” for new landlords, standard forms and tenancy agreements and electronic notifications linked to legal and other requirements
- There would be a public-facing element of the register and landlords could use it as a shop window for their properties
- The register would include information concerning energy efficiency
- Energy Performance Certificates (EPC) data would provide a way to target offers for landlords and provide data for local authority enforcement work
- In order to ensure enforcement, the landlord registration number would be a pre-requisite for the conduct of all business

- In the event of persistent abuses and/or failure to comply with the regulatory regime, a landlord could be removed from the register and existing powers used to take over the management of property. The decision would be taken by an independent body with a right of appeal. The intention is that the landlord would no longer be able to let out the property his/herself. A further consideration would be whether housing benefit would continue to be paid.
  - Consideration would need to be given to who should have access to the private part of the register e.g. the landlord and enforcement officials.
- 5.4 The consultation questions seek views about the type of information which should be collected, what services could be linked to the register and what would happen if someone is to be removed from the register.

#### Assessment of Existing Licensing Regimes

- 5.5 The consultation paper is seeking views on the existing licensing regime and whether selective licensing should be introduced, e.g. in a designated area where there is a low demand for housing or when anti-social behaviour exists. The Housing Act 2004 already permits the introduction of discretionary accreditation licensing schemes but views are sought as to the conditions which could be associated with these schemes.

#### Written Tenancy Agreements

- 5.6 At present it is possible for a tenancy agreement to be verbal and it relies on the legislation governing landlord and tenant relationships to determine arrangements. It is proposed that in future all tenancies should take the form of written agreements.

#### Ensuring the Right Coverage for the Legislative Framework

- 5.7 Currently, the legislative framework and protections is limited to tenancies where the aggregate annual rent is less than £25,000. The proposal is to increase the threshold to £100,000.
- 5.8 This proposal is welcome as currently some HMOs (Houses in Multiple Occupation) are outside of the current level and therefore exempt from the legislative framework.

#### Regulation of Private Sector Letting Agents and Management Agents

- 5.9 The Government established the National Approved Lettings Scheme (NALS) in 2002 and the industry-led organisations such as the Association of Residential Letting agents (ARLA) and the Royal Chartered Institute of Chartered Surveyors (RICS) exist to encourage a responsible and regulatory approach to letting. However, only 50% of the 8,000 managing agents in the country belong to any of these organisations. It is therefore proposed that there is full mandatory regulation of private sector letting agents and management agents. The proposal is that the regulation should be carried out by an independent body and that it should be compulsory. Full regulation would require:

- Entry requirements
- Code of practice for members (including a requirement that they do not let properties which do not comply with decent homes standards)
- Requirements to have in place business and consumer protection measures (such as client money protection, independent complaints procedures and linked redress, professional indemnity insurance)
- Monitoring of compliance by the regulatory body
- Enforcement powers and the ability to put in place sanctions.

- 5.10 The consultation raises questions about whether those agencies operating as estate agents as well as letting agents should be registered by one agency or two.

#### Improved Redress for Tenants and Landlords

- 5.11 Concern has been expressed by landlords and stakeholders about the amount of time courts take to serve both tenants and landlords. However, in cases submitted, the HM Court Services confirms that the average time taken from the date of claim to the date that an order is made is 6 weeks. Advice is sought about how to improve procedures.

#### Supporting the Market to Deliver Increased Supply and Professional Management

- 5.12 A number of proposals are listed under this heading:

##### Private Rented Housing Investment Fund

- 5.12.1 On 1 May 2009, the Homes and Communities Agency (HCA) launched an “expressions of interest” process for a Private Rented Sector Initiative (PRSI) which will offer institutions interested in investing in the sector an opportunity to invest on a large scale and for the long term. The aim is to offer long-term funding models for the delivery of new private rented housing in England.

##### Mortgages for the Private Rented Sector

- 5.12.2 Buy-to-let mortgages have been a key factor in encouraging small scale investment in the sector and facilitating easy entry into landlordism. Work has been undertaken with mortgage lenders to provide safeguards for tenants such as rent-back schemes. Since 6 April 2009, lenders taking possession proceedings must give the maximum possible notice of nearly two months notice of proceedings.

##### The Fiscal Framework for Landlords

- 5.12.3 The Treasury is continuing to review stakeholder suggestions for changes to the tax system to support the private rented sector.

##### Improved Engagement with the Sector

- 5.12.4 Landlords should expect engagement in a professional business-like fashion and with support available where necessary.

##### Improving the Evidence Base

- 5.12.5 Work is progressing on assessing existing data sources on the private rented sector. It is intended to develop a more sophisticated and disaggregated understanding of the sector, both geographically and in terms of the “sub-markets” that were identified in the review. For instance, the evidence base on the housing benefit segment of the market. In addition, there will be research to understand how the private rented sector operates as a business model.

##### Private Rented Sector and the Voluntary Sector

- 5.12.6 The value of constructive engagement with key voluntary organisations has been recognised as currently some organisations view the private rented sector negatively. It is recommended that staff in voluntary organisations, like CAB, attend training in private rented sector housing management. Existing services such as those offered by the NLA Landlord library should be made more widely available to enable a better understanding.

##### Local Authorities and the Private Rented Sector

- 5.13 It is recognised that often local authorities have to balance activities within resources available, for example the following up of complaints is often in conflict with the need to take a more strategic view to address the worst conditions in the area. The consultation report recommends that local authorities should undertake a number of measures:

##### Day-to-day engagement

5.13.1 It is suggested that local authorities should be actively encouraged to explore ways in which to improve their engagement with private landlords in their area. Examples given are to:

- Engage with landlords in the first instance through their small businesses unit, rather than enforcement
- Train staff in private sector housing management
- Include the private rented sector in local authority strategies
- Improve the local evidence bases on the private rented sector as part of a local authority's strategic housing assessment
- Engage with Chartered Institute of Environmental Health (CIEH) and Chartered Institute of Housing (CIH) in developing skills and expertise.

5.13.2 It is also suggested that Landlord Associations should actively encourage Local Authority Members.

#### Local Lettings Agencies

5.13.3 Many local authorities use the private rented sector as an integral part of the housing options for those in housing need and constructive relationships have been developed to house vulnerable households in these properties, and to sustain them in those tenancies. In order to build on the positive experiences, it is proposed that each local authority should develop a more co-ordinated approach to securing private rented sector tenancies for low income households, particularly where this involves Government funded landlord incentives. This "local lettings agency" (LLA) approach should be the focus of engagement with private rented sector providers.

5.13.4 The Council currently operates a private sector resettlement service for people facing homelessness and this operates in a similar way to a local letting agency. It currently attracts funding from the DCLG towards the administration of the scheme. Deposit bonds (a guarantee of a deposit rather than payment) and rent in advance are offered to landlords and home visits are undertaken to sustain the households in those tenancies. The consultation report suggests an extension to existing schemes of this type but it is not clear what this will entail. Further investigation is required to establish whether the enhancements could be accommodated within existing resources. There is currently a limited budget for the provision of deposits/bonds and this will, in itself, constrain the number of landlords the Council can assist in this way.

#### Improved Coverage for Accreditation Schemes

5.13.5 The DCLG would like to see accreditation being made available to all landlords wherever they operate. It is suggested that local authorities should join together to develop joint accreditation schemes. In order to support the use of accreditation as a form of "kitemark" for the industry, consideration is also being given to whether a national standard for accreditation schemes should be established. It is likely that there are resource implications in developing cross boundary schemes on the scale implied.

### 6. Resource Implications

6.1 There will be significant extra costs should local authorities be expected to resource additional accreditation schemes together with associated inspections and/or enforcement action. The development of local lettings agencies may also require additional resources, and funding will be required for the proposed training for private sector housing staff. It is not clear whether the Council's Formula Grant allocation would be increased to meet the cost of these additional duties.

### 7. Legal Issues

7.1 It is not currently clear whether or not legislation is required to implement the proposals. This will depend on whether or not the measures are to be made mandatory.

8. Equality Impact Assessment

8.1 There are no obvious equality issues at this stage.

9. Conclusions

9.1 The encouragement of the private rented sector to be more professional in its approach and the desire to improve the quality of the private sector rented housing is in general welcome and will be beneficial for landlords, tenants and local authorities. The establishment of a national register of landlords and regulation of letting agents would be beneficial if there were meaningful incentives for landlords to register and penalties for them if they do not comply with standards. However, this is not currently proposed.

9.2 There is likely to be a need for significant additional resources to fund training and extra staff for the extension of accreditation scheme and the extension of the social lettings agency.

9.3 Members are asked to consider the response to the questions raised at Appendix 'H', to indicate any amendments or additions required and to approve the final document to be submitted to the Government.

**OFFICERS' RECOMMENDATION that –**

**the responses outlined in Appendix 'H' be submitted to the Department of Communities and Local Government.**

**(TO RESOLVE)**

Background Papers

“The Private Rented Sector: Professionalism and Quality – The Government Response to the Rugg Review”. (May 2009)

“The Private Rented Sector: its contribution and potential” by Julie Rugg and David Rhodes referred to as the “Rugg Review” (October 2008)

“Renting Homes: the final report” by the Law Commission (May 2006)

“Housing Proportionate Dispute Resolution” by the Law Commission (May 2008)

“Housing Encouraging Responsible Letting” by the Law Commission (August 2008)

“The Housing Act 2004”

15. FINANCIAL MONITORING STATEMENT (DF)

1. Purpose of Report

1.1 **To present the financial monitoring statements for the 2009/10 financial year for Housing services and Community services.**

2. Background Information

2.1 The Financial Monitoring Statement was introduced to all Committees in September 2006 to inform Members of the current financial position of the services under the remit of each Committee. This Committee receives two statements, one for Housing services and the other for Community services.

2.2 Each statement reflects an updated position based upon the 2009/10 original estimates approved by this Committee in January. The Financial Forecast previously approved by Council in December 2008 has now been updated to reflect changes made during the updating of the Council's Revenue estimates.

3. Report

- 3.1 The two statements at Appendix 'I' are split into three distinct parts:
- Projected budget and forecast
  - Savings still to be delivered
  - Current year key budget indicators
- 3.2 The projected budget and forecast sections show the anticipated variations in the current year's budget. These variations are categorised as approved changes and other potential changes. Implications for the following three years are included for completeness so that the full-year effect of any changes can be seen.
- 3.3 The achievement of the revenue reductions programme approved by the Council is one of the Council's key performance indicators. Savings targets not yet achieved are reported in the second section of each statement. These savings are all incorporated into the projected budget and forecast figures in section one.
- 3.4 The final section sets out the key budget indicators for the significant areas of this Committee's budget. This indicates the actual income received set against the amount expected (the budget) for the period covered by each statement.

**(FOR INFORMATION)**

Background Papers

None stated.

16. STANDING ORDER 42 – URGENT ACTION

The following action has been taken after consultation with the Chairman and Vice-Chairman (Housing Services) of the Committee under Standing Order 42.

<u>Officer</u>	<u>Action</u>	<u>Central Index No</u>
Director of Housing and Community Services	Approval of response to the DCLG consultation paper on changes to the HRA Subsidy	692

**(FOR INFORMATION)**

Background Papers

SO 42 proforma No 692 on Committee Section SO 42 file.

17. EXCLUSION OF PRESS AND PUBLIC

**OFFICERS' RECOMMENDATION that –**

**the press and public be excluded from the meeting during discussion of the following reports under Section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in appropriate paragraphs of Part I of Schedule 12A of the Act.**

**(TO RESOLVE)**

**PART II**

**Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

a) Exempt Information

Para

18. REVIEW OF RUNNYMEDE BOROUGH COUNCIL'S COMMUNITY  
TRANSPORT SERVICES

3

b) Confidential Information

(No reports to be considered under this heading)