

Runnymede Borough CouncilHOUSING COMMITTEE11 January 2012 at 7.30pm

Members of the Committee present: Councillors J R Furey (Chairman), P Taylor (Vice-Chairman), J R Ashmore, Mrs D V Clarke, T Dicks, R J Edis, Mrs M Roberts, P I Roberts and Mrs G Warner

Members of the Committee absent: Councillor S M Mackay

Councillor P J Waddell also attended

Mrs J Hill attended as the Tenants' Representative.

441. FIRE PRECAUTIONS

The Fire Precautions were read out.

442. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Group listed below had notified the Chief Executive of its wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

<u>Group Requesting Change</u>	<u>Remove from Membership</u>	<u>Appoint Instead</u>
Conservative	Councillor P A Francis	Councillor Mrs D V Clarke

The Chief Executive had given effect to these wishes in accordance with Section 16(2) of the Local Government and Housing Act 1989.

443. MINUTES

The Minutes of the meeting held on 7 September 2011 were confirmed and signed as a correct record.

444. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S M Mackay.

445. REVENUE ESTIMATES FOR 2012/13

Members considered, in detail, the draft Revenue Estimates for 2012/13 which were appended to the agenda report. These were divided into the following sections:

- i) Housing Revenue Account (Annex '1')
- ii) General Fund Housing Services (Annex '2')
- iii) Fees and Charges (Annex '3')
- iv) Assumptions used in setting the budgets for 2012/13 (Annex '4')

With regard to Annex '3' (Fees and Charges) a replacement page (61) was tabled at the meeting as an Addendum. This replacement page set out a revised increase in (i) property rents at 7.2% and, (ii) garage rents at £10 per week. A Member of the Runnymede Independents expressed his concern at the late notification of this information. Members learnt that this had arisen from the

Chairman's and Vice-Chairman's discussions at call-over on the previous day. The Member of the Runnymede Independents further opined that all Members of the Committee should have received this information well before the start of this Committee meeting in order to allow them sufficient time to fully consider the implications, particularly, as the Estimates had been circulated to the Committee over a week earlier.

Mrs Hill, on behalf of the Runnymede Tenants, commented that a rise of 7%, or more, would inevitably cause some families hardship. Such a rise also seemed hard to justify at a time when the HRA was in surplus. A number of tenants who had become aware that rents were set to rise had already expressed their concerns to her.

The Chairman, in justifying the proposed increases, referred to the Council's stated intention to continue to provide and deliver the existing level of services to all residents without reduction. Runnymede's rents, he also noted, compared most favourably with those of Elmbridge and Spelthorne.

During the resulting discussion several points of clarification were sought by Members. It was then –

RESOLVED that –

- i) the draft Revenue Estimates for 2012/13 be approved as submitted and the Corporate Management Committee be requested to make provision accordingly; and**
- ii) the proposed increases in rents and charges for 2012/13, as set out in Annex '3' to the Estimates, subject to an amended page 61 which now sets out the increase in property rent at 7.2% and the garage rents at £10 per week be approved, to be effective either from the first rent week of April 2012 or 1 April 2012 as appropriate.**

446. HOUSING REVENUE ACCOUNT BUSINESS PLAN AND ASSET MANAGEMENT STRATEGY

Approval was sought for the Council's draft Housing Revenue Account (HRA) Business Plan and Asset Management Strategy both of which were appended to the agenda report. Officers had also produced an HRA Action Plan, linked to the HRA Business Plan. This contained performance indicators and key targets for the coming year. Some replacement pages for this latter document concerning Performance Management, Stock Investment/Management, Estate Regeneration and Provision of New Homes, were tabled as an amendment.

Members were reminded that the Localism Act 2011 had introduced the new arrangements to replace the HRA subsidy system with a self-financing system for Council housing finance which would come into effect on the 28 March 2012. Whilst the Council had no choice in this matter, the content of the HRA Business Plan was, however, discretionary and the Council could choose how it utilised any future surpluses within the Plan. The Plan itself set out aims and objectives, governance arrangements and an explanation of investment options and priorities. It also contained a financial model which indicated the financial viability of the Council's housing stock over the next 30 years. At the current time, the proposal was to maintain the existing stock to the Decent Homes Standard and to tackle isolated pockets of stock that were not up to current day standards. Separate reports were still to be brought to Committee on these particular initiatives, at which point the Equalities issues would be considered.

Prior to preparing the HRA Business Plan, it had been also necessary to review previous assumptions made about the housing stock and to consider future requirements. An Asset Management Strategy had, therefore, been drafted setting out these issues and formed the basis of the financial assumptions within the HRA Business Plan.

Members noted the current draft documents and, subject to the tabled HRA Action Plan amendments, removal of some typographical errors and duplicated sections they gave their approval to both documents.

RESOLVED that –

subject to the above mentioned amendments being made, the HRA Business Plan, Action Plan and Asset Management Strategy be approved.

447. GOVERNMENT PAPER : LAYING THE FOUNDATIONS : A HOUSING STRATEGY FOR ENGLAND

The Committee was advised of the recent publication, in late November 2011, of the Government's Housing Strategy "*Laying the Foundations: A Housing Strategy for England*".

The Committee noted both the Prime Minister's and Deputy Prime Minister's forward for the document, as well as the Executive Summary.

In the Strategy, the Government acknowledged the need to build more housing to meet the demands of the growing population as well as identifying a number of other key issues including the need to encourage house building in order to assist economic growth.

The Strategy presented existing policies and initiatives on:

- Increasing supply
- Social housing reform
- The private rented sector
- Empty homes
- Housing support
- Quality and design

It heralded a number of new schemes to address these issues including:

- i) A new-build indemnity scheme that would provide up to 95% loan to value mortgages for new build properties in England – to be launched in spring 2012;
- ii) A £400 million *Get Britain Building Programme* which would support firms in need of development finance – a prospectus issued in December 2011;
- iii) Funds to pay for essential new infrastructure;
- iv) Freeing-up public sector land – this was linked to the HCA's Land Disposal Strategy and involved disposing of surplus land held by Government departments including the Ministry of Defence, Transport, etc;
- v) A Custom Build Homes Programme. £30 million would be available for new funding to support short term project finance – details to be issued in early 2012;
- vi) Changes to the Right to Buy Scheme that enabled a "one-for-one" replacement of homes sold – 6 week consultation issued *on-line* on 22 December 2011. In this consultation the Government had announced its intention to increase the caps on Right to Buy discounts, to encourage more tenants to take up the Right to Buy. It also set out the Government's commitment to ensure that the receipts on every additional home sold under the Right to Buy were used to fund replacement, on a one for one basis, with a new home for Affordable Rent. This consultation further set out the Government's proposals for how this would be achieved and sought views by 2 February 2012 on a number of questions relating to the proposals.
- vii) £100 million funding to bring problematic empty homes back into use – allocations to be made by April 2012.
- viii) The Green Deal to revolutionise the energy efficiency of British homes - details to be launched in autumn 2012.

With regard to the Consultation document - *Changes to the Right to Buy Scheme* - it was agreed that in view of the closing date for comments, which was before the March meeting of the Committee, the Director of Housing and Community Services would agree a suitable response in consultation with the Chairman and Vice-Chairman.

Officers would report, again, as further information became available.

448. TENANCY STRATEGY AND POLICY

Members' approval was sought for the broad principles contained within the new Council's Tenancy Strategy and Tenancy Policy both of which were appended to the agenda report.

At the last meeting of this Committee, Members considered a report setting out the details of the Social Housing Reform. The Localism Act had now received Royal Assent. The Act required Local Authorities to compile and publish a Tenancy Strategy for the Borough and a Tenancy Policy for the Council's housing stock. The Tenancy Strategy was designed to try and control how all social landlords (Housing Associations, Registered Providers and the Council) set tenancies and to maximise the use of the housing stock, whilst also minimising the chance of evictions. The Strategy required the setting out of the following:

- a) The kind of tenancies the Council wished to see;
- b) Whether fixed term tenancies were to be used and if so the length of those tenancies;
- c) The circumstances under which the Council felt that longer tenancies should be given;
- d) The circumstances under which the tenancy might or might not be reissued at the end of a fixed term.

The Tenancy Policy for the housing stock must set out all of the above issues plus the following:

- a) The way in which a tenant or prospective tenant might appeal or complain about the length of a fixed term tenancy or against a decision not to grant another tenancy on the expiry of the term;
- b) The policy on taking into account the needs of those who were vulnerable;
- c) The advice and assistance that would be given to tenants on finding alternative accommodation in the event that a decision was made not to grant a further tenancy.

Although the Tenancy Strategy did not need to be in place until November 2012, the purpose of the Strategy was to control the way in which Registered Providers (RPs) issued and renewed tenancies. RPs were already able to start using the new shorter tenancies and this use would accelerate as from April 2012. Therefore, if the Council wanted to influence how RPs issued tenancies, then a Tenancy Strategy would need to be adopted as soon as possible and preferably by March 2012. The Council was also required to consult on the policy before it was adopted. Furthermore, whilst there was no timescale imposed on the Council for implementing the Tenancy Policy for new lettings in its own housing stock, the Council could not take advantage of the new shorter tenancies until it had agreed a policy.

Accordingly, Officers had now considered the various issues and the broad principles which Officers believed should form part of the Tenancy Strategy and Policy. The Committee were asked to approve these general principles so that consultation could commence. Once feedback from consultees had been obtained it would then be necessary for the Council to approve a more detailed Tenancy Strategy to the general principles. A further report would, therefore, be brought to the next meeting of the Committee in March 2012.

During the discussion Officers suggested that the Council should consider shorter tenancies as it might help to release much needed affordable housing, but, on the other hand it must be remembered that when these tenancies started to come up for review, staff resources would be needed to assess each one. If a policy of providing an initial probationary tenancy followed by a 10 year tenancy was adopted in 2012, then this could result in around 200 cases a year (the average number of lettings per year) being reviewed by Officers from 2023 onwards. There was also likely to be an increase in void costs as a result of higher turnover. As part of the consultation process, Officers would be consulting with representatives from some of the key equality groups to obtain their views on the broad principles suggested. A full Equality Impact Assessment would need to be undertaken prior to adoption of the final Tenancy Strategy and Policy.

RESOLVED that –**the broad principles for the Tenancy Strategy and Policy set out in the Appendix to the report be approved.**449. AID AND ADAPTATIONS CONTRACT

The Committee's approval was sought for proposals to change the way in which some smaller disabled adaptations were procured.

Historically, the Council had undertaken disabled adaptations to properties in both the private sector and its own Council stock through two very distinct and separate routes. The Private Sector Housing Team managed the Disabled Facilities Grants (DFGs) for the private sector and the Housing Maintenance Team managed the adaptations to RBC tenanted stock.

The nature of these adaptations varied according to need, but the majority could be grouped into simple bathroom adaptations, access alterations (external ramps, etc), stair lifts or major alterations; often involving extending the existing properties.

Under the present approach, any adaptation required other than a stair lift was tendered on an individual basis by both Sections, using a traditional competitive tendering process. With the average project very rarely exceeding £5,000, the tenderers were normally drawn from local lists held by both the individual Sections.

Consequently, Officers believed that there was an opportunity to look at the commonalities between the two teams and, by creating a common procurement approach, it might be possible to utilise the economies of scale that combining the procurement functions could achieve. Some success had already been achieved by adopting the use of the *Pro5* contract to access better rates for stair lifts. Work was also being done on similar arrangements for the procurement of equipment and specialist materials used in bathroom adaptations.

Pro5 was a procurement organisation of some of five established procurement groups. The members were CBC (Central Buying Consortium), ESPO (Eastern Shires Purchasing Organisation), NEPO (North Eastern Purchasing Organisation) WMS (West Mercia Supplies and YPO (York Purchasing Organisation) and all looked to utilise their existing skills in procurement to collaborate on certain opportunities for national based procurement opportunities. Once they had concluded the procurement exercise for a particular product, *Pro5* made them available to Local Authorities, education establishments, and on occasions, the wider public.

The Committee acknowledged that the existing processes of seeking competitive tenders for each project was very demanding on staff time. It also created a degree of uncertainty for the contractors who, through this continuous tendering, had no long or medium term relationship with the Council. This uncertainty thus presented a barrier when the contractor was considering investment for the future, either in terms of human resources or the technological advancements which were being made in this area of operation. This, then, in itself tended to limit the opportunities for continuous improvement.

Thus, Officers were looking to take advantage of restructuring to place the procurement of these works in one section and under a single responsibility. This amalgamation provided an opportunity to create a common procurement approach to simple bathroom and access alterations, speeding up the process, reducing the administration requirements and creating a sustainable environment in which the scheme could be delivered.

The Officers' proposal, therefore, was to establish a number of contractors operating within a framework whereby future projects could be 'called off' using costs that had been previously defined through a tender process.

The tender would be by open invitation and would require the contractor to qualify through the tender process. This would include the normal processes of financial competitiveness, references, health and safety and CRB checks along with the pertinent issues around delivering this type of work. The contractors would be expected to provide prices against a schedule of items. These items would cover the elements required to cover this type of work. Each individual project would then be let through a 'call off' process. The required components for the project would be identified and create a "basket of requirements". This "basket" would then be priced using the costs submitted by those

contractors within the framework. Work would be awarded on the basis of cost, capability, capacity and continuity of service.

Members noted that there were significant legal implications and that there was a capital programme provision for such works to properties in the private sector. With regard to Equality implications these proposed changes were likely to speed the selection of contractor process and possibly reduce costs and so the only impact on disabled residents was positive i.e. providing the adaptations more quickly. No other implications were anticipated. Whilst the arrangement would be in place for three years, there could be no assurances given, however, to the contractors concerning the level of work available within the term due to the demand-driven nature of the work.

RESOLVED that –

- i) the changes proposed for procurement of works associated with Disabled Facilities Grants be noted; and**
- ii) the proposed open tender process be approved.**

450. SURREY TOWERS : CONSULTATION WITH TENANTS – LIFTING THE CURRENT AGE RESTRICTIONS FOR HOUSEHOLDS WITH YOUNG CHILDREN

Approval was requested to lift the current age restriction on allocating flats in Surrey Towers to households with young children.

An age restriction preventing flats in Surrey Towers being allocated to households with children under 16 years of age had been applied continuously since the 1970's. The decision was made mindful of the relative unpopularity of tower blocks for families with children.

There were 97 flats in Surrey Towers. Of these four had been sold, and of the remaining 93 flats, 58 of them were two bedroomed or larger. As a consequence of the allocation policy mentioned above, over 50% of the flats were now under-occupied. The age restriction also meant that it was difficult to allocate the three bedroomed flats to full capacity. Most households requiring three bedrooms tended to have at least one child under 16, and as a consequence, the normal allocation criteria had, on occasions, been relaxed to allow a degree of under occupation. Another outcome of the current policy was that it could be difficult to find a suitable, qualifying household when a larger flat became void and the flats could, therefore, remain empty for a prolonged period.

The Committee was reminded that the Government were proposing changes to Housing Benefit entitlement in the Welfare Reform Bill which might impact on households deemed to be under-occupying their homes. These changes proposed, if they came into effect, that working age tenants under occupying social housing would only be entitled to benefit for a unit of the correct size for their need and therefore they might opt to move to smaller accommodation or make up the shortfall in benefit themselves.

Officers were concerned because as many as twelve households in Surrey Towers might be affected by the proposed changes in benefit rules, and if they were unable to make up the shortfall in benefit, the tenants might press to be moved to smaller accommodation. This would create further vacancies, which under the current policy, might prove difficult to fill, particularly as the Council would no longer be able to allow under occupation as it had done in the past.

A further consideration was the resource that these 58 family sized flats represented. As at 31 December 2011, the housing register had over 3,000 applicants; homeless acceptances had increased significantly, and, the units of temporary accommodation available were very close to being full. The lifting of the age restriction at Surrey Towers would, therefore, enable vacancies to be used for families which would help relieve the pressure both on the register and on the temporary accommodation provision. The lifting of the age restriction might also lead to modest financial betterments, including shorter void periods and a reduction of the use of bed and breakfast accommodation thus avoiding additional costs to the General Fund.

Section 105 of the Housing Act 1985, however, required a landlord authority to consult with secure tenants who "were likely to be substantially affected by a matter of housing management". The reduction of the age restriction was considered to be a change likely to affect residents thus requiring the Council to advise them of the proposal and to give them an opportunity to make their views known. Before making any decision on the matter, the Council would need to consider such

representations made on the proposals. Clearly, as part of the consultation process, an Equality Impact Assessment would need to be undertaken.

During the subsequent discussion, one Member, whilst accepting that Surrey Towers was a resource that could be used to relieve the pressure on both the housing register and provision of temporary accommodation, nonetheless expressed his disquiet with the proposal to lift the age restriction. He believed, based on his personal previous experience with other Local Authorities, that this had the potential to cause nuisance and distress to older residents. His experience suggested that the common parts and lifts could provide a tempting "playground" for younger children much to the distress and inconvenience of older residents. Thus, it had been other Councils' policies to impose an age restriction for families with children living in tower blocks.

The Chairman, drawing upon Officers research in this matter, commented that an age restriction policy in tower blocks was no longer applied in very many cases. Surrey Towers also had a resident caretaker and Officers had recourse to appropriate measures should this prove necessary in cases of nuisance. Mrs Hill confirmed that prior to the forthcoming formal consultation no objection had yet been raised by tenants. Mrs Hill was also prepared to help in the consultation process with residents.

After further discussion, the Committee authorised the lifting of the current age restrictions, subject to (i) the results from consultation with existing residents and (ii) the outcome of an Equalities Impact Assessment to be considered, in detail, by the Director of Housing and Community Services in consultation with the Chairman and the Vice-Chairman prior to implementation of the policy.

RESOLVED that –

- i) the proposal to allow flats in Surrey Towers to be allocated to households with younger children be approved subject to the outcome of the EIA and consultation with residents,; and**
- ii) the Director of Housing and Community Services, in consultation with the Chairman and Vice-Chairman, be authorised to make any amendments to the policy required as a result of the consultation and EIA.**

451. PROPERTY RE-WIRE PROGRAMME : SELECTION OF CONTRACTOR

This Agenda report was submitted in accordance with Standing Order C9.6 which required details of tenders received in excess of £100,000 to be reported to Committee. The shortlist of potential tenderers had been reported at the September 2011 meeting of this Committee.

Members were advised of the procedure which had been subsequently undertaken by Officers to select a contractor for the rewiring and upgrading of the electrical installations in Council properties as part of the Council's continuing programme of ensuring compliance with modern day standards.

Due to the diversity of the housing stock, Officers had devised a performance specification which was then applied to a matrix of property types supported with a schedule of rates. This would provide the necessary cost basis for those properties either requiring complete rewiring or only upgrading.

Five contractors had been invited to tender but only four tenders were returned from:

Clairglow Heating Limited	£313,328.40
Brian Knight Electrical Limited	£411,965.11
Contract Trading Services Limited	£502,544.98
Kincraig Construction Limited	£597,205.20

MESL Group had not returned a tender and a letter of qualification relating to the costs for erection of scaffolding to three storey buildings and above had accompanied Kincraig Construction's tender.

Due to the nature of the tenders received, the following assumptions were made to facilitate the financial analysis.

- Officers had assumed that 200 properties would be the subject of some works, although the contract would not be restricted to a specific number.
- Of the properties requiring works, Officers had assumed that 60% would require a complete rewire, whilst 40% would require the upgrading of specific installations.

In addition to the above, it was recognised that some properties might not require a complete rewire. Tenderers were therefore asked to price a series of items that Officers deemed likely to be most prevalent during the course of any upgrading works. The combination of these selective items was then used to provide an indicative value for the works and the following financial analysis.

In accordance with Standing Order C10, Clairglow Heating Limited which had offered the most financially favourable tender had been appointed to undertake the works. In making this decision, Officers had taken dual regard to the competitiveness of the Clairglow Heating Limited tender and that this contractor was able to deliver at the price quoted. Furthermore Officers recognised that rewiring could be disruptive to tenants and therefore extra care must be taken when dealing with elderly and/or disabled tenants. Clairglow Heating Ltd. had been successful in winning previous contracts with the Council and Officers were therefore satisfied that this contractor understood what was expected when dealing with the Council's more vulnerable residents

The Committee noted that provision for this work had been made both in the HRA Business Plan and the 2011/12 budget.

452. PURCHASE OF SCHEDULE OF RATES DOCUMENTATION

The Officers' report:

- i) sought approval for the purchase of the NHF (National Housing Federation) Schedule of rates;
- ii) advised the Committee of the proposal to change the way the Demand and Void contract would be procured, using the new schedule.

The Council currently procured its housing demand and void services using a bespoke schedule of rates that had been developed some ten years ago. Whilst attempts had been made to ensure the schedule reflected modern day construction requirements with its predefined prices adjusted to be reflective of present day costs, it was now outdated and required extensive overhaul.

The demand contract had traditionally been used to procure the services of small local businesses by trade. Contractors were asked to submit a percentage bid against the fixed rates within the schedule. The use of local firms was held in high regard by tenants and it was not proposed to alter this procurement approach.

The refurbishment of void properties was currently undertaken in a similar way. However, this process could occasionally prove problematic with the Voids Officer having to coordinate various contractors to ensure the end product is delivered. Officers, therefore, intended to seek an alternative procurement method, using one main contractor for void properties.

In most instances, the "key driver" for any change was poor performance, or, the need to improve value for money. In this case, both the demand maintenance and void services remained competitive and were well received by tenants. However, it was becoming increasingly difficult to manage the works using the existing schedule of rates. Over the past decade, both tenants' and the Council's expectations of the housing repair service had changed significantly, along with the use of building materials and the products.

Additionally, there was an increasing need to turn around empty homes as quickly as possible to both minimise rent loss and to maximise the use of Council properties. Although void times had improved for the past two years, changing the procurement approach for voids should help to further improve performance.

Officers reported that the void process had also highlighted weaknesses with the existing schedule of rates where major refurbishments were required. For example, with tenants being offered the option of declining bathroom and kitchen refurbishment, whilst in occupation, staff were finding many elderly tenants choosing not to have work undertaken. Therefore, when the property subsequently became

void, this work was needed, but, the schedule of rates had not been designed to embrace these larger repairs.

Accordingly, Officers proposed to purchase the NHF schedule of rates. The NHF schedule had been originally developed by a group of eight collaborating housing associations who had approached the National Housing Federation for assistance to produce standard documentation. Since then, it had been maintained by a steering group of experienced practitioners to ensure it remained up-to-date and fit for purpose in the ever changing environment in which it was used.

The scheme had approximately 500 organisations using it and over 300 subscribers. The cost of the production of the documentation, which comprised the contract terms and conditions, the schedule of rates, the systems data upload version and support, was shared amongst its members. There was an initial purchase price for the documentation based on the perceived benefit to the organisation, which is deemed to be dependent on its size. With some of these being large housing groups, but Runnymede falling into the lower end of the pricing structure, this made it excellent value for money as RBC would pay significantly less for exactly the same product as larger organisations. In addition to the initial purchase cost of the documentation, there was an annual subscription fee, split amongst subscribers, and priced in the same way as the initial purchase price. So whilst RBC would pay a significantly reduced subscription fee, this Council would receive the same support service.

NHF produced several standard documents, which built on the standard schedule of rates documentation, one of which dealt specifically for voids. This version sought to combine the single items into composites, thus making the ordering of larger works easier. Officers therefore proposed to purchase both documents which would be used in the future tendering processes. The documents had been updated in 2010, and, thus, were relevant to all present requirements.

Once purchased, Officers proposed to use the new schedule and to invite existing contractors to submit percentage bids against the prices within it. Selection of contractors would then follow the existing arrangements, where those submitting the most competitive price were offered work ahead of their competitors.

Standing Orders would normally expect Officers to seek a number of potential tenderers, but only the National Housing Federation could provide Runnymede with their Schedule of Rates. Approval was sought, therefore, to waive Standing Orders in this respect and to purchase the National Housing Federation's schedule accordingly. It was reported that there was sufficient provision for the purchase of the NHF Schedule within the Housing Revenue Account.

The reported costs were:

	Initial purchase	annual subscription
NHF Schedule of Rates.	£3,360.00	£340.00
Voids Schedule of Rates (Model 3)	£1,240.00	£310.00

In addition to the above, there might be a requirement for some assistance in the implementation of the documentation, with a further cost of £1,500.00.

There were no long term commitments required for either the acquisition of the document or its future use. The Council could stop using the product and withdraw from the arrangement at any time. There were no equality issues arising.

Members agreed that the Council's existing, in-house schedule was now no longer fit for purpose and required significant change; staff costs involved in such an exercise would not be insubstantial, and in consequence of these factors the Committee approved the purchase of the National Housing Federation's schedule to replace RBC's own current bespoke schedule of rates.

RESOLVED that –

- i) the changes for proposed procurement of works associated to the Demand and Voids contracts for Housing be noted; and**
- ii) the purchase of NHF Standard and Voids schedule of rates documents be approved, the expenditure to be met from existing HRA budgets.**

453. STANDING ORDER 42 – URGENT ACTION

The action shown below had been taken by the Officer shown below after consultation with the Chairman.

<u>Officer</u>	<u>Action Taken</u>	<u>Central Index No</u>
Director of Housing and Community Services	Works to convert 1 st floor of the Literary Institute into temporary accommodation. This was reported in accordance with Standing Order C10.3 as the tender exceeded the original budget provision by 10%, i.e. £9,861, (this figure, however, includes a contingency figure of £7,500 which may subsequently not be utilised).	754

454. RUNNYMEDE COUNCIL RESIDENTS' ASSOCIATION – CHAIR'S ALLOWANCE

The Committee was asked to approve the continuing payment of an allowance to the Chair of the Runnymede Council Residents' Association (RCRA).

The history of the RCRA was noted. Mrs Jenny Hill had been the Chair of the RCRA since its inception, and had worked tirelessly in promoting residents' views on all matters of Council policy and procedures. As the Chair of the RCRA she –

- i) Attended all meetings of the Housing Committee,
- ii) Organised and attended all meetings of the RCRA,
- iii) Attended the Housing Task Group (a sub-group of the Local Strategic Partnership)
- iv) Was the Chairperson of the Surrey-Wide involvement Group (SWIG) and attended meetings on behalf of RBC residents,
- v) Was the Vice-Chair of the Tenants Committee of the Association of Retained Council Housing;
- vi) Had taken an active role in helping to select contractors for major contracts and staff for key posts,
- vii) Had organised responses to Government consultations aimed at tenants and attended seminars on such issues.
- viii) Had supported other residents groups by providing advice and information.

The Committee was reminded that it had previously agreed, at the January 2010 meeting, that Mrs Hill should be remunerated in the sum of £1,168 per annum (i.e. 50% of a Members' Allowance) and that in future years, the level of payment to the RCRA Chairperson should be reviewed at the January meeting of the Committee in order to tie in with consideration of the annual Revenue Estimates. It was further agreed that the payment should also be reviewed when the Chairperson changed so as to reflect the duties then undertaken by that person. Members also decided that the RCRA Chairperson's travel expenses should also be paid in respect of those travel costs associated with meetings taking place outside the Borough.

At the last review of the Chair's Allowance, in January 2011, the Committee had left the level of remuneration unchanged at £1,168.

Members noted that for many years the Government had encouraged Local Authority landlords to involve their tenants in the delivery of services and the RCRA continued to take a key role in taking this work forward. There was sufficient financial resources available in the Tenant Participation budget within the HRA for this work.

The Chairman commented that the current Chair, Mrs Hill, devoted a large amount of her time in working with Officers to develop and provide opportunities for residents to become involved both in the management of their housing and in making choices over the services provided. This was a significant workload, and there was a continuing need for the present workload and future involvement to be formally recognised by the continued payment of an agreed allowance to Mrs Hill. The Chairman opined that in view of the workload and her commitment, it would be equitable, therefore, to increase the Chair's remuneration from £1168 to £1500 during 2012/13 together with reimbursement of her travel expenses in respect of those travel costs associated with meetings taking place outside the Borough.

The Committee unanimously supported the Chairman's proposals and it was agreed to continue remunerating the Chair of the RCRA and to meet her travel costs associated with those meetings taking place outside the Borough.

It was therefore unanimously -

RESOLVED that –

- i) the continued remuneration to the present Chairman of the RCRA be increased to £1500 per annum, to be met from existing HRA budgets, with review again in January 2013; and**
- ii) the RCRA Chairperson's travel expenses continue to be paid in respect of those travel costs associated with meetings taking place outside the Borough.**

455. BEOMONDS SHELTERED HOUSING SCHEME

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

Officers sought approval to resurrect the proposal to modernise the existing sheltered housing scheme at Beomonds in Chertsey and to move to the next stages of the project. The scheme was one of the Council's older developments, comprising of small bed sitting room flats with shared bathroom facilities. The flats were becoming increasingly more difficult to let as would-be residents expected a higher standard of accommodation in the 21st century.

The Consultants who had been appointed to consider various options had now recommended a programme of works which use the current building and enable each flat to have its own bedroom and bathroom. The scheme would reduce the number of flats provided from 31 to 17 but would bring the units up to much better space standards. Other works would also be undertaken to bring the building up to modern day standards, including increased insulation, roof renewal, installation of CCTV, the provision of a new lift and general refurbishment. It was also proposed to use some of the new units as extra-care housing for frail older persons. In this connection it was also proposed that care staff would be located within the building to support these residents and also others in the neighbouring scheme at Floral House. However, these proposals for extra care were subject to confirmation from SCC that they would fund the care and also approve the revised facilities within the building. Officers would meet with County Officers with a view to getting their consent on the plans. If this was not forthcoming, then the scheme would proceed as an ordinary sheltered housing scheme.

In March 2011, the Committee was mindful of competing demands on the capital budget and that assessment of the impact of the HRA reform was also necessary before embarking on a significant capital scheme such as this. Accordingly, the Committee had decided to postpone the scheme for two years.

However, during the subsequent development of the HRA Business Plan later in 2011, the need to address the issues relating to Beomonds was revisited. Noting that the heating systems and the lift within the current scheme were almost time expired, Officers were concerned that any breakdown would cause significant difficulties for the vulnerable occupants. As the Business Plan had sufficient resources to commence work in 2012/13 they recommended that the work should proceed. The modernisation of the scheme was a matter that would have a significant impact on existing tenants and it was, therefore, necessary to consult with them on this issue and to take into account any representations made before making a final decision. Progress might not be immediate, therefore, as it might take up to two years to decant all of the residents and no work could be undertaken whilst the existing tenants were in place. The first priority would be to find them suitable alternative accommodation. Although the majority of the residents were already aware that the future of the scheme was under review it would be necessary to meet with all tenants to discuss the issues in more detail. Individual visits would then be arranged to discuss individual housing needs whilst at the same time advising them of the entitlement to home loss payments etc. Mrs Hill, Chair of the RCRA, offered to accompany Officers in this respect. If the Committee agreed that the scheme should proceed, then the meeting with residents would be held in late January/early February so that any residents who wished to move early would be helped to do so. Officers also proposed that any properties that become void were not re-let but kept empty.

In anticipation of commencing the work, the Consultants had provided a fee proposal for professional services in the sum of £80,000 which compared most favourably with the reported industry average.

Standing Order C1.5 applied to the procurement of consultancy services which requiring 3 quotes to be obtained for projects where fees were likely to be in excess of £1,000. However, this requirement could be waived were there was justification. This would be the case for this project. The Committee agreed to waive Standing Orders in this respect as Members were satisfied that the retention of the Consultants was merited as they would be working to the outline plans that they had already produced. Subject to Committee approval the consultants would be asked to prepare detailed plans, the planning application and the tender documentation. If there were no unforeseen delays, then it could be possible to produce a tender short list with indicative costs by September 2012.

There were currently 2 members of staff employed within the scheme and it was proposed that they would be temporarily redeployed on other activities during the period of modernisation but would return to the scheme once the work was complete. The staff were being consulted about the proposals

Financial Implications

The Consultants estimated that to complete the reconfiguration of the flats and a general upgrade of the scheme would cost in the region of £1.5 million. This did not include mechanical and electrical items, or the cost of internals and soft furnishings/furniture. The mechanical and electrical costs were estimated at around £200,000.

The HRA Business Plan had been configured on the assumption that this work would commence in 2012/13, and there was adequate provision for this within the Plan. Furthermore, if the work to the scheme did not commence by March 2013, then this provision would remain. The total cost of decanting including Home Loss and Disturbance payments for the 30 residents in the scheme (1 unit currently void) would be £156,000. Accordingly, a supplementary estimate in the sum of £80,000 was requested to pay for the architects and surveyors costs and this expenditure had been included in the HRA Business plan assumptions and the 2012/13 revenue estimates were amended to reflect these costs.

Equality Implications

As residents and staff were likely to be affected by such a major modernisation of the scheme, it would be necessary to undertake a full equalities impact assessment (EIA). This was presented as an appendix to the Agenda report for Members' approval.

During the resulting discussion, the Committee agreed that Beomonds was currently well below present-day standards and was in need of modernisation. There was also a need for extra-care housing in the Borough, and the refurbishment of this scheme might provide an opportunity to enable both aims to be met. The revised HRA Business Plan had provisions within it to enable this modernisation to take place in 2012/13, and the Committee was content to approve the next stages of the project.

RESOLVED that –

- i) a supplementary estimate of £80,000 be approved to pay for architects and surveyors costs to progress the modernisation of Beomonds;**
- ii) Standing Order requirements for 3 estimates be waived;**
- iii) consultation with residents be undertaken to establish any matters that need to be taken into account before the final scheme is approved and to identify the housing needs of existing tenants;**
- iv) arrangements commence for moving any tenants who wish to move early in the process;**
- v) home loss and disturbance payments be made, in line with the statutory provisions, to any residents who are eligible and who move to alternative accommodation; and**
- vi) any vacancies that arise within the scheme be kept unfilled.**

456. LOCALISM ACT – CHOICE BASED LETTINGS

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee was advised of some of the implications of the Localism Act and its implications for the SEARCH Moves partnership.

The Localism Act had now become law, and contained a number of clauses likely to have significant implications for housing. In particular, they would impact on the current arrangements relating to Choice Based Lettings and the Council's membership of the SEARCH Moves partnership with Elmbridge and Spelthorne Councils. The Localism Act gave Local Authorities more freedom in deciding who they should give priority for housing to. The legal requirement to give "reasonable preference" to certain categories of applicant remained, but new Government guidance was awaited on some aspects of allocation. It was anticipated that Councils would be given some local discretion over its own allocations policy.

This was to be welcomed as the Government had made it clear that Registered Providers (RPs) would no longer be able to obtain large grants to assist in building new affordable homes, and funding in future had to be provided by increased rents. These new rents would apply to many homes let by Registered Providers and could be as high as 80% of local market rents. In Elmbridge and Spelthorne all of their social housing was owned by RPs and this new policy would result in some rents doubling. The concern of Runnymede Officers was that the lower rents charged by the Council in Runnymede might prove to be more attractive to potential applicants and that this would place the few vacancies that the Council had under still more pressure.

Runnymede was currently two years into the five year legal agreement it had signed with its SEARCH Moves partners. The current allocations policy had been developed by the five members of the SEARCH Moves partnership, and was an amalgamation of the five individual policies the partners had before the partnership was formed. As the current CBL advertisement system was working well and having given applicants the ability to choose where they lived, Officers believed that it would be a backward step to withdraw this arrangement therefore, recommended that the Council remains in the partnership. Whilst the Council was required to have a fair and transparent policy and process for allocating its homes there was, however, no statutory requirement to operate a CBL system or to have a joint allocation scheme with the other partners. In the light of the provisions of the Localism Act, Members agreed that Runnymede should try to develop and introduce its own allocations policy. It was felt that other members of the SEARCH Moves partnership would be taking similar action in this respect.

RESOLVED that –

Officers be authorised to start negotiations with the other SEARCH Moves partners, with a view to remaining within the partnership, but with a stand-alone allocations policy.

457. EMPTY HOMES INITIATIVES

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee was advised of details of bids being prepared for Government funding to tackle the problem of empty homes within the Borough and across Surrey.

The Coalition Government had published the *Housing Strategy "Laying the Foundations"*. This Strategy outlined a number of tools, approaches and potential resources for tackling empty homes including making funding of over £100 million available from within the 2011-15 Homes and Communities Agency (HCA) Affordable Homes Programme (AHP) to tackle long term empty properties which would otherwise not come back into use without additional financial intervention. The funding was intended to deliver at least 3,300 affordable homes, nationally, by March 2015. A further fund of between £10 and £30 million was being targeted towards "not for profit" community and voluntary groups.

In July 2011, the Borough and District Councils within Surrey had invited expressions of interest from those RPs, who had expertise in this area, in anticipation of the bidding guidance to establish their interest in submitting a bid for the County. A number of replies had been received and these were being followed up with a view to submitting a County-wide bid for the lease and purchase scheme. The deadline for the submission was 23 January 2012.

The second fund of between £10 and £30 million was aimed at "not for profit" community or voluntary groups who did not intend to become Registered Providers. Full details of the bid requirements would be made available when an "intermediary grants giving organisation" had been appointed by the Government. Indications were that this would be in February 2012 with a short deadline for introduction of the scheme in April 2012.

In Runnymede, it was proposed that a voluntary organisation would bid for the second fund. A project group had been initiated by a Guildford based company with a history of undertaking charitable projects. Following discussions with local authorities and various homeless charities a proposal was being prepared to form a Social Enterprise or similar organisation, aimed at bringing empty homes into use. The new organisation would have the objective of *"Improving the quality of life for homeless people, people facing homelessness and those with additional needs."*

Full details of the project would be presented at a future meeting when all of the aspects of the scheme had been worked up.

Empty Homes Work in Runnymede to date and New Homes Bonus

Over the past 18 months, a series of letters and questionnaires had been sent out by the Housing Department to owners of properties that had been empty. As a result, 37 long term empty homes were now available and this figure had been included in the calculation of the New Homes Bonus. A database had also been set up by Officers and further investigative work was being developed in order to target both short term and long-term empty properties in the Borough. Work was continuing to identify solutions to resolve some of the issues involved with the long-term empty properties. There had been local resident interest, also, as a result of the Channel 4 series of programmes about empty properties.

The Committee complimented Officers on their achievement.

Chairman

(The meeting ended at 9.20 pm)